

Finance & Audit Committee

**JEA
FINANCE & AUDIT COMMITTEE AGENDA**

DATE: October 18, 2016
TIME: 10:30 – 11:15 AM
PLACE: 21 W. Church Street
8th Floor

Committee Members will meet on the 8th Floor
Other Board Members may join via conference call by dialing:
904-665-7100

	Responsible Person	Action (A) Info (I)	Total Time
I. OPENING CONSIDERATIONS	Kelly Flanagan		
A. Call to Order			
B. Adoption of Agenda		A	
II. NEW BUSINESS			
A. External Audit Services Contract	John McCarthy	A	20 mins.
B. Announcements	Kelly Flanagan		
1. Next Meeting, December 2016, 9:00 – 10:30 AM			
C. Adjournment			

JEA
BOARD AGENDA

DATE: October 18, 2016

TIME: 12:00 PM

PLACE: JEA
21 West Church Street
19th Floor

I. WELCOME

- A. Call to Order
- B. Time of Reflection
- C. Pledge to Flag
- D. Adoption of the Agenda
- E. Safety Briefing
- F. Sunshine Law/Public Records Statement – Jody Brooks, Chief Legal Officer

II. PUBLIC HEARING

To consider: Modifications to the Electric Tariff Documentation adjusting energy charges based on rate class and the implementation of a new Economic Stimulus Rider.

- A. Call to Order and Comments from the Chair
- B. Staff Presentation and Board Discussion – Melissa Dykes, Chief Financial Officer
- C. Comments from the Public
Comments from the public at this time should only be related to the Public Hearing.
- D. Adjourn Public Hearing

III. ACTION ON PUBLIC HEARING

- A. Public Hearing to Modify the Electric Tariff Documentation Adjusting Energy Charges Based on Rate Class and Implementing an Economic Stimulus Rider – action

IV. PRESENTATIONS AND COMMENTS

- A. Comments from the Public (not related to the public hearing)
- B. Council Liaison's Comments – Greg Anderson
- C. Office of the Mayor Liaison's Comments – Dr. Johnny Gaffney
- D. Nassau County's Ex-Officio Representative's Comments – Mike Mullin

V. FOR BOARD CONSIDERATION

- A. Consent Agenda – The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed during previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.
 - 1. Approval of Board Meeting Minutes September 20, 2016 – action
 - 2. Real Estate Acquisition Status Report – information
 - 3. Monthly JEA Financial Review & Statements – information
 - 4. Monthly JEA Operations Report – information
 - 5. Monthly FY16 Communications & Engagement Calendar and Plan Update – information
- B. Strategic Discussions/Action
 - 1. Fuel Charge Reduction (Part of the Multi-Year Capital Structure Strategy) – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/action
 - 2. Release of Excess Debt Management Strategy Rate Stabilization Funds (Part of the Multi-Year Capital Structure Strategy) – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/action
 - 3. Electric System Debt Parameter Resolutions (Part of the Multi-Year Capital Structure Strategy) – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/action
 - 4. JEA Five-Year Financial Assumptions and Projections FY2017 - FY2021 – Melissa Dykes, Chief Financial Officer – 10 minutes – presentation/information
 - 5. Approval of Resolution: FY2017 Budgetary Transfers – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/action
 - 6. Real Estate Purchase & Sale Agreement for Southside Generating Station (SGS) Property – Update & Second Time Extension Request – Nancy Kilgo, Director, Government Affairs – 10 minutes – presentation/action

- 7. Resolution 2016-19 Increasing Delegated Authority For Managing Director/CEO or CFO to Settle Disputed Claims – Jody Brooks, Chief Legal Officer – 10 minutes – presentation/action
 - 8. Resolution 2016-20 to Request that the City of Jacksonville Amend JEA Charter to Amend the JEA Board Meeting Requirements – Jody Brooks, Chief Legal Officer – 10 minutes – presentation/action
 - 9. Sole Source and Emergency Procurement/Procurement Appeals Board Report – John McCarthy, Director, Supply Chain Management – 5 minutes – presentation/information
 - 10. Monthly Operational and Financial Presentation – Paul McElroy, Managing Director/Chief Executive Officer – 10 minutes – presentation/information
- C. Open Discussion
 - D. Other New Business
 - E. Old Business – none

VI. REPORTS

- A. Finance & Audit Committee Report – Kelly Flanagan, Committee Chair
 - 1. Committee Recommendation Regarding External Audit Services Contract
- B. Managing Director/CEO’s Report
- C. Chair’s Report

VII. CLOSING CONSIDERATIONS

- A. Announcements – Next Board Meeting – November 15, 2016
- B. Adjournment

Board Calendar	
Board Meeting:	12:00 PM – Third Tuesday of Every Month
<u>Committees</u>	
Finance & Audit Committee:	Today, October 18, 2016 – 10:30 AM December 2016 – TBD
Compensation Committee:	November 8, 2016 – 11:00 AM
Government Affairs Committee:	December 13, 2016 – 10:30 AM

A. If you have a disability that requires reasonable accommodations to participate in the above meeting, please call **665-7550** by **8:30 AM** the day before the meeting and we will provide reasonable assistance for you.

B. If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

I. F.
Sunshine Law/Public Records Statement

Return to
Agenda

Florida's Government in the Sunshine Law
Office of General Counsel

This meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011, Florida Statutes, and shall be open to the public at all times. Official acts of the JEA Board may be conducted at this meeting that will be considered binding on the JEA. Reasonable notice has been provided and minutes of this meeting shall be taken and promptly recorded.

III. A.

Public Hearing to Modify the Electric Tariff Documentation



Building Community

AGENDA ITEM SUMMARY

September 30, 2016

SUBJECT:	PUBLIC HEARING TO MODIFY THE ELECTRIC TARIFF DOCUMENTATION
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: JEA has an ongoing plan to review, update, and where possible, expand its rate options, to provide customers more rate choices for their utility services.

Significance:

SEE ATTACHED

Effect:

MEMORANDUM FOR

Cost or Benefit:

DETAILS

Recommended Board action: Staff recommends, pending the outcome of the public rate hearing, that the Board adopt the attached Resolution 2016-15 and its attachments (see Exhibits I through III) prepared by staff and approved by the Chief Legal Officer, to document the action taken.

For additional information, contact: Melissa Dykes

Submitted by: PEM/ MHD/ RFW

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES • Safety • Service • Growth? • Accountability • Integrity
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Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

September 30, 2016

SUBJECT: PUBLIC HEARING TO MODIFY THE ELECTRIC TARIFF
DOCUMENTATION

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA continues to review, update, and where possible, expand its rate options to provide customers more choices for their utility services. JEA staff recently conducted a cost of service analysis of current electric rates, which has been audited by Black and Veatch. In conjunction with the cost of service study, JEA staff has evaluated the current capital structure and is proposing a five year financial plan that addresses rate stability for customers, cash reserves, debt structure, and capital requirements. Additionally, to support economic development in the region, JEA is recommending a new economic development option for new customers coming to JEA's service territory.

DISCUSSION:

- A. **Electric Rate Restructuring** – Staff is proposing to restructure electricity charges to better align with cost of service. The proposed action will:
- Adjust energy charges based on rate class
 - Lower overall bills for residential and commercial customers when coupled with a fuel charge decrease
 - Keep base rates stable with no forecasted increases for the next five years
 - Pay down \$190 million of debt early
 - Ensure utility rates continue to be based on cost to provide service
 - Position balance sheet ahead of significant coming environmental regulations

By restructuring today, aligning rates with the cost of service, and paying down debt early, JEA can save customers more than \$100 million over 8 years and eliminate the need for future rate increases within this five year planning period.

- B. **Economic Development Offering** – Staff is proposing to implement an Economic Stimulus Rider, designed to provide a financial incentive for new commercial or industrial customers to locate within the JEA service area. This rate rider would allow JEA to negotiate rates in certain controlled circumstances, given the following:
- Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) to the effect that, but for the application of the rider, the new load would not be served by JEA
 - Documentation demonstrating to JEA's satisfaction that there is a viable lower cost alternative to the customers taking electric service from JEA

Staff has submitted all Electric Tariff Documentation changes to the Florida Public Service Commission.

RECOMMENDATION:

Staff recommends, pending the outcome of the public rate hearing, that the Board adopt the attached Resolution 2016-15 and its attachments (see Exhibits I through III) prepared by staff and approved by the Chief Legal Officer, to document the action taken.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/RFW

RESOLUTION 2016-15

A RESOLUTION REGARDING RATE SCHEDULE CHANGES AND ADDITIONS TO THE EXISTING ELECTRIC TARIFF DOCUMENTATION; CONDUCTING A PUBLIC HEARING AND FINDING THE MODIFICATIONS OF THE TARIFF DOCUMENTATION TO BE REASONABLE; IMPOSING THESE MODIFICATIONS FOLLOWING THE PUBLIC HEARING; PROVIDING FOR THE IMPLEMENTATION OF THESE MODIFICATIONS, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, JEA, pursuant to duly published notice, a copy of which is attached hereto as **Exhibit I**, held a public hearing to consider changes to the existing Electric Tariff Documentation to restructure energy rates for various rate classes, create an Economic Stimulus Rider; and

WHEREAS, at that public hearing JEA presented statements and documentation which demonstrated a modification of existing Electric Tariff Documentation; and

WHEREAS, rate matters addressed at the public hearing were: restructuring energy rates for various rate classes and creating an Economic Stimulus Rider; and

WHEREAS, any public testimony which was presented at the Public Hearing was considered; and

WHEREAS, JEA has heard all presentations, reviewed all documentation and is fully advised of the premises; now therefore:

BE IT RESOLVED by JEA:

1. Modifications of the JEA Electric Tariff Documentation restructuring energy rates for various rate classes, a copy of which is attached hereto as **Exhibit II**, and incorporated herein by

reference, are hereby found to be reasonable, and accordingly are adopted effective December 1, 2016.

2. Modifications of the JEA Electric Tariff Documentation creating a new Economic Stimulus Rider, copies of which are attached hereto as **Exhibit III**, and incorporated herein by reference, are hereby found to be reasonable, and accordingly are adopted effective December 1, 2016.
3. Staff is authorized to take any necessary administrative actions to implement the approved JEA Electric Tariff Documentation modifications.
4. This Resolution shall be effective immediately upon passage by the Board.

Dated this 18th day of October, 2016.

JEA

By: _____
Tom Petway, Chair

Form Approved:

By: 
Office of General Counsel

Notice of Public Hearing



JEA continues to review, update, and where possible, expand its rate options to provide customers more choices for their utility services. The following actions, if approved, could result in bill changes and modifications to bring rates more in line with costs to serve and best practices. In addition, at the October 18th Board meeting, but not part of the Public Hearing, the JEA Board will consider a reduction in the Fuel Charge. If these recommendations are approved, all residential and commercial customer bills will see a reduction in the electric portion of their bill for the same amount of electric consumption.

JEA will conduct a public hearing at 12:00 p.m., or as soon thereafter as the matter may be heard, on Tuesday, October 18, 2016 at the JEA Tower, 21 West Church St., Jacksonville, Florida 32202, to consider the following:

- A. Modification of the Electric Tariff Documentation restructuring base energy rates based on rate class; and
- B. Modification of the Electric Tariff Documentation creating an Economic Stimulus Rider to incentivize new commercial or industrial customers to locate within the JEA service area.

The public is invited to be present and heard. If any person with a disability requires reasonable accommodations to participate in the above hearing, please call (904) 665-7550 no later than three (3) days before the meeting.

If a person decides to appeal any decisions made by JEA with respect to any matter considered at the proceedings, for the purpose of such appeal, that person will need a record of the proceedings and for such purpose, that person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Tom Petway
Chair

Form Approved:

A handwritten signature in blue ink that reads 'Jody L. Brooks'. The signature is written in a cursive style and is positioned above a horizontal line.

Assistant General Counsel

EXHIBIT I

JEA

Twenty-~~Forth~~ Revised Sheet No. 6.0
Canceling Twenty-~~Third~~ Revised Sheet No. 6.0

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RS
Revenue Code RES10

RATE SCHEDULE RS

RESIDENTIAL SERVICE

<u>Available</u>	In all territory served by JEA.
<u>Applicable</u>	To any residential customer in a single family individual house, apartment or mobile home for domestic, non-commercial purposes. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rate schedule is not permitted.
<u>Character of Service</u>	JEA's standard voltage levels.
<u>Rate Per Month</u>	\$5.50 Basic Monthly Charge, plus 6.988 cent per kWh plus applicable Fuel, Environmental, and Conservation Charges
<u>Fuel Charge</u>	As stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0)
<u>Environmental Charge</u>	As stated in the Environmental charge (Sheet No. 5.1)
<u>Minimum Bill</u>	\$5.50 per month Basic Monthly Charge.
<u>Term and Conditions</u>	(a) Service hereunder shall be subject to the Rules and Regulations of JEA (b) Conservation charge is a charge of 1.0 cent per kWh for all consumption above 2,750 kWh.

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RYAN WANNEMACHER, DIRECTOR
FINANCIAL PLANNING, BUDGETS, AND RATES

Effective ~~December 1, 2016~~

Deleted: October 1, 2015

JEA

Twenty-~~Fourth~~ Revised Sheet No.8.0
Canceling Twenty-~~Second~~ Revised Sheet No. 8.0

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GS
Revenue Codes COM20

RATE SCHEDULE GS

GENERAL SERVICE

<u>Available</u>	In all territory served by JEA.
<u>Applicable</u>	To any customer whose service is not provided by any other rate schedule, for all electrical requirements at a single location. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rate schedule is not permitted.
<u>Character of Service</u>	JEA's standard voltage levels.
<u>Rate Per Month</u>	\$9.25 Basic Monthly Charge, plus 6.447 cent per kWh plus applicable Fuel and Environmental Charges
<u>Fuel Charge</u>	As stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0)
<u>Environmental Charge</u>	As stated in the Environmental Charge (Sheet No. 5.1)
<u>Minimum Bill</u>	\$9.25 per month Basic Monthly Charge.
<u>Fluctuating Load Charge</u>	Customers taking service under this rate having equipment which creates a highly fluctuating or large instantaneous demand such as welders, X-rays, etc., shall pay an additional charge per month of \$0.50 per kVA of rating of such equipment unless the customer installs necessary corrective equipment.

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(Continued to Sheet No. 8.1)

RYAN WANNEMACHER, DIRECTOR
FINANCIAL PLANNING, BUDGETS, AND RATES

Effective ~~December 1, 2016~~

Deleted: October 1, 2015

JEA

Twenty-~~Second~~ Revised Sheet No. 8.2
Canceling ~~Twenty-First~~ Revised Sheet No. 8.2

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GST
Revenue Code COM23TOD

RATE SCHEDULE GST

GENERAL SERVICE TIME OF DAY
(OPTIONAL)

Available

In all territory served by JEA.

Applicable

To any customer whose service is not provided by any other rate schedule, for all electrical requirements at a single location. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rate schedule is not permitted.

Character of Service

JEA's standard voltage levels.

Rate Per Month

\$21.00 Basic Monthly Charge, plus
~~12.185~~ cent per kWh during On-Peak hours
~~3.888~~ cent per kWh during Off-Peak hours
plus applicable Fuel and Environmental Charges

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Definition of Billing Periods

On-Peak periods shall be defined as follows:

6 a.m.-10 a.m. - November through March; weekdays only
6 p.m.-10 p.m. - November through March; weekdays only

12 Noon-9 p.m. - April through October; weekdays only

All other periods shall be defined as Off-Peak, including weekends, New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Christmas Day.

Fuel Charge

As stated in the Fuel and Purchased Power Cost Recovery Policy (Sheet No. 5.0)

Environmental Charge

As stated in the Environmental Charge (Sheet No. 5.1)

(Continued to Sheet No. 8.3)

RYAN WANNEMACHER, DIRECTOR
FINANCIAL PLANNING, BUDGETS, AND RATES

Effective ~~December 1, 2016~~

Deleted: October 1, 2015

JEA

Canceling ~~Fifteenth~~ Revised Sheet No. 12.1
~~Fourteenth~~ Revised Sheet No. 12.1

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(Continued from Sheet 12.0)

Excess Reactive Demand Charge: \$6.58 for all Excess Reactive Demand as defined below

Energy Charge:

For the first 300 kWh per kW of Ratcheted Demand: ~~1.250~~ cent per kWh

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For the next 65 kWh per kW of Ratcheted Demand: ~~1.157~~ cent per kWh

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For all energy above 365 kWh per kW of Ratcheted Demand: ~~1.056~~ cent per kWh

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Peaking Price: ~~22.700~~ cents per kWh plus applicable Fuel Charge

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Customers will be notified no later than 4:00 p.m. Eastern Time of the time periods "peaking price" will be in effect for the following day.

Fuel Charge: As stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0)

Environmental Charge: As stated in the Environmental Charge (Sheet No. 5.1)

Transmission Service Discount: A discount of \$1.93 per kW of Billing Demand and 0.25 cent per kWh will be allowed for service taken at 69,000 volts or higher, but less than 230,000 volts, when the customer provides all of the equipment required to take service at JEA's existing transmission lines. A discount of \$2.56 per kW of Billing Demand and 0.32 cent per kWh will be allowed for service taken at 230,000 volts or higher.

Minimum Bill: The dollar amount of the minimum bill shall be specified in the Service Agreement.

Definition of Billing Demand: The maximum integrated 15-minute metered kW demand in the billing period unless otherwise specified in the Service Agreement. In no event shall Billing Demand be less than 50,000 kW.

Definition of Ratcheted Demand: The greater of the Billing Demand in the current month or the highest Billing Demand occurring in the previous eleven months.

Determination of Reactive Demand: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 5.1).

Application of Peaking Price: JEA will activate the Peaking Price when JEA's marginal price meets or exceeds JEA's Combustion Turbine Price as listed in JEA's Schedule A interchange report.

(Continued on Sheet 12.2)

RYAN WANNEMACHER, DIRECTOR
FINANCIAL PLANNING, BUDGETS, AND RATES

Effective ~~December 1, 2016~~

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JEA

Seventeenth Revised Sheet No. 16.20
Canceling Sixteenth Revised Sheet No. 16.20

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RIDER GSXLD
GENERAL SERVICE EXTRA LARGE DEMAND

Available In all territory served by JEA.

Applicable To any customers who have executed a ten (10) year General Service Extra Large Demand Electric Service Agreement with JEA and whose existing account is no less than 25,000 kW demand or whose existing multiple accounts in aggregate are no less than 25,000 kW demand. Resale of energy purchased under this rider/rate schedule is not permitted.

Character of Service JEA's standard voltage levels.

Rate Per Month For customers executing an General Service Extra Large Demand Electric Service Agreement the charges per month listed below will apply to the customer's respective accounts unless the customer elects to totalize. Combined accounts under contract will be subject to the rates listed under the heading "Rates per Month for Combined Accounts".

Rates for Contracted Accounts under Rate Schedules GS, GSD and GSLD:

	<u>GSXLD-GS</u>	<u>GSXLD-GSD</u>	<u>GSXLD-GSLD</u>
Basic Monthly Charge	\$9.25	\$85.00	\$335.00
Demand Charge per kW	Not Applicable	\$6.98	\$10.06
Energy Charge per kWh	5.150 cent	2.356 cent	1.622 cent
Fuel Charge	See Sheet No. 5.0	See Sheet No. 5.0	See Sheet No.5.0
Energy Only Charge per kWh	Not Applicable	6.341 cent	Not Applicable
Excess kVar Charge per Excess kVar	Not Applicable	Not Applicable	Per Sheet 5.1
Environmental charge	See Sheet No. 5.1	See Sheet No. 5.1	See Sheet No.5.1

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(Continued to Sheet No. 16.21)

RYAN WANNEMACHER, DIRECTOR
FINANCIAL PLANNING, BUDGETS, AND RATES

Effective December 1, 2016

Deleted: October 1, 2015

JEA

~~Fourteenth~~ Revised Sheet No. 16.41
Canceling ~~Thirteenth~~ Revised Sheet No. 16.41

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(Continued from Sheet No. 16.40)
The customer may elect either of the following two price options:

Option A - Single Price with Peaking Price Rolled- In:

Demand Charge: \$6.58 per kW for all kW of Billing Demand.

Energy Charge: ~~2.600~~ cent per kWh plus applicable Fuel and Environmental Charges

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Option B - Peak Price Separately Listed:

Demand Charge: \$6.58 per kW for all kW of Billing Demand.

Energy Charge: ~~1.924~~ cent per kWh plus applicable Fuel and Environmental Charges

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Peaking Price: ~~22.700~~ cent per kWh plus applicable Fuel Charge

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Every day customers will be notified electronically by 4:00 p.m. Eastern Time of the time periods the "peaking price" will be in effect for the following day. Customers are required to notify JEA by 5:00 p.m. Eastern Time on the day of scheduled communication if the prices are not received.

Excess Reactive Demand Charge:

As stated in the Reactive Demand (KVAR) policy (Sheet 5.1).

Fuel Charge

As stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0).

Environmental Charge

As stated in the Environmental Charge (Sheet No. 5.1)

Minimum Bill

\$770.00 Basic Monthly Charge, plus any special service charges as defined in the agreement.

Determination of Billing Demand

The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, as may be adjusted per sheet No. 5.1.

Definition of Average Load Factor

Average load factor = $\frac{12\text{-month average consumption (kWh)}}{12\text{-month average demand (kW)} \times 730 \text{ (hrs/month)}}$

Definition of Interruptible Service

Interruptible Service is electric service that can be interrupted either automatically or manually at the discretion of JEA.

Definition of Peaking Price

JEA will activate the Peaking Price when JEA's marginal price meets or exceeds JEA's Combustion Turbine Price as listed in JEA's monthly Schedule A interchange report.

(Continued to Sheet No. 16.42)

RYAN WANNEMACHER, DIRECTOR
FINANCIAL PLANNING, BUDGETS, AND RATES

Effective ~~December 1, 2016~~

Deleted: October 1, 2015

JEA

Canceling ~~Fourteenth~~ Revised Sheet No. 16.51
~~Thirteenth~~ Revised Sheet No. 16.51

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(Continued from Sheet No. 16.50)

The customer may elect either of the following two price options:

Option A - Single Price with Peaking Price Rolled- In:

Demand Charge: \$9.27 per kW for all kW of Billing Demand.

Energy Charge: ~~2.513~~ cent per kWh plus applicable Fuel and Environmental Charges

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Option B - Peaking Price Separately Listed:

Demand Charge: \$9.27 per kW for all kW of Billing Demand.

Energy Charge: ~~1.821~~ cent per kWh plus applicable Fuel and Environmental Charges

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Peaking Price: ~~22.700~~ cent per kWh plus applicable Fuel Charge

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Every day customers will be notified electronically by 4:00 p.m. Eastern Time of the time periods the "peaking price" will be in effect for the following day. Customers are required to notify JEA by 5:00 p.m. Eastern Time on the day of scheduled communication if the prices are not received.

Excess Reactive Demand Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 5.1)

Fuel Charge As stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0).

Environmental Charge As stated in the Environmental Charge (Sheet No. 5.1)

Minimum Bill \$735.00 Basic Monthly Charge, plus any special charges as defined in the agreement.

Definition of Billing Demand The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, as may be adjusted per sheet No. 5.1.

Definition of Curtailable Service Curtailable Service is the electric service that can be reduced or interrupted upon request of JEA but solely at the discretion of the customer.

Definition of Contracted Non-Curtailable Demand The Contracted Non-Curtailable Demand for the month shall be the maximum integrated 15-minute metered kW demand that the Customer shall have requested and JEA shall have agreed to supply.

(Continued to Sheet No. 16.52)

RYAN WANNEMACHER, DIRECTOR
FINANCIAL PLANNING, BUDGETS, AND RATES

Effective ~~December 1, 2016~~

Deleted: October 1, 2015

JEA

Canceling ~~Nineteenth~~ Revised Sheet No. 18.0
~~Twentieth~~ Revised Sheet No. 18.0

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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)

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Revenue Codes TRAF98-TRAF99 . . . RATE SCHEDULE OS¶

UNMETERED MISCELLANEOUS SERVICE FOR TRAFFIC SIGNALIZATION ¶ AND OTHER USES¶

Available . . . In all territory served by JEA¶

Applicable . . . To any customer whose service is not provided by any other rate schedule, for his entire electric requirements at a single location. Consumption hereunder will be calculated based upon electric rating of component(s). Resale of energy purchased under this rate schedule is not permitted. Rate Code TRAF98 hereunder shall be applicable to unmetered traffic signalization installations.¶

Character of¶

Service . . . Single-phase 60 Hertz, at 120/208 volts: other voltages as required and if available.¶

Rate¶

Per Month . . . Rate Code TRAF98 - \$1.40 Facilities Charge per installation, plus 2.988 cent per calculated KWH¶

Rate Code TRAF99 - \$5.75 Facilities Charge per installation, plus 2.988 cent per calculated KWH¶

To both codes shall be added the applicable Fuel and Environmental Charges and any other adjustment.¶

Fuel Charge . . . As stated in the Fuel and Purchased Power Cost Recovery Charge Policy (Sheet No. 5.0).¶

Environmental Charge . . . As stated in the Environmental Charge (Sheet No. 5.1)¶

Minimum Bill . . . The Facilities Charge plus applicable energy charge including . . . adjustments.¶

Terms and¶

Conditions . . . (a) . . . All procurement, erection, operation and maintenance expenses . . . for installations served under this rate schedule shall be the . . . responsibility of the owner thereof.¶

(Continued to Sheet No. 18.1)¶

Deleted: October 1, 2015

RYAN WANNEMACHER, DIRECTOR
FINANCIAL PLANNING, BUDGETS, AND RATES

Effective December 1, 2016

JEA

~~Thirteenth~~ Revised Sheet No. 18.1
Canceling ~~Twelfth~~ Revised Sheet No. 18.1

Deleted: Twelfth

Deleted: Eleventh

(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.

Moved down [3]: (Continued from Sheet No. 18.0)

¶
¶
... (b) ... Service will be available under this rate schedule upon the execution of a service agreement or upon application for service accompanied by payment of deposit or bond as required by the JEA.¶

¶
... (c) ... Customers will be placed on this rate schedule initially on the basis of calculated load. Thereafter, should the character of service be materially changed, such customer will be reclassified to the then applicable rate schedule and billed thereon commencing with such billing month.¶

¶
... (d) ... Service hereunder shall be subject to the Rules and Regulations of JEA.¶

Deleted: October 1, 2015

RYAN WANNEMACHER, DIRECTOR
FINANCIAL PLANNING, BUDGETS, AND RATES

Effective December 1, 2016

V. A. 1.

Approval of Board Meeting Minutes September 20, 2016

The JEA Board met in regular session on Tuesday, September 20, 2016, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Kelly Flanagan, Delores Kesler, Ed Burr, Warren Jones, Husein Cumber and Alan Howard.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 12:01 PM by Chair Petway.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Chair Petway.
- D. **Adoption of Agenda** – The agenda was approved on **motion** by Secretary Kesler and second by Mr. Howard.
- E. The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida’s Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Presentations and Comments

- A. **Comments from the Public**
 - 1. William D. Brinton, Jacksonville, FL 32205, addressed the Board regarding undergrounding of overhead utilities.
 - 2. Ellen A. Whitmer, St. Johns, FL 32259-2879 addressed the Board regarding the base rate charges.
- B. **Council Liaison’s Comments** – Mr. Anderson thanked the Chair and JEA staff for presenting before the Rules Committee on Board Governance. He advised that the city budget has been tentatively approved and is expected to receive formal approval on September 27, 2016. Mr. Anderson has also proposed Resolution 2016-615 before the City Council, which congratulates JEA for its results on the J.D. Power Electric Utility Business Customer Satisfaction Study and commends JEA Chief Financial Officer, Melissa Dykes on being named as one of the Jacksonville Business Journal’s Ultimate Financial Officers for 2016.
- C. **Office of the Mayor Liaison’s Comment** – Dr. Gaffney commended JEA and the Board for the recent presentation before the Rules Committee and advised that the Committee is reviewing Board Governance for all City Boards and Commissions to ensure best practices.
- D. **Nassau County’s Ex-Officio Representative – Mike Mullin** – was not present
- E. **Hurricane Hermine – Melissa Dykes, Chief Financial Officer; Mike Brost, Vice President/General Manager Electric Systems; Paul Cosgrave, Chief Information Officer and Monica Whiting, Chief Customer Officer**, presented information on JEA’s response to Hurricane Hermine. Ms. Dykes presented a letter received from the Northeast Florida Regional Council recognizing JEA’s long-term relationship with the organization and JEA’s preparedness for emergency situations. Mr. Brost, Ms. Whiting

and Mr. Cosgrave provided details of JEA's response to Hurricane Hermine, the number of customers serviced, the method of service and the technology utilized.

Agenda Item III – For Board Consideration

- A. Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Vice-Chair Burr and second by Mr. Cumber, items 1 and 2 on the Consent Agenda were unanimously approved and items 3 through 5 were received for information.
1. Approval of Board Meeting Minutes August 16, 2016 – approved
 2. Approval of Board Meeting Minutes July 19, 2016 – approved
 3. Monthly JEA Financial Review & Statements – received for information
 4. Monthly JEA Operations Report – received for information
 5. Monthly FY16 Communications & Engagement Calendar and Plan Update – received for information
- B. Strategic Discussions/Action**
1. Recommendation to Call a Public Hearing to Modify the Electric Tariff Documentation – Melissa Dykes, Chief Financial Officer, provided information on staff's proposal to align rates with the cost of services, decrease the fuel rate to align with fuel cost and financially prepare the utility for the future. The recommendations of staff would immediately lower electric bills for all customers and create stability for customer bills in the future. The proposal also includes early debt retirement and a new Economic Development Plan. On **motion** by Vice-Chair Burr and second by Secretary Kesler, the call for a public hearing at the October 18, 2016 Board Meeting was unanimously approved.
 2. Monthly Operational and Financial Review – Melissa Dykes, Chief Financial Officer, presented the monthly review of JEA's operational and financial metrics for electric and water/wastewater services. Ms. Dykes also shared that there were no material changes in customer satisfaction. This item was presented for information.
- C. Open Discussion**
1. Mr. Jones commented on the media story sharing JEA's explanation on water supply and quality. Mr. Jones indicated his appreciation for Mr. McElroy's comments on JEA's testing process to ensure water quality.
 2. Vice-Chair Burr recognized Secretary Kesler's birthday.
- D. Other New Business** – none
- E. Old Business** – none

Agenda Item IV – Reports

A. Managing Director/CEO's Report

Mr. McElroy presented the following items during his report:

1. North Florida Transportation Planning Organization (TPO) U. S. Department of Energy(DOE) Clean Cities Certificate acknowledging JEA as a leader in reducing the nation's dependence on imported oil.

- 2. The Northeast Florida Regional Council letter, which provided an unsolicited evaluation of JEA’s Emergency Operations Center (EOC).
 - 3. The St. Johns River Water Management District (SJRWMD) has provided a draft plan for Florida’s water supply use. The draft plan is a balanced plan.
 - 4. JEA’s reclaimed water report was submitted, which is due every 5 years. JEA needs to continue to work on the Buckman location and has been asked to do more in the use of reclaimed water.
 - 5. The recent water outage in Nocatee affected 5,000 customers and was the result of a pipe burst, which resulted in a boiled water alert. The pipe was installed 12-14 years ago and was a lower quality pipe than what JEA uses today. Mr. McElroy stated that at no time was public health an issue and the boiled water advisory was strictly a precaution.
 - 6. Mr. McElroy presented that the mayor recognized the JEA linemen and troubleshooters for their work during Hurricane Hermine.
 - 7. JEA will be working with the mayor to provide combined resources during emergencies.
- B. Chair’s Report** – The Chair reported on the resounding victory of the recent referendum on the pension. Mr. Petway indicated that there is important work left to do with the unions. The Chair indicated that the New York rating agency meetings are approaching and work is being done to make it successful. Mr. Petway invited Board Members to tour JEA facilities. Arrangements can be made through Mr. McElroy.

Agenda Item V – Closing Considerations

- A. Announcements** – Next Board Meeting – October 18, 2016
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 1:21 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock
Executive Assistant

V. A. 2.
Real Estate Acquisition Status Report



AGENDA ITEM SUMMARY

September 27, 2016

SUBJECT:	REAL ESTATE ACQUISITION STATUS REPORT
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Provide the JEA Board with an update of Real Estate activities where use of Condemnation Authority has previously been granted. Since there is no new condemnation activity at this time, this report is placed within the consent agenda.

Significance: Timely acquisition of property rights provides for continued service reliability.

Effect: Property owners whose real property is impacted by specific JEA work.

Cost or Benefit: The cost to acquire property rights is a one-time fee supported by certified appraisals with appropriate legal and other fees and expenses.

Recommended Board action: No action required. The Real Estate Acquisition Status Report is for informational purposes only.

For additional information, contact: Hamid Zahir, 665-6068

Submitted by: PEM/MHD/HAZ/DLB

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES <ul style="list-style-type: none">• Safety• Service• Growth?• Accountability• Integrity
---	--	--

Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

September 27, 2016

SUBJECT: REAL ESTATE ACQUISITION STATUS REPORT

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The JEA Board of Directors periodically grants the use of Condemnation Authority for specific work which is critical to JEA's operations. This authority provides for property rights to be acquired in a timely manner which ensures continued service reliability. Every effort is made to negotiate a settlement before proceeding with this action.

DISCUSSION:

The Real Estate Acquisition Status Report is submitted to the Board quarterly, and is intended to provide the Board with an overview of activities for which Condemnation Authority has been granted.

RECOMMENDATION:

No action is required. The Real Estate Acquisition Status Report is for informational purposes only.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/HAZ/DLB

Return to
Agenda

V. A. 3.
Monthly JEA Financial Review

Return to
Agenda

V. A. 3.

Monthly JEA Financial Review & Statements

Will be provided in a supplemental package later in the week.

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Agenda](#)

V. A. 4.
Monthly JEA Operations Report

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Agenda

V. A. 4.
Monthly JEA Operations Report

Will be provided in a supplemental package later in the week.

[Return to
Agenda](#)

V. A. 5.

Monthly FY16 Communications & Engagement Calendar and
Plan Update

JEA Community Engagement Calendar - September - November 2016

(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E	F
1	Date	Event/Activity	Location	Time	Type	Opportunity for Public to Attend or Participate
2	Sep-16					
3	9/7/2016	I&C Tour	Brandy Branch Tour	8am	Ambassador Facility Tour	No
4	9/8/2016	Dignity You Wear	136 Myrtle Ave. North	9am	Volunteer Project	No
5	9/8/2016	Greenscape Bd Meeting	1478 Hendricks Ave.	10am	Ambassador Speaker	No
6	9/9 & 16/2016	Catty Shack Ranch Wildlife Sanctuary	1860 Starratt Rd	10am	Volunteer Project	No
7	9/9/2016	Environmental Symposium	UNF Alumni Center	9am	Ambassador Event	Yes
8	9/10/2016	Pollution Solutions	MOSH	10am - 4pm	Ambassador Event	Yes
9	9/12/2016	JEA Power Pals Kick Off	Rufus E Payne Elem.	1:45pm	Ambassador Instructor	No
10	9/12, 13, 15, 20, 23/2016	NE Florida Food Bank	1116 Edgewood Ave.	8:30am	Volunteer Project	Yes
11	9/12 & 26/2016	Clara White Mission	613 W Ashley St	8am	Volunteer Project	Yes
12	9/13/2016	Rotary Club	River City Brewing Co.	12pm	Ambassador Speaker	No
13	9/13/2016	Employee Tour	Brandy Branch	9am	Ambassador Facility Tour	No
14	9/13/2016	Employee Tour	SOCC Tour	9am	Ambassador Facility Tour	No
15	9/14/2016	DCPS Green Team Kick-Off	1701 Prudential Dr	10am	Ambassador Speaker	Yes
16	9/15/2016	Aging True at Cathedral Terrace	701 N Ocean St	11am	Volunteer Project	Yes
17	9/15/2016	Employee Tour	Cedar Bay Plant	9am	Ambassador Facility Tour	No
18	9/15/2016	City Rescue Mission	234 State St	9am	Volunteer Assignments	Yes
19	9/16/2016	Brooks Rehab Emergency Preparedness Expo	Marriott Sawgrass	10am - 12pm	Ambassador Speaker	Yes
20	9/16/2016	Brooks Rehab Emergency Preparedness Expo	Marriott Sawgrass	12pm - 2pm	Ambassador Event	Yes
21	9/16/2016	PEV National Drive Week	North Florida TPO Office	10am	Ambassador Event	Yes
22	9/17/2016	4th Annual R W McKissick Sr. Health & Fitness Fair	Bethel Baptist Church	9am - 1pm	Ambassador Event	Yes
23	9/19/2016	JEA Power Pals	Rufus E Payne Elem.	1:45pm	Ambassador Instructor	No
24	9/22/2016	Project Accounting Group	Main St Lab	10am	Ambassador Facility Tour	No
25	9/23/2016	Caregivers for Veterans	WJCT Studios	9am - 3pm	Ambassador Events	Yes
26	9/23/2016	JEA Power Pals	RV Daniels Elem	12pm	Ambassador Instructor	No

JEA Community Engagement Calendar - September - November 2016

(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E	F
27	9/23/2016	JEA Employees	SOCC Tour	10am	Ambassador Facility Tour	No
28	9/24/2016	Employee Tour	SJRPP Tour	9am	Ambassador Facility Tour	No
29	9/24/2016	Dragon Boat Festival	Metropolitan Park	8:30am	Volunteer Assignments	Yes
30	9/26/2016	SE CPAC	NEFAR	6pm	Ambassador Speaker	Yes
31	9/26/2016	JEA Power Pals Program	Rufus E Payne Elem.	1:45pm	Ambassador Instructor	No
32	9/27/2016	JFRD Springfield	Chiller Plant Tour	10am	Ambassador Facility Tour	No
33	9/27/2016	JEA New CCC Hire Group	CWCS Tour	1pm	Ambassador Facility Tour	No
34	9/27/2016	JEA Employees	SJRPP Tour	10am	Ambassador Facility Tour	No
35	9/27/2016	City Year	Bay St	3pm	Ambassador Speaker	Yes
36	9/29 - 10/2/2016	Fall Home & Patio Show	Prime Osborn	10am - 9pm	Ambassador Event	Yes
37	9/29/2016	Non-Profit Breakfast	JEA T-19	7:30am	Ambassador Event	Yes
38	9/30/2016	COJ Senior Games Opening Ceremony	Metropolitan Park	1pm	Ambassador Event	Yes
39	9/30/2016	COJ Independent Living	Emmett Reed Center	10am	Ambassador Speaker	Yes
40	9/30/2016	JEA Power Pals	RV Daniels Elem	12pm	Ambassador Instructor	No
41	9/30/2016	Mandarin Christian Homeschool	Christ's Church	9:30am	Ambassador Speaker	No
42	Oct-16					
43	10/2/2016	Southside Robotics Club	Brooks YMCA	1pm	Ambassador Speaker	No
44	10/3/2016	JEA Power Pals Program	Rufus E Payne Elem	1:45pm	Ambassador Instructor	No
45	10/6/2016	RS&H Lunch & Learn	10748 Deerwood Park Blvd. South Suite 100	12Noon	Ambassador Speaker	No
46	10/6/2016	Prudential Financial	701 San Marco Blvd	1pm	Ambassador Speaker	No
47	10/8/2016	TEACH Conference	Hyatt Regency Hotel	8am	Ambassador Event	Yes
48	10/8/2016	Girl Scouts Troop 2343	Main St Lab Tour	10am	Ambassador Facility Tour	No
49	10/8/2016	Black Expo	Prime Osborn	10am - 7pm	Ambassador Event	Yes
50	10/10/2016	United Way Golf Tournamemt	St Johns Golf & Country Club	8am	Volunteer Event	Yes
51	10/10/2016	JU Conservation Ecology Class	Arlington East Plant	1:30pm	Ambassador Facility Tour	No
52	10/12/2016	TEAM UP IMPACT	San Jose Elem. School	2pm	Ambassador Instructor	No
53	10/15/2016	Operation New Hope Fall Festival	1830 N Main St	10am - 2pm	Ambassador Event	Yes

JEA Community Engagement Calendar - September - November 2016

(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E	F
54	10/15/2016	Energy Star World Tour	Wal-Mart Stores	10am - 2pm	Ambassador Event	Yes
55	10/20 - 23/2016	Southern Women's Show	Prime Osborn	10am - 9pm	Ambassador Event	Yes
56	10/24/2016	JU Conservation Ecology Class	NGS Tour	1:30pm	Ambassador Facility Tour	No
57	Nov-16					
58	11/4/2016	Web.com Resource fair	12808 Gran Bay Parkway	10am	Ambassador Event	Yes
59	11/4/2016	Ridgeview High IB Physics Class	NGS Tour	8am	Ambassador Facility Tour	No
60	11/5/2016	Caregiver Conference Series	Bennie Furlong Senior Center	9am	Ambassador Event	Yes
61	11/6/2016	Arlington Congregational Church	431 University Blvd.	11:30am	Ambassador Speaker	Yes
62	11/8/2016	Osher Lifelong Learning Institute	Main St Lab Tour	10am	Ambassador Facility Tour	No
63	11/12/2016	Cubscouts Pack 35	Main St Lab Tour	10am	Ambassador Facility Tour	No
64	11/16/2016	Osher Lifelong Learning Institute	Main St Lab Tour	10am	Ambassador Facility Tour	No
65						
66						
67						
68						



FY16 Communications & Community Engagement Overview and September/October Update

Overview: Each month we update the board on communications and community engagement activities for the previous and current months. The purpose is to keep you informed about these activities so that you are knowledgeable about JEA's efforts to keep our customers informed, to assist them in the management of their utility services and to be a good corporate citizen.

Communications: Toward the end of the month our communications turned to storm preparedness as we awaited the arrival of Hurricane Hermine. For the first time ever, we were able to send a hurricane preparedness email and a call to all customers to encourage them to prepare and reassure them that JEA is ready and here to serve. Otherwise we continued all key messages that were identified by J.D. Power as critical to customers. All paid and owned messaging is supported by social media, using Twitter, Facebook, LinkedIn, Google+ and YouTube to provide additional timely, relevant information.

Community Engagement: JEA employees are actively involved in our community engagement efforts. JEA Ambassadors participate in activities where we have an opportunity to help customers manage their utility services and/or to educate customers about how JEA provides critical utility services to our community. These employees are trained and certified ahead of time to help JEA deliver on our mission. On the other hand, JEA Volunteers go out into the community to assist nonprofits accomplish their goals by offering their time and talents to help the nonprofit deliver their mission. Volunteers do not have to have any special training or talent; they just have a caring heart.

In September, Ambassador activities included participation in 58 speaking engagements and 24 community events/activities. Ambassadors were requested to speak to a variety of groups this month including the Brooks Rehab Preparedness Management Expo, COJ Independent Living, Mandarin Christian Homeschool and the Downtown Rotary. Ambassadors participated in several events this month including Brooks Rehab Preparedness Expo, Fall Home & Patio Show, Pollution Solutions at the MOSH and the Environmental Symposium. And Ambassadors conducted numerous facility tours including the Jacksonville Fire and Rescue Crew of Springfield and several employee groups. Ambassadors kicked off another year of the JEA Power Pals Program at two elementary schools in October— Rufus E Payne and RV Daniels Elementary Schools.

Below, JEA Employee Ambassadors participated in the Opening Ceremony for the COJ Senior Games at Metropolitan Park and were on hand to answer customer questions and provide information about JEA products and services.



In September, JEA volunteers came out in support Feeding NE Florida Food Bank, Dignity U Wear, Catty Shack Ranch Wildlife Sanctuary, Clara White Mission, Aging True at Cathedral Terrace, City Rescue Mission, Habijax, Dragon Boat Festival, Beach Clean-up, First Coast No More Homeless Pets Mega Adoption.



Catty Shack Ranch Wildlife Sanctuary



Clara White Mission



Dignity U Wear

As a community-owned utility, JEA employees take a great pride in the Ambassador and Volunteer programs and these programs go a long way to tangibly demonstrate to customers and the community the incredible “Heart of JEA.”

Communications Contacts* Generated Year to Date	253,824,896
• Number of Paid Communications Contacts (Radio, Television, Out of Home, Online, Print)	202,818,965
• Number of Other Communications Contacts (Bill Insert, Bill Envelop, Brochure, etc.)	12,992,105
• Number of E-communications Contacts (jea.com Visitors, Email, Social Media, Videos)	37,525,803
• Number of Community Engagement Communications Contacts (Events, Public Speaking, Presentations, Training, Workshops, etc.)	488,024

*Communications Contacts are the opportunities we have to communication information to our customers.

V. B. 1.
Fuel Charge Reduction



AGENDA ITEM SUMMARY

September 30, 2016

SUBJECT:	FUEL CHARGE REDUCTION (PART OF THE MULTI-YEAR CAPITAL STRUCTURE STRATEGY)
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: JEA has a separate rate to recover fuel and energy costs. These costs are a pass-through to our customers and are broken out on the bill as the Fuel Charge. According to Federal and State regulatory guidelines, these funds cannot be diverted for any other uses.

Significance: High. Compliance with the Pricing Policy and the JEA Electric Tariff Documentation - Fuel Charge Policy. The Fuel Charge change recommendation is a component of the Multi-year Capital Structure Strategy.

Effect: All JEA electric customers and JEA's financial metrics will be affected. Additionally, this will bring JEA's Fuel Reserve closer to the policy target.

Cost or Benefit: The benefit of the Fuel Reserve to customers is greater rate stability. The recommendations afford customers the opportunity to participate in fuel cost savings. Under this new Fuel Charge, based on current fuel price projections, staff projects the Fuel Reserve balance to be at the Pricing Policy target in 2020.

Recommended Board action: Staff recommends that the Board approve the recommendation to lower the current \$36.75/MWh Fuel Charge to \$32.50/MWh effective December 1, 2016.

For additional information, contact: Melissa Dykes

Submitted by: PEM/ MHD/ RFW

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES <ul style="list-style-type: none">• Safety• Service• Growth?• Accountability• Integrity
---	--	--

Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**

INTER-OFFICE MEMORANDUM

September 30, 2016

SUBJECT: FUEL CHARGE REDUCTION (PART OF THE MULTI-YEAR CAPITAL STRUCTURE STRATEGY)

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA has a separate rate to recover fuel and energy costs. These costs are a pass-through to our customers and are broken out on the bill as the Fuel Charge. According to Federal and State regulatory guidelines, these funds cannot be diverted for any other uses.

The JEA Pricing Policy stipulates that the Fuel Charge be set annually during the budget process to be effective October 1 of the upcoming fiscal year. The Fuel Charge is based on the forward twelve-month energy cost projection and is structured to fully recover all expected fuel-related costs as well as any requirements for the Fuel Stabilization Fund over the coming fiscal year. The Pricing Policy established a Fuel Stabilization Fund (Fuel Reserve) target amount to be 15% of the greater of: (i) the maximum 12-month historical fuel cost; or, (ii) the projected 12-month fuel cost, in order to manage short-term fluctuations in fuel and energy costs. The Policy also specified the philosophy regarding the Fuel Reserve Balance. Should the Fuel Reserve balance reach the 15% level at any point during the twelve month variable fuel rate cycle, the CEO, CFO, CCO, and staff will evaluate the Fuel Rate Balance, projections through year-end, current market prices and volatility, and will recommend to the Board to either continue funding with no change, credit customers with the overfunded amount, or modify the Fuel Charge. The benefit to customers is greater rate stability. It also affords customers the opportunity to participate in fuel cost savings. Under this new Fuel Charge, based on current fuel price projections, staff projects the Fuel Reserve balance to be at the Pricing Policy target in 2020.

The Fuel Charge change recommendation is a component of the Multi-year Capital Structure Strategy.

DISCUSSION:

As of August 31, 2016, the Fuel Reserve was 29% of the maximum 12-month historical fuel expense, and is projected to reach 30% at the end of fiscal year 2017 if fuel expenses continue to be favorable.

Staff recommends decreasing the Fuel Charge from the current rate of \$36.75/MWh to \$32.50/MWh, a decrease of (\$4.25/MWh), to be effective December 1, 2016. The new Fuel Charge will continue to recover fuel and energy costs while reducing the projected Fuel Reserve closer to the policy target.

RECOMMENDATION:

Staff recommends that the Board approve the recommendation to lower the current \$36.75/MWh Fuel Charge to \$32.50/MWh effective December 1, 2016.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/RFW

V. B. 2.
Release of Excess Debt Management Strategy Rate
Stabilization Funds



AGENDA ITEM SUMMARY

October 3, 2016

SUBJECT:	RELEASE OF EXCESS DEBT MANAGEMENT STRATEGY RATE STABILIZATION FUNDS (PART OF THE MULTI-YEAR CAPITAL STRUCTURE STRATEGY)
-----------------	--

Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: JEA has accumulated debt management strategy rate stabilization funds in excess of amounts targeted in the Debt Management Policy. Staff contemplates using these funds, along with other available funds, to defease certain outstanding JEA bonds. Electric System funds were included as part of the multi-year capital structure strategy presented in September. Staff additionally recommends release of excess Water and Sewer System funds to be used for Water and Sewer debt retirement.

Significance: High. Excess debt management strategy rate stabilization funds can be used as part of a defeasance of outstanding JEA debt.

Effect: Defeating bonds will contribute to reducing debt-service requirements.

Cost or Benefit: Reduces future debt-service requirements.

Recommended Board action: Staff recommends that the Board provide the Managing Director/CEO authorization to apply the Electric System excess debt management strategy rate stabilization fund balance of \$12.242 million and the Water and Sewer System excess debt management strategy rate stabilization fund balance of \$6.081 million, along with other available funds, toward the funding of defeasance transactions contemplated for FY2017.

For additional information, contact: Joe Orfano, Treasurer, 665-4541

Submitted by: PEM/ MHD/ JEO

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES <ul style="list-style-type: none">• Safety• Service• Growth²• Accountability• Integrity
---	--	---

Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

October 3, 2016

**SUBJECT: RELEASE OF EXCESS DEBT MANAGEMENT STRATEGY RATE
STABILIZATION FUNDS (PART OF THE MULTI-YEAR CAPITAL
STRUCTURE STRATEGY)**

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA's Debt Management Policy provides for the establishment of a rate stabilization fund for the Debt Management Strategy Reserve. It also defines the limits of deposits to the fund and how they may be used. JEA's Pricing Policy provides that amounts deposited to the fund, in excess of the target set forth in the Debt Management Policy, may be authorized by the Board to be used for certain other purposes, including to fund future debt-related expenses, including early debt retirement or defeasance.

DISCUSSION:

The Debt Management Policy was originally adopted on May 20, 2003 and last amended on December 15, 2009 (the "Debt Management Policy"). JEA's Pricing Policy (originally called the Pricing Philosophy) was established on November 15, 2005 and last amended on August 16, 2016 (the "Pricing Policy").

Pursuant to the Debt Management Policy, beginning in FY2010, deposits have been made to the Rate Stabilization Fund for the Debt Management Strategy Reserve (referred to as the "Debt Management Strategy Stabilization Fund" in the Pricing Policy), which reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. At a minimum, 50% of the calculated reserve is recorded and deposited each fiscal year. An additional amount, up to the full value of the calculated reserves (the remaining 50%), is reviewed by the Debt/Investment Strategy Committee and recorded at their option. However, the amount deposited to the Rate Stabilization Fund (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service. The reserve is calculated separately for each of the Electric and Water and Sewer systems. Under the policy, the target cap for deposits to be made to the budget reserve is five percent of the par amount of the total outstanding variable rate debt.

The Debt Management Strategy Stabilization Fund balances stand at approximately \$42.126 million for the Electric System and \$20.290 million for the Water and Sewer System, which are approximately \$12.242 million and \$6.081 million in excess of their target amounts, respectively.

In an environment of low investment returns, the excess reserve funds, along with other available funds, can be better used to defease selected outstanding JEA bonds to reduce future debt service requirements.

Per the Pricing Policy, amounts deposited into the Debt Management Strategy Stabilization Fund in excess of the target amount may be authorized by the Board to be used to (1) maintain the financial integrity of the Systems (2) fund future debt-related expenses including early debt retirement or defeasance or (3) be refunded to customers.

Anticipated Sources of Electric System Bond Defeasance Funds

<u>Amount</u>	<u>Source</u>
\$12 million	Debt Management Strategy Rate Stabilization Fund [Action Item]
4	Debt Service Reserve Fund
31	Increased revenues
5	Reduced operations and maintenance expenses
8	Reduced non-fuel purchased power (SJRPP and Scherer)
4	Reduced capital contribution
5	Emergency reserve funds
<hr/> \$69 million	Total

RECOMMENDATION:

Staff recommends that the Board provide the Managing Director/CEO authorization to apply the excess Debt Management Strategy Stabilization Fund balances of \$12.242 million and \$6.081 million for the Electric System and Water and Sewer System, respectively, toward the funding of defeasance transactions contemplated for FY2017.

As additional information only, JEA has approximately \$4.013 million in excess Electric System debt service reserve funds, which staff anticipates using, along with the excess Debt Management Strategy Stabilization Fund balances and other available funds, to fund the contemplated defeasances. In May 2013, the Board similarly delegated to the Managing Director/CEO and the Chief Financial Officer the authority to apply excess debt service reserve funds to defeasances and other early debt retirements.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO

V. B. 3.
Electric System Debt Parameter Resolutions



Building Community

AGENDA ITEM SUMMARY

October 3, 2016

SUBJECT:	ELECTRIC SYSTEM DEBT PARAMETER RESOLUTIONS (PART OF THE MULTI-YEAR CAPITAL STRUCTURE STRATEGY)
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Staff is requesting Board approval of bond legal documents relating to delegated fixed rate debt refunding parameters and authorizations for a contemplated Electric System fixed rate advance refunding transaction. This is a component of the Multi-year Capital Structure Strategy.

Significance: High. Transaction currently being evaluated requires Board authorization.

Effect: Using bond issuance delegation process makes better use of the Board's time and provides greater flexibility in the timing and execution of transactions under delegated authority.

Cost or Benefit: As a component of a long-range financial plan for Electric System revenue and rate stability, the contemplated transaction accelerates debt repayments into the next three years – a credit positive with rating agencies and investors – and will contribute to maintaining rate stability for five years or more.

Recommended Board action: JEA staff is recommending that the Board approve the attached Resolutions No. 2016-17 and 2016-18, establishing delegated parameters and authorizing the Managing Director/CEO to negotiate and execute a contemplated Electric System fixed rate refunding bond transaction, with the bonds to be sold no later than June 30, 2017.

For additional information, contact: Joe Orfano, Treasurer, 665-4541

Submitted by: PEM/ MHD/ JEO

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES <ul style="list-style-type: none">• Safety• Service• Growth²• Accountability• Integrity
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Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

October 3, 2016

SUBJECT: ELECTRIC SYSTEM DEBT PARAMETER RESOLUTIONS (PART OF THE MULTI-YEAR CAPITAL STRUCTURE STRATEGY)

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

At the September 20, 2016 Board meeting, staff presented a long-range financial plan for Electric System revenue and rate stability. Among the stated key objectives of the plan are to financially prepare the utility for the future and to create stability for customer bills. To these objectives, staff advised the Board that it would bring recommendations to pay off approximately \$190 million early through cash defeasance and advance refunding transactions. The resolutions summarized below provide for delegation of refunding authorization to implement accelerated principal repayment pursuant to the plan objectives.

DISCUSSION:

To authorize this transaction, Bond Counsel has prepared two resolutions authorizing the issuance of the Electric System Revenue Bonds, Series Three 2017A (Resolution No. 2016-17) and Electric System Subordinated Revenue Bonds, 2017 Series A (Resolution No. 2016-18) attached hereto.

Resolution No. 2016-17 authorizes the issuance of fixed rate Electric System Revenue Bonds, Series Three 2017A to finance the refunding of certain refundable Electric System Revenue Bonds and pay costs of issuance, according to the following issuance parameters:

- Aggregate principal amount not to exceed \$150,000,000 (reduced by the aggregate principal amount of Electric System Subordinated Revenue Bonds, 2017 Series A issued under Resolution No. 2016-18)
- Weighted average life less than the weighted average life of the refunded bonds
- Final maturity date no later than October 1, 2019
- Maximum true interest cost of the Electric System Revenue Bonds, Series Three 2017A not to exceed 3.0%
- Electric System Revenue Bonds, Series Three 2017A shall not be subject to redemption prior to maturity
- Semi-annual interest payments commencing on either of the October 1 or April 1 next following the delivery date of Electric System Revenue Bonds, Series Three 2017A, as determined by the Managing Director

Resolution No. 2016-18 authorizes the issuance of fixed rate Electric System Subordinated Revenue Bonds, 2017 Series A to finance the refunding of certain refundable Electric System Subordinated Revenue Bonds and pay costs of issuance, according to the following issuance parameters:

- Aggregate principal amount not to exceed \$150,000,000 (reduced by the aggregate principal amount of Electric System Series Three Revenue Bonds, 2017A issued under Resolution No. 2016-17)
- Weighted average life less than the weighted average life of the refunded bonds

- Final maturity date no later than October 1, 2019
- Maximum true interest cost of the Electric System Subordinated Revenue Bonds, 2017 Series A not to exceed 3.0%
- Electric System Subordinated Revenue Bonds, 2017 Series A shall not be subject to redemption prior to maturity
- Semiannual interest payments commencing on either of the October 1 or April 1 next following the delivery date of Electric System Subordinated Revenue Bonds, 2017 Series A, as determined by the Managing Director

Both resolutions authorize the sale of the bonds to JEA's Underwriters pursuant to a negotiated sale and provides that the bonds must be sold no later than June 30, 2017. The resolutions also approve the forms of and authorize the execution of the following legal documents in connection with the issuance of the Electric System Revenue Bonds, Series Three 2017A and Electric System Subordinated Revenue Bonds, 2017 Series A refunding bonds:

Bond Purchase Agreement
Preliminary Official Statement
Escrow Deposit Agreement
Bond Form
Continuing Disclosure Agreement (appears as Exhibit to draft form of Preliminary Official Statement)

Staff will select the senior underwriter(s) from the group of investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA's debt. Staff will work with the senior underwriter(s) to identify the specific bonds to be refunded by the transaction authorized under Resolutions No. 2016-17 and 2016-18. The transaction is expected to shorten the debt service on the refunded bonds and benefit JEA and its customers as described in the long-range financial plan for Electric System revenue and rate stability presented on September 20, 2016. However, it is possible the refunding may result in net present value dis-savings.

Staff will report back to the Finance and Audit Committee the results of the transaction pursuant to the authorizations at the next regularly scheduled meeting following the closing date of the refunding bonds.

RECOMMENDATION:

JEA staff is recommending that the Board approve and adopt Resolution No. 2016-17 and Resolution No. 2016-18 that will provide the Managing Director/CEO the authorization to negotiate and execute the Electric System Revenue Bonds, Series Three 2017A and Electric System Subordinated Revenue Bonds, 2017 Series A fixed rate refunding transaction within the stated parameters.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO

RESOLUTION NO. 2016-17

A RESOLUTION OF JEA SUPPLEMENTING A RESOLUTION OF JEA ADOPTED ON AUGUST 16, 1988 ENTITLED “A RESOLUTION OF THE JACKSONVILLE ELECTRIC AUTHORITY FURTHER AMENDING AND SUPPLEMENTING THE RESOLUTION OF THE AUTHORITY ADOPTED MARCH 30, 1982 ENTITLED: ‘A RESOLUTION AUTHORIZING THE REFUNDING OF PRESENTLY OUTSTANDING REVENUE OBLIGATIONS OF THE JACKSONVILLE ELECTRIC AUTHORITY AND THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE ELECTRIC GENERATION, TRANSMISSION AND DISTRIBUTION SYSTEM OWNED AND OPERATED BY THE AUTHORITY; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$487,000,000 ELECTRIC SYSTEM REVENUE BONDS, SERIES ONE, OF THE JACKSONVILLE ELECTRIC AUTHORITY TO PAY THE COST OF SUCH REFUNDING AND THE COST OF SUCH ADDITIONS, EXTENSIONS AND IMPROVEMENTS; PROVIDING FOR THE PAYMENT OF THE BONDS FROM THE NET REVENUES OF THE ELECTRIC SYSTEM AND MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE’, AS HERETOFORE AMENDED AND SUPPLEMENTED, FOR THE PURPOSES OF FINANCING THE CONSTRUCTION OR ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE ELECTRIC SYSTEM OF THE AUTHORITY AND PROVIDING FOR THE REFUNDING OF CERTAIN INDEBTEDNESS OF THE AUTHORITY; SPECIFYING DEFINITIONS AND THE STATUTORY AUTHORITY THEREFOR; AUTHORIZING THE ISSUANCE BY THE AUTHORITY OF ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE, TO FINANCE A PART OF THE COST OF SUCH CONSTRUCTION OR ACQUISITION AND SUCH REFUNDING; SPECIFYING GENERAL TERMS AND PROVISIONS OF SUCH SERIES THREE BONDS; PLEDGING THE NET REVENUES OF THE SYSTEM TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH SERIES THREE BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH SERIES THREE BONDS AND ENTERING INTO CERTAIN COVENANTS AND AGREEMENTS WITH SUCH HOLDERS; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH SUCH SERIES THREE BONDS; AND PROVIDING AN EFFECTIVE DATE”; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$150,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE 2017A REDUCED BY THE AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, 2017 SERIES A OF JEA ISSUED UNDER RESOLUTION NO. 2016-18 OF JEA, ADOPTED ON OCTOBER 18, 2016, FOR THE PURPOSE OF FINANCING THE REFUNDING OF OUTSTANDING JEA ELECTRIC

SYSTEM REVENUE BONDS, SERIES THREE, AND PAYING THE COSTS OF ISSUANCE OF SUCH SERIES THREE 2017A BONDS; FIXING THE DATE(S), PAYING AGENT AND REGISTRAR, FORM, APPLICATION OF PROCEEDS AND CERTAIN OTHER DETAILS OF SUCH SERIES THREE 2017A BONDS; DELEGATING THE AUTHORITY TO DETERMINE MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, MANDATORY AMORTIZATION INSTALLMENTS, REDEMPTION PROVISIONS AND CERTAIN OTHER DETAILS OF SUCH SERIES THREE 2017A BONDS; PROVIDING FOR THE REFUNDING OF CERTAIN OUTSTANDING BONDS OF JEA; PROVIDING FOR THE QUALIFICATION OF SUCH SERIES THREE 2017A BONDS AS BOOK-ENTRY-ONLY BONDS; DESIGNATING SUCH SERIES THREE 2017A BONDS AS “ADDITIONALLY SECURED BONDS”; ESTABLISHING CRITERIA FOR AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; AUTHORIZING THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER TO AWARD THE SALE OF SAID SERIES THREE 2017A BONDS TO THE UNDERWRITERS DESCRIBED HEREIN PURSUANT TO A NEGOTIATED SALE AND APPROVING THE CONDITIONS AND CRITERIA FOR SUCH SALE; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; PROVIDING FOR THE APPOINTMENT OF AN ESCROW AGENT FOR THE REFUNDED BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; APPROVING THE FORM OF A DRAFT PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE SERIES THREE 2017A BONDS AND AUTHORIZING THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, THE CHIEF FINANCIAL OFFICER OR THE TREASURER TO DEEM THE PRELIMINARY OFFICIAL STATEMENT FINAL FOR PURPOSES OF SEC RULE 15C2-12; AUTHORIZING THE APPROVAL AND EXECUTION OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO SAID SERIES THREE 2017A BONDS; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF SAID SERIES THREE 2017A BONDS UNDER THE BLUE SKY LAWS OF THE VARIOUS STATES; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; PROVIDING FEDERAL INCOME TAX COVENANTS; AUTHORIZING CERTAIN OFFICIALS OF JEA TO TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID SERIES THREE 2017A BONDS AND THE REFUNDING AND REDEMPTION OF SAID REFUNDED BONDS PROVIDING FOR SEVERABILITY AND CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by JEA as follows:

SECTION 1. DEFINITIONS. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Reference is made to the Electric System Resolution hereinafter referred to for definitions of terms used in this resolution which are not defined in this section. Words importing a singular number shall include the plural number in each case and vice versa, and words importing persons shall include business entities.

(A) “Advance Refunding Bonds” shall mean the Series Three 2017A Bonds, or portion thereof, that are issued to refund Refunded Bonds that will be paid or redeemed more than 90 days after the Delivery Date.

(B) “Authorized Officer of JEA” shall mean (1) the Chair, the Vice Chair, the Secretary and any Assistant Secretary of JEA, (2) the Managing Director/CEO, the Vice President and General Manager, Electric Systems, the Chief Financial Officer and the Treasurer of JEA (or any officer of JEA hereafter serving in a capacity equivalent to that of any of the foregoing officers) or (3) any other officer or employee of JEA authorized to perform specific acts or duties by resolution duly adopted by JEA.

(C) “Bond Purchase Agreement” shall mean the Bond Purchase Agreement to be entered into between JEA and the Underwriters named therein relating to the Series Three 2017A Bonds, the form of which is attached hereto as Exhibit “A.”

(D) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(E) “Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement to be delivered by JEA in connection with the issuance of the Series Three 2017A Bonds, a form of which is attached as Appendix D to the Draft Preliminary Official Statement.

(F) “Debt Service Account” shall mean the Debt Service Account in the Sinking Fund established pursuant to the Electric System Resolution.

(G) “Delivery Date” shall mean the date of the initial issuance and delivery of the Series Three 2017A Bonds.

(H) “Draft Preliminary Official Statement” shall mean the draft of the Preliminary Official Statement of JEA relating to, among others, JEA’s Electric System Revenue Bonds, Series Three 2017A, the form of which is attached hereto as Exhibit “B.”

(I) “DTC” shall mean The Depository Trust Company.

(J) “Electric System Resolution” shall mean the Original Resolution, as amended, restated and supplemented.

(K) “Escrow Agent” shall mean the bank or trust company appointed as escrow agent under an Escrow Deposit Agreement, if any, and its duly appointed successors, such appointment, with respect to the Refunded Bonds, to be made in the certificate referred to in Section 5 hereof relating to the Series Three 2017A Bonds.

(L) “Escrow Deposit Agreement” shall mean the escrow deposit agreement between JEA and an Escrow Agent, if any, that may be entered into concurrently with the authentication and delivery of the Series Three 2017A Bonds, the form of which is attached hereto as Exhibit “C.”

(M) “Initial Subaccount” shall mean the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund established pursuant to the Electric System Resolution.

(N) [Reserved]

(O) “Letter of Representations” shall mean the Blanket Issuer Letter of Representations, dated May 6, 2004, from JEA to DTC, providing for the issuance of certain obligations of JEA (including the Series Three 2017A Bonds) in book-entry form through the facilities of DTC.

(P) “Managing Director/CEO” shall mean the Managing Director and Chief Executive Officer of JEA.

(Q) “Original Resolution” shall mean a resolution of JEA adopted on March 30, 1982 authorizing the issuance of not exceeding \$487,000,000 Electric System Revenue Bonds, Series One.

(R) “Refunded Bonds” shall mean, for the Series Three 2017A Bonds, the Series Three Bonds of the installments and maturities (and, if applicable, interest rates within maturities) and in the respective principal amounts to be refunded thereby, as identified by the Managing Director/CEO in the certificate described in Section 5 hereof relating to the Series Three 2017A Bonds.

(S) “Rule 15c2-12” shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

(T) “Sale Date” with respect to the Series Three 2017A Bonds, shall mean the date on which JEA enters into a Bond Purchase Agreement with respect to the Series Three 2017A Bonds.

(U) “Series Three Bonds” shall mean JEA’s Electric System Revenue Bonds, Series Three, issued pursuant to the Electric System Resolution.

(V) “Series Three Resolution” shall mean a resolution of JEA adopted on August 16, 1988, the title of which is quoted in the title of this resolution.

(W) “Series Three 2017A Bonds” shall mean JEA’s Electric System Revenue Bonds, Series Three 2017A, authorized by Section 4 of this resolution.

(X) “Underwriters” shall mean any or all of the investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA’s debt named in the Bond Purchase Agreement.

(Y) “2017 Series A Subordinated Bonds” shall mean the Electric System Subordinated Revenue Bonds, 2017 Series A of JEA authorized to be issued and sold pursuant to Article II of this Fifty-Fourth Supplemental Subordinated Resolution.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of the Act and the Electric System Resolution, and is supplemental to the Series Three Resolution and the Electric System Resolution.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Pursuant to the Electric System Resolution, JEA has heretofore authorized the issuance of not to exceed \$487,000,000 aggregate principal amount of Series One Bonds, and, subject to the satisfaction of the conditions contained in subsection L of Section 13 of the Electric System Resolution, has authorized the issuance of Additional Parity Obligations.

(B) Pursuant to the Series Three Resolution, JEA has heretofore authorized the issuance of Additional Parity Obligations to be known as “Electric System Revenue Bonds, Series Three.”

(C) Pursuant to its Ordinances 88-1108-554, 92-1411-902, 95-736-450, 1999-797-E, 2001-664-E, 2003-844-E, 2005-460-E, 2008-581-E and 2013-490-E, the Council of the City has authorized, among other things, the issuance and sale by JEA of Series Three Bonds for the purposes, among others, of financing the refunding of any Series Three Bonds.

(D) It is in the best interests of JEA to provide for the refunding of the Refunded Bonds to permit JEA to restructure and shorten the debt service on the Refunded Bonds so that the debt is fully paid by October 1, 2019.

(E) It is in the best interests and serves a valid public purpose of JEA to issue and sell the Series Three 2017A Bonds as authorized herein for the purpose of providing all or a portion of funds required to refund the Refunded Bonds, and to pay the costs of issuance of the Series Three 2017A Bonds.

(F) Because of the characteristics of the Series Three 2017A Bonds, prevailing and anticipated market conditions, the need for flexibility in timing the issuance of the Series Three 2017A Bonds, it is necessary and in the best interests of JEA to sell the Series Three 2017A Bonds at a negotiated sale or sales to the Underwriters, upon satisfaction of the terms and conditions set forth herein and in the Bond Purchase Agreement.

(G) Upon issuance in accordance with the terms hereof, the Series Three 2017A Bonds will constitute Additional Parity Obligations under the Electric System Resolution and Series Three Bonds under the Series Three Resolution, entitled to all the security and benefits thereof.

(H) The Series Three 2017A Bonds shall be limited obligations of JEA payable solely from and secured by a lien upon and pledge of (i) the Net Revenues derived by JEA from the operation of the Electric System and (ii) the amounts on deposit in the Revenue Fund and the Debt Service Account in the Sinking Fund established pursuant to the Electric

System Resolution as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein. The Series Three 2017A Bonds shall also be secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund. The Series Three 2017A Bonds shall not constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and pledge of the amounts provided in the Electric System Resolution. In no event shall any owner of Series Three 2017A Bonds ever have the right to compel the ad valorem taxing power of the City or JEA, if any, or taxation of any form to pay the Series Three 2017A Bonds or be entitled to payment thereof from any other funds of the City or JEA.

(I) Prior to the sale of the Series Three 2017A Bonds, the Underwriters will provide JEA with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes. The Bond Purchase Agreement shall include a Truth-In-Bonding Statement pursuant to Section 218.385, Florida Statutes.

SECTION 4. SERIES DESIGNATION; PURPOSE. Not to exceed \$150,000,000 aggregate principal amount of the Series Three Bonds reduced by the aggregate principal amount of 2017 Series A Subordinated Bonds issued under JEA Resolution No. 2016-18, adopted on October 18, 2016, are hereby authorized to be issued for the purpose of refunding fixed rate Refunded Bonds. Such Series Three Bonds shall be designated as the “Electric System Revenue Bonds, Series Three 2017A”; provided, that the Managing Director/CEO may alter the year and letter designation, all as he deems appropriate to reflect the year of issue or sale of the Series Three 2017A Bonds, the designation of Series Three Bonds previously issued and JEA’s custom in identifying Series Three Bonds or as he otherwise deems desirable, such determination to be set forth in the certificate referred to in Section 5 hereof. Notwithstanding any such alteration of the designation for the Series Three 2017A Bonds, references in this resolution to “Series Three 2017A Bonds” shall include all Series Three Bonds issued pursuant to the authority contained in this Section 4.

The Series Three 2017A Bonds shall be issued for the following purposes: (a) providing all or a portion of the funds required to refund the Refunded Bonds, (b) making a deposit, if any, to the Initial Subaccount, as determined by the Managing Director/CEO as set forth in the certificate referred to in Section 5 hereof, and (c) paying the costs of issuance of the Series Three 2017A Bonds.

The actual aggregate principal amount of the Series Three 2017A Bonds to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purposes for which the Series Three 2017A Bonds are being issued, such determination to be set forth in the certificate referred to in Section 5 hereof to be executed with respect to the Series Three 2017A Bonds.

The Series Three 2017A Bonds authorized to be issued hereunder may be sold pursuant to a Bond Purchase Agreement entered into not later than June 30, 2017.

SECTION 5. DATE(S), MATURITIES AND INTEREST RATES; CERTAIN DETERMINATIONS WITH RESPECT TO THE SERIES THREE 2017A BONDS. The Series Three 2017A Bonds shall be issued as fully registered bonds in the denomination of \$5,000 each or integral multiples thereof, shall be numbered from 1 upward, shall bear interest from their respective dates (payable semiannually thereafter on April 1 and October 1 in each year, commencing on either of the October 1 or April 1 next following the Delivery Date of Series Three 2017A Bonds, as determined by the Managing Director/CEO) at such rates per annum and shall mature on October 1 in such years and amounts, all as shall be determined by the Managing Director/CEO in the manner hereinafter set forth.

On or prior to the Sale Date for the Series Three 2017A Bonds, the Managing Director/CEO shall execute a certificate setting forth the following determinations:

(a) the aggregate principal amount of the Series Three 2017A Bonds; *provided*, that the aggregate principal amount of all Series Three 2017A Bonds when added to the aggregate principal amount of all 2017 Series A Subordinated Bonds, shall not exceed \$150,000,000;

(b) the year and letter and any other designation and the Delivery Date for the Series Three 2017A Bonds;

(c) the Refunded Bonds to be refunded through the issuance of the Series Three 2017A Bonds and the date on which such Refunded Bonds are to be redeemed, which shall be such date as the Managing Director/CEO determines to be the earliest date on which such Refunded Bonds may be redeemed in light of the circumstances then existing; and the identity of the Escrow Agent, if any, for such Refunded Bonds and the Amortization Installments to which the principal amount of the Refunded Bonds shall be credited;

(d) the respective dates on which the Series Three 2017A Bonds shall mature and the principal amounts of each such maturity; *provided, however*, that the Series Three 2017A Bonds (i) shall have a weighted average life that is less than the remaining weighted average life of the Refunded Bonds being refunded thereby, and (ii) shall have a final maturity date no later than October 1, 2019;

(e) the respective rate or rates of interest to be borne by the Series Three 2017A Bonds maturing on each such date; *provided, however*, that (i) with respect to any Series Three 2017A Bonds, the true interest cost of such Series Three 2017A Bonds shall not exceed 3.00%;

(f) the commencement date of interest payments on the Series Three 2017A Bonds, which shall be either of the October 1 or April 1 next following the Delivery Date of Series Three 2017A Bonds;

(g) the Series Three 2017A Bonds are not subject to redemption prior to maturity;

(h) the identity of the senior managing underwriter and co-senior managing underwriter, if applicable, for the Series Three 2017A Bonds from any of the Underwriters;

(i) the purchase price for the Series Three 2017A Bonds to be paid by the Underwriters pursuant to the applicable Bond Purchase Agreement; *provided, however*, that such purchase price shall result in compliance with the limitations set forth in this Section 5; and

(j) the amount, if any, of the proceeds of the Series Three 2017A Bonds to be deposited in the Initial Subaccount.

SECTION 6. [RESERVED].

SECTION 7. BOOK-ENTRY SYSTEM. 1. Except as provided in paragraphs (2) and (3) of this Section 7, the registered holder of all Series Three 2017A Bonds shall be, and the Series Three 2017A Bonds shall be registered in the name of, Cede & Co. (“Cede”), as nominee of DTC. Payment of interest on any Series Three 2017A Bond shall be made in accordance with the provisions of the Electric System Resolution to the account of Cede on the interest payment date for the Series Three 2017A Bonds at the address indicated for Cede in the registry books of JEA kept by the Registrar.

2. The Series Three 2017A Bonds shall be issued initially in the form of a separate single, fully registered Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of the Series Three 2017A Bonds. The Registrar shall authenticate and deliver to or on behalf of DTC a separate single, fully registered Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of the Series Three 2017A Bonds, registered in the name of Cede, as nominee of DTC. With respect to Series Three 2017A Bonds so registered in the name of Cede, JEA and the Paying Agent and Registrar shall have no responsibility or obligation to any DTC participant or to any beneficial owner of such Series Three 2017A Bonds. Without limiting the immediately preceding sentence, JEA and the Paying Agent and Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the Series Three 2017A Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series Three 2017A Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, the Series Three 2017A Bonds. JEA and the Paying Agent and Registrar may treat DTC as, and deem DTC to be, the absolute owner of each Series Three 2017A Bond for all purposes whatsoever, including (but not limited to) (i) payment of the principal or redemption price of, and interest on, each such Series Three 2017A Bond, (ii) giving notices of redemption and other matters with respect to such Series Three 2017A Bonds, (iii) registering transfers with respect to such Series Three 2017A Bonds and (iv) giving to JEA any notice, consent, request or demand pursuant to the Electric System Resolution for any purpose whatsoever. The Paying Agent shall pay the principal or redemption price of, and interest on, all Series Three 2017A Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and

discharge JEA's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in this paragraph (2) and in paragraph (3) of this Section 7, no person other than DTC shall receive a Series Three 2017A Bond evidencing the obligation of JEA to make payments of principal or redemption price of, and interest on, such Bond pursuant to the Electric System Resolution. Upon delivery by DTC to JEA or the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Electric System Resolution, the word "Cede" in this resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Series Three 2017A Bonds at any time by giving reasonable notice thereof to JEA or to the Paying Agent and Registrar.

(b) JEA, in its sole discretion and without the consent of any other person, may, upon satisfaction of the applicable procedures of DTC with respect thereto, terminate the services of DTC with respect to the Series Three 2017A Bonds if JEA determines that (i) DTC is unable to discharge its responsibilities with respect to the Series Three 2017A Bonds or (ii) a continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of the Series Three 2017A Bonds or of JEA.

4. Upon the termination of the services of DTC with respect to the Series Three 2017A Bonds pursuant to paragraph (3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series Three 2017A Bonds pursuant to paragraph (3)(a) or paragraph (3)(b)(i) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of JEA, is willing and able to undertake such functions upon reasonable and customary terms, such Series Three 2017A Bonds no longer shall be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. In such event, JEA shall issue and the Registrar shall authenticate Series Three 2017A Bond certificates as requested by DTC of like aggregate principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interests in the Series Three 2017A Bonds; *provided, however*, that in the case of any discontinuance or termination provided for in paragraph 3(a) or 3(b)(ii) of this Section, JEA may within 90 days thereafter appoint a substitute securities depository which, in JEA's opinion, is willing and able to undertake the functions of DTC upon reasonable and customary terms. In such event, and subject to the transfer provisions of the Electric System Resolution, the word "DTC" in this resolution shall refer to such substitute securities depository and the word "Cede" in this resolution shall refer to the nominee, if any, of such substitute securities depository (or, if there shall be no such nominee, then the word "Cede" in this resolution shall refer to such substitute securities depository).

5. Notwithstanding any other provision of the Electric System Resolution or this resolution to the contrary, so long as any Series Three 2017A Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Series Three 2017A Bond and all notices with respect to such Series Three 2017A Bond shall be made and given, respectively, to DTC as provided in DTC's Operational

Arrangements (as defined in the Letter of Representations); *provided, however*, that if a substitute securities depository shall be appointed, all payments with respect to the principal or redemption price of, and interest on, the Series Three 2017A Bonds and all notices with respect to the Series Three 2017A Bond shall be made and given, respectively, to such substitute securities depository (or any nominee thereof) as provided in the procedures of such substitute securities depository.

SECTION 8. PAYING AGENT AND REGISTRAR. The Series Three 2017A Bonds shall be payable as to principal and shall be redeemable at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (or such other city as may be designated by such bank), which bank is hereby appointed Paying Agent and Registrar.

SECTION 9. FORM OF SERIES THREE 2017A BONDS. The text of the Series Three 2017A Bonds, together with the Registrar's Certificate of Authentication to be endorsed thereon, shall be substantially of the following tenor, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this resolution or any subsequent resolution adopted prior to the issuance thereof, or as may be necessary to comply with applicable laws, rules and regulations of the United States Government and the State of Florida in effect upon the issuance thereof:

[FORM OF SERIES THREE 2017A BONDS]

At such times as the Series Three 2017A Bonds are restricted to being registered in the registration books kept by the Registrar in the name of DTC (or a successor securities depository), each Series Three 2017A Bond shall contain or have endorsed thereon the following legend:

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, (A) THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF AND (B) A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE

THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

In addition, so long as DTC shall serve as securities depository for the Series Three 2017A Bonds, each Series Three 2017A Bond shall contain or have endorsed thereon the following legend:

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

No. R- \$

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF JACKSONVILLE
JEA
ELECTRIC SYSTEM REVENUE BOND, SERIES THREE 2017A

MATURITY DATE INTEREST RATE ORIGINAL ISSUE DATE CUSIP
October 1, _____ _____, 20____

Registered Owner:

Principal Sum:

KNOW ALL MEN BY THESE PRESENTS, that JEA, a body politic and corporate under the laws of the State of Florida, and an independent agency of the City of Jacksonville, Florida (hereinafter called the "City"), for value received, hereby promises to pay to the Registered Owner specified above on the Maturity Date specified above solely from the revenues and other amounts hereinafter mentioned the Principal Sum specified above and to pay solely from such revenues and other amounts interest thereon to the Registered Owner hereof at the rate per annum specified above, from the Original Issue Date specified above or from the most recent interest payment date to which interest has been paid, until payment of the Principal Sum, such interest to the payment hereof being payable in lawful money of the United States of America semiannually on April 1 and October 1 in each year commencing [April 1] [October 1], 20_, by check or draft mailed to the Registered Owner at his address as it appears on the registration

books of the Registrar hereinafter mentioned on the Record Date (as defined in the Resolution hereinafter referred to). However, so long as this Bond and the issue of which it is one are held in book-entry form pursuant to the Resolution, the provisions of the Resolution governing such book-entry form shall govern repayment of the principal or redemption price of and interest on such bonds. The principal or redemption price of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida.

This Bond is one of an authorized issue of bonds (the "Series Three 2017A Bonds") in the aggregate principal amount of \$_____ of like date, tenor and effect, except as to number, interest rate and date of maturity, issued to refund certain bonds of JEA previously issued to finance or refinance a portion of the costs of the construction and acquisition of additions, extensions and improvements to the electric system owned and operated by JEA, as defined in the Resolution (the "Electric System"), other than the generating facilities of the Electric System pursuant to the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof (collectively, the "Act"), and other applicable provisions of law, and a resolution duly adopted by JEA on March 30, 1982 (approved by ordinance of the Council of the City enacted on March 30, 1982), as amended, restated and supplemented, including as amended and supplemented by a resolution duly adopted by JEA on August 16, 1988 authorizing the Series Three Bonds (approved by ordinance of the Council of the City which became effective on September 30, 1988), as amended and supplemented (hereinafter collectively called the "Resolution"), and is subject to all the terms and conditions of the Resolution.

[Insert Redemption Provisions]

The payment of the principal of and interest on the Series Three 2017A Bonds is secured by a first lien upon and pledge of (a) the Net Revenues (as defined in the Resolution) derived by JEA from the operation of the Electric System and (b) the amounts on deposit in the Revenue Fund and the Debt Service Account in the Sinking Fund established pursuant to the Resolution as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein. In addition, as provided in the Resolution, the payment of the principal of and interest on the Series Three 2017A Bonds is additionally secured by a pledge of the amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund established pursuant to the Resolution as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such amounts, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein. As provided in the Resolution, bonds of JEA may be issued from time to time in one or more installments, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of bonds which may be issued under the Resolution is not limited except as provided in the Resolution and in the Act, and all bonds

issued and to be issued under the Resolution (including the Series Three 2017A Bonds) are and will be equally and ratably secured by the pledge and covenants made therein, except as expressly provided or permitted in the Resolution.

This Bond and the issue of which it is one shall not be or constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Net Revenues and other amounts as provided in the Resolution. No holder of this Bond shall ever have the right to compel the exercise of the ad valorem taxing power of the City or of JEA, if any, or taxation in any form of any real property in the City to pay this Bond or the interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Resolution.

JEA has entered into certain further covenants with the owners of the Series Three 2017A Bonds for the terms of which reference is made to the Resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Series Three 2017A Bonds does not violate any constitutional or statutory limitations or provisions.

This Bond is and has all the qualities and incidents of negotiable instruments under the laws of the State of Florida.

The Series Three 2017A Bonds are issuable as fully registered Bonds which may be exchanged for like aggregate principal amount of fully registered Series Three 2017A Bonds of like interest rate and maturity in denominations of \$5,000 and any integral multiple thereof. JEA and U.S. Bank National Association, or its successor, as Registrar, may charge the Registered Owner or the transferee or transferees, as the case may be, a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer of this Bond. The Registrar or JEA may also require payment from the Registered Owner or transferee of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Series Three 2017A Bond shall be delivered.

IN WITNESS WHEREOF, JEA has issued this Bond and has caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, imprinted or reproduced hereon.

Date: _____, 20____

JEA

(SEAL)

Chair or Vice-Chair

ATTESTED:

Secretary or Assistant Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION ON ALL
SERIES THREE 2017A BONDS]

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds delivered pursuant to the within mentioned Resolution.

Dated: _____, 20____

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By: _____
Authorized Signatory

[Insert Statement of Insurance, if applicable.]

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIF MIN ACT _____ (Cust.)
TEN ENT -	as tenants by the entireties	Custodian for _____ (Minor)
JT TEN	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act of _____ (State)

Additional abbreviations may also be used although not listed above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

[PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE]

the within bond and does hereby irrevocably constitute and appoint the Registrar as his agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: This signature to this assignment must correspond with the name of the registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SECTION 10. APPLICATION OF BOND PROCEEDS. The proceeds from the sale of the Series Three 2017A Bonds, together with other available funds of the Electric System shall be applied simultaneously with the delivery as follows:

(a) if applicable, there shall be delivered to the Escrow Agent, simultaneously with the delivery of the Series Three 2017A Bonds, for deposit in the Escrow Account (the “Escrow Account”) to be created under the Escrow Deposit Agreement, an amount determined by an Authorized Officer of JEA as being equal to the amount necessary, when combined with the moneys, if any, transferred to the Escrow Account as provided in Section 11 hereof, to purchase such securities as are permitted by Section 17 of the Electric System Resolution, the principal of and interest to be received on which, together with any initial cash balance, will provide moneys which will be sufficient to pay when due the principal or redemption price, as applicable, of the Refunded Bonds being refunded thereby on the respective maturity dates of such Refunded Bonds or the date such Refunded Bonds are to be called for redemption, as applicable, and the interest to become due on such Refunded Bonds on and prior to such respective maturity or redemption dates, as the case may be;

(b) if applicable, an amount shall be deposited in the Initial Subaccount as determined by the Managing Director/CEO in the certificate referred to in Section 5 hereof relating to the Series Three 2017A Bonds; and

(c) all proceeds remaining after application as provided in subsections (a) and (b) hereof shall be deposited into the Construction Fund or a separate sub-account thereof and used for the purposes of paying the principal or redemption price, as applicable, of Refunded Bonds when due if the Refunded Bonds that are not being defeased within the meaning of Section 17 of the Electric System Resolution and paying costs of issuance of the Series Three 2017A Bonds.

SECTION 11. TRANSFER OF CERTAIN AMOUNTS. Subject to the provisions of the third paragraph of Section 13(B)(2) of the Electric System Resolution, simultaneously with the delivery of the Series Three 2017A Bonds, there shall be withdrawn from the Debt Service Account cash in an amount determined by an Authorized Officer of JEA as being not greater than the amount accumulated therein with respect to the Refunded Bonds to be refunded through the issuance of the Series Three 2017A Bonds. Such withdrawal shall, however, not be made if and to the extent that the effect thereof would cause the amounts on deposit in the Debt Service Account to be less than the amount required to be maintained therein after giving effect to the issuance of the Series Three 2017A Bonds and the refunding of the Refunded Bonds. There shall be transferred to the Escrow Agent, if any, for deposit in the Escrow Account the amount so withdrawn, otherwise, such amount shall be applied together with the funds described in Section 10(d) above to the payment of the Refunded Bonds.

Subject to the provisions of the fifth paragraph of Section 13(B)(3) of the Electric System Resolution, simultaneously with the delivery of the Series Three 2017A Bonds, there may be withdrawn from the Initial Subaccount of the Debt Service Reserve Account cash in an amount determined by an Authorized Officer of JEA as being not greater than the amount of the decrease in the Debt Service Reserve Requirement with respect to such Initial Subaccount due to the

defeasance of the Refunded Bonds being refunded through the issuance of the Series Three 2017A Bonds. There shall be transferred to the Escrow Agent, if any, for deposit in the Escrow Account the amount so withdrawn, otherwise, such amount shall be applied together with the funds described in Section 10(d) above to the payment of the Refunded Bonds.

SECTION 12. SERIES THREE 2017A BONDS TO CONSTITUTE ADDITIONALLY SECURED BONDS. In accordance with the provisions of clause (3) of subsection B of Section 13 of the Electric System Resolution, the Series Three 2017A Bonds shall be Additionally Secured Bonds, and the payment of the principal or sinking fund redemption price, if any, thereof and interest thereon shall be secured, in addition to the pledge created pursuant to the first sentence of the second paragraph of Section 11 of the Electric System Resolution in favor of all of the Bonds, by amounts on deposit in the Initial Subaccount. In furtherance of the foregoing, simultaneously with the authentication and delivery of the Series Three 2017A Bonds, JEA shall cause to be deposited to the credit of the Initial Subaccount cash from the proceeds of the Series Three 2017A Bonds, in an amount equal to the difference (if any) between (a) the Debt Service Reserve Requirement for the Initial Subaccount calculated immediately after the authentication and delivery of the Series Three 2017A Bonds and (b) the sum of the amounts then on deposit in the Initial Subaccount and the eligible reserve fund credit instruments credited thereto, if any.

SECTION 13. TAX COVENANTS. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series Three 2017A Bonds under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the Series Three 2017A Bonds concerning certain matters pertaining to the use of proceeds of the Series Three 2017A Bonds, including any and all exhibits attached thereto (the "Tax Certificate"). This covenant shall survive payment in full or defeasance of the Series Three 2017A Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Series Three 2017A Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Electric System Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the Series Three 2017A Bonds, the holders of the Series Three 2017A Bonds shall be entitled to the rights and remedies provided to Bondholders under the Electric System Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all Series Three 2017A Bonds then outstanding, and the interest accrued thereon, to be due and

payable and (b) the holders of any Bonds other than the Series Three 2017A Bonds shall not be entitled to exercise any right or remedy provided to Bondholders under the Electric System Resolution based upon JEA’s failure to observe, or refusal to comply with, the above covenants with respect to the Series Three 2017A Bonds.

SECTION 14. REDEMPTION OF REFUNDED BONDS. 1. The Refunded Bonds to be refunded by the Series Three 2017A Bonds are hereby designated for redemption and the Escrow Agent (if any) or the respective paying agents for such Refunded Bonds, as applicable, are hereby directed to redeem such Refunded Bonds on the respective dates determined by the Managing Director/CEO pursuant to clause (c) of the second paragraph of Section 5 hereof and at a redemption price equal to the principal amount of the Refunded Bonds to be redeemed plus the redemption premium(s) for the applicable redemption date(s) (in each case, together with the interest accrued thereon to the date fixed for redemption).

Such designation for redemption, and such direction to the Escrow Agent (if any) or the respective paying agents for the Refunded Bonds, as applicable, shall be, and hereby are declared to be, irrevocable upon the delivery of the Series Three 2017A Bonds to or upon the order of the Underwriters; *provided*, that notice of such redemption as provided below shall be revocable and conditional upon the issuance of the Series Three 2017A Bonds.

In order to effectuate this designation, on or prior to the applicable Delivery Date, an Authorized Officer of JEA shall give the Escrow Agent or the Registrar, as applicable, for any Refunded Bonds to be redeemed prior to maturity instructions to mail, postage prepaid, not less than 30 days (or such lesser period as permitted by the applicable supplemental resolution(s) for the Refunded Bonds) prior to the redemption date therefor, to (i) all registered owners of such Refunded Bonds at their addresses as they appear of record on the books of the Registrar as of 45 days (or such lesser number of days as is permitted pursuant to the applicable supplemental resolution(s) for the Refunded Bonds) prior to such redemption date and (ii) the paying agent for such Refunded Bonds (or its successor), a notice of redemption in substantially the following form:

REVOCABLE NOTICE OF [PARTIAL] REDEMPTION

JEA

**ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE
DESCRIBED BELOW**

Notice is hereby given to the holders of the outstanding JEA Electric System Revenue Bonds, Series Three described below (the “Bonds”) that the Bonds have been called for redemption prior to maturity on _____, 201_ in accordance with their terms at a redemption price of 100 percent of the principal amount thereof [, together with accrued interest thereon to _____, 201_]. **[The source of funds to be used for such redemption is certain moneys heretofore deposited with _____, as Escrow Agent.]**

<u>Series Three</u>	<u>Maturity Date</u> <u>(October 1)</u>	<u>Interest Rate</u>	<u>Principal</u> <u>Amount</u>	<u>CUSIP</u>
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THIS CALL FOR REDEMPTION IS REVOCABLE AND IS CONDITIONED UPON THE ISSUANCE BY JEA OF ITS SERIES THREE 2017A BONDS TO REFUND SUCH BONDS ON OR PRIOR TO _____, 201_. In the event that JEA's refunding bonds are not issued on or prior to 201_, this notice shall be of no further force or effect and the Bonds shall continue to bear interest until paid at the same rates they would have borne had this notice not been given. If JEA's refunding bonds are not issued on or prior to 201_, the undersigned, on behalf of JEA, shall give notice forthwith of such fact to the holders of the Bonds, and this notice shall thereupon be revoked and shall be of no further force and effect.

Subject to the foregoing, the redemption price of and accrued interest on the Bonds shall become due and payable on _____, 201_ and from and after 201_ interest on the Bonds shall cease to accrue and be payable.

Holders of the Bonds will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust offices of [specify names of current Paying Agents].

Dated this _____ day of _____, 201_.

JEA

By _____
as [Escrow Agent/Registrar]

SECTION 15. AUTHORIZATION AND APPROVAL OF THE NEGOTIATED SALE OF THE SERIES THREE 2017A BONDS AND EXECUTION AND DELIVERY OF THE BOND PURCHASE AGREEMENT; DELEGATION OF AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH. The terms and conditions of the bond purchase agreement between JEA and the Underwriters, providing for the negotiated sale and purchase of the Series Three 2017A Bonds, in substantially the form attached hereto as Exhibit "A" (the "Bond Purchase Agreement"), are hereby approved. At such time or times as the Managing Director/CEO of JEA shall determine is advantageous to JEA, such officer shall execute and deliver the Bond Purchase Agreement (with such changes as are necessary to reflect, among other things, the terms of the Series Three 2017A Bonds, such determination to be evidenced by the execution and delivery thereof; provided, however, that at or prior to the time of the execution and delivery of the Bond Purchase Agreement, JEA shall have received from the senior managing underwriter the disclosure statement required pursuant to Section 218.385(6), Florida Statutes. The purchase price of the Series Three 2017A Bonds to be paid by the Underwriters pursuant to the Bond Purchase Agreement shall be determined as provided in Section 5 hereof, subject to the limitations set forth therein.

SECTION 16. APPOINTMENT OF BOND REGISTRAR AND PAYING AGENT. U.S. Bank National Association is hereby appointed as Bond Registrar and Paying Agent for the Series Three 2017A Bonds.

SECTION 17. AUTHORIZATION OF AUTHENTICATION. In the event that the Managing Director/CEO shall determine that it is desirable to sell and issue Series Three 2017A Bonds as provided herein, U.S. Bank National Association, as Bond Registrar for the Series Three 2017A Bonds, is hereby requested and authorized to authenticate and deliver such Series Three 2017A Bonds in the aggregate principal amount determined as provided in Section 5 hereof, to or upon the order of the Underwriters, upon payment to JEA of the sum to be specified in the Bond Purchase Agreement.

SECTION 18. APPOINTMENT OF ESCROW AGENT AND AUTHORIZATION AND APPROVAL OF ESCROW DEPOSIT AGREEMENT. The Managing Director/CEO is hereby authorized to appoint U.S. Bank National Association, The Bank of New York Mellon Trust Company, N.A. or any other bank or trust company selected pursuant to JEA's purchasing code to act as Escrow Agent under the Escrow Deposit Agreement. The Escrow Deposit Agreement is hereby approved in substantially the form attached hereto as Exhibit "C." The Escrow Deposit Agreement may be executed and delivered as provided in Section 23 hereof. Pursuant to the Escrow Deposit Agreement, the Escrow Agent may be directed to invest the funds held thereunder in the manner provided therein.

In connection with the refunding of the Refunded Bonds as provided herein, each Authorized Officer of JEA is hereby authorized, if deemed desirable, to cause proceeds of the Series Three 2017A Bonds and other available amounts, and earnings thereon, to be invested in United States Treasury Securities — State and Local Government Series ("SLGS") or other obligations permitted to be used to accomplish the defeasance of such Refunded Bonds in such amounts, at such times, maturing at such times and having such rate or rates of interest as any Authorized Officer of JEA shall determine is necessary or desirable; and each such Authorized Officer of JEA and, upon receipt of instructions from an Authorized Officer of JEA, any authorized officer of the Escrow Agent is hereby authorized in the name and on behalf of JEA to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations.

SECTION 19. APPROVAL OF THE FORM AND USE OF PRELIMINARY OFFICIAL STATEMENT. The form and use of a preliminary official statement for the Series Three 2017A Bonds, in substantially the form attached hereto as Exhibit "B" (the "Draft Preliminary Official Statement"), is hereby authorized and approved in connection with the offering and sale of the Series Three 2017A Bonds.

In the event that the Managing Director/CEO shall determine that it is desirable to issue and sell the Series Three 2017A Bonds as provided herein, the Managing Director/CEO is hereby authorized and directed to cause to be prepared a Preliminary Official Statement with respect to such bonds in substantially the form of the Draft Preliminary Official Statement and with such changes thereto as are necessary so that such Preliminary Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and, in such case, to cause such Preliminary Official Statement to be used in connection with the offering and sale of the Series Three 2017A Bonds and, if applicable, the Managing Director/CEO, the Chief Financial Officer or the Treasurer of

JEA are hereby authorized to deem said Preliminary Official Statement final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. In the event that the Managing Director/CEO shall cause to be prepared a Preliminary Official Statement for such Series Three 2017A Bonds as aforesaid, an Official Statement relating to the Series Three 2017A Bonds, in substantially the form of said Preliminary Official Statement, with such changes thereto as are necessary (a) to reflect the terms of such Series Three 2017A Bonds and (b) so that such Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, is hereby authorized and approved for use in connection with the offering and sale of such Series Three 2017A Bonds. In such event, such Official Statement shall be executed as provided in Section 23 hereof.

SECTION 20. APPROVAL WITH RESPECT TO REGISTRATION OR QUALIFICATION OF THE AUTHORIZED BONDS UNDER THE BLUE SKY OR SECURITIES LAWS OF VARIOUS STATES. The Authorized Officers of JEA shall be, and hereby are, authorized in the name and on behalf of JEA, to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the Series Three 2017A Bonds for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters.

SECTION 21. CONTINUING DISCLOSURE. For the benefit of holders and beneficial owners from time to time of the Series Three 2017A Bonds, JEA agrees, as an obligated person with respect to the Series Three 2017A Bonds under Rule 15c2-12, to provide or cause to be provided such financial information and operating data, audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5) of Rule 15c2-12. In order to describe and specify certain terms of JEA's continuing disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the Authorized Officers of JEA are, and each of them hereby is, authorized and directed to sign and deliver, in the name and on behalf of JEA, a Continuing Disclosure Agreement with respect to the Series Three 2017A Bonds substantially in the form of Appendix C to the Draft Preliminary Official Statement, with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to JEA and that are approved by the Authorized Officer of JEA executing the same on behalf of JEA, all of which shall be conclusively evidenced by the signing of that agreement or amendments to it. The agreement formed, collectively, by this paragraph and that agreement, shall be JEA's continuing disclosure agreement with respect to the Series Three 2017A Bonds for purposes of Rule 15c2-12, and its performance shall be subject to the annual appropriation of any funds that may be necessary to perform it.

The Authorized Officers of JEA are, and each of them hereby is, further authorized and directed to take such actions as shall be necessary to comply with each such continuing

disclosure agreement, including timely provision of information and notices. Prior to making any filing in accordance with any such agreement or providing notice of the occurrence of any other events, any such officer of JEA shall consult with and obtain legal advice from, as appropriate, the Office of the General Counsel and bond or other qualified independent special counsel selected by JEA. Any such officer of JEA, acting in the name and on behalf of JEA, shall be entitled to rely upon any such legal advice in determining whether a filing should be made.

SECTION 22. REPRESENTATIONS AND COVENANTS REGARDING THE PLEDGE OF THE ELECTRIC SYSTEM RESOLUTION. JEA represents that, pursuant to the Act, the Electric System Resolution creates a valid, binding and irrevocable first lien on (a) the Net Revenues derived from the operation of the Electric System and (b) the amounts on deposit in the Revenue Fund and the Debt Service Account as may from time to time be available therefor (collectively, the “Pledged Assets”), in each such case, prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, for the benefit of the Holders of the Electric System Bonds, including the Series Three 2017A Bonds, as security for the payment of the Electric System Bonds, including the Series Three 2017A Bonds, to the extent set forth therein, enforceable in accordance with the terms thereof.

JEA has not heretofore made or granted a pledge or assignment of, lien on or security interest in the Pledged Assets that ranks on a parity with or prior to the lien and pledge made or granted in the Electric System Resolution. JEA shall not hereafter make or grant a pledge or assignment of, lien on or security interest in such Pledged Assets that ranks prior to or on a parity with the lien and pledge made or granted in the Electric System Resolution, except as expressly permitted thereby.

SECTION 23. AUTHORIZATION OF THE EXECUTION AND DELIVERY OF AUTHORIZED BONDS AND RELATED DOCUMENTS. The Authorized Officers of JEA are hereby authorized to execute the Series Three 2017A Bonds, the Bond Purchase Agreement, the Escrow Deposit Agreement, if any, the Continuing Disclosure Agreement and the Official Statement, each subject to completion thereof, and with such changes therein as they may approve as necessary and desirable and in the best interest of JEA, such approval to be evidenced by the execution and delivery thereof; *provided, however*, that the Series Three 2017A Bonds shall be executed and delivered pursuant to the Electric System Resolution and applicable law. The Secretary or an Assistant Secretary of JEA is hereby authorized (but not required) to cause the seal of JEA to be affixed to the Series Three 2017A Bonds and the foregoing documents and to attest the same. Such Authorized Officers of JEA are each hereby authorized to deliver such Series Three 2017A Bonds and documents on behalf of JEA.

SECTION 24. [RESERVED]

SECTION 25. FURTHER ACTIONS. Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all administrative acts and things as may be necessary or desirable in connection with: the approval, execution and delivery of the Bond Purchase

Agreement, the Escrow Deposit Agreement, if any, and the Continuing Disclosure Agreement; and the carrying out of their terms and the terms of the Electric System Resolution and this Resolution; the issuance, sale, execution and delivery of the Series Three 2017A Bonds, the refunding and redemption of the Refunded Bonds; and the use of the Preliminary Official Statement and the Official Statement. Without limiting the generality of the foregoing, the Managing Director/CEO is hereby authorized to execute the certificates referred to in Section 5 hereof. In the absence of the Managing Director/CEO for any reason, the authority granted to him in this resolution is hereby delegated to the Vice President and General Manager, Electric System, the Chair of JEA's governing board and the Chair of the Finance and Audit Committee of JEA's governing board, in that order.

SECTION 26. [RESERVED]

SECTION 27. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforceability of such remaining provisions.

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SECTION 28. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 18TH DAY OF OCTOBER, 2016.



JEA

ATTEST:

Secretary

Approved as to Form:

Office of General Counsel

EXHIBIT A

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

RESOLUTION NO. 2016-18

JEA

Not To Exceed

\$150,000,000

**Electric System Subordinated
Revenue Bonds, 2017 Series A**

**FIFTY-FOURTH SUPPLEMENTAL SUBORDINATED
ELECTRIC SYSTEM RESOLUTION**

Adopted October 18, 2016

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**FIFTY-FOURTH SUPPLEMENTAL SUBORDINATED
ELECTRIC SYSTEM RESOLUTION**

A RESOLUTION OF JEA SUPPLEMENTING THE RESOLUTION OF JEA ADOPTED ON AUGUST 16, 1988, AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, AS SUPPLEMENTED AND AMENDED; AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$150,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, 2017 SERIES A REDUCED BY THE AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE 2017 A OF JEA ISSUED UNDER RESOLUTION NO. 2016-17 OF JEA, ADOPTED ON OCTOBER 18, 2016, FOR THE PURPOSE OF FINANCING THE REFUNDING OF CERTAIN OF JEA'S OUTSTANDING ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, AND PAYING THE COSTS OF ISSUANCE OF SUCH SUBORDINATED BONDS; ESTABLISHING CRITERIA FOR AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; AUTHORIZING THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER TO AWARD THE SALE OF SAID SUBORDINATED BONDS IN ONE OR MORE SERIES TO THE UNDERWRITERS DESCRIBED HEREIN PURSUANT TO A NEGOTIATED SALE AND APPROVING THE CONDITIONS AND CRITERIA FOR SUCH SALE; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; APPOINTING U.S. BANK NATIONAL ASSOCIATION AS SUBORDINATED BOND REGISTRAR AND PAYING AGENT FOR SAID SUBORDINATED BONDS; PROVIDING FOR THE APPOINTMENT OF AN ESCROW AGENT FOR THE REFUNDED SUBORDINATED BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; APPROVING THE FORM OF A DRAFT PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO THE SUBORDINATED BONDS AND AUTHORIZING THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, THE CHIEF FINANCIAL OFFICER OR THE TREASURER TO DEEM THE PRELIMINARY OFFICIAL STATEMENT FINAL FOR PURPOSES OF SEC RULE 15c2-12; AUTHORIZING THE APPROVAL AND EXECUTION OF A FINAL OFFICIAL STATEMENT WITH RESPECT TO SAID SUBORDINATED BONDS; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF SAID SUBORDINATED BONDS UNDER THE BLUE SKY LAWS OF THE VARIOUS STATES; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; PROVIDING FEDERAL INCOME TAX COVENANTS; AUTHORIZING CERTAIN OFFICIALS OF JEA TO TAKE OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID

SUBORDINATED BONDS, THE REFUNDING AND REDEMPTION OF SAID REFUNDED SUBORDINATED BONDS; PROVIDING FOR SEVERABILITY AND CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by JEA as follows:

**ARTICLE I
AUTHORITY, DEFINITIONS AND FINDINGS**

SECTION 101. Supplemental Subordinated Resolution. This Fifty-Fourth Supplemental Subordinated Electric System Resolution is adopted pursuant to Article 21 of the Charter of the City of Jacksonville, Florida (the “City”), as amended, and other applicable provisions of law and is supplemental to, and is adopted in accordance with, Article X of the resolution of JEA adopted on August 16, 1988 entitled “A Resolution of the Jacksonville Electric Authority authorizing the issuance of Electric System Subordinated Revenue Bonds of said Authority for the purpose of financing the construction and acquisition of additions, extensions and improvements to the Electric System of said Authority and the refunding of certain indebtedness of said Authority, and any other lawful purpose of said Authority relating to its Electric System; specifying definitions and the statutory authority therefor; specifying terms and conditions for the authorization and issuance of said Bonds; specifying general terms and provisions of said Bonds; specifying general terms for the redemption of said Bonds; providing for the payment and security of said Bonds and providing for the establishment of Funds and application thereof; making certain covenants and agreements with the Holders of said Bonds; establishing Events of Default and remedies therefor; providing for the rights and responsibilities of the Fiduciaries; providing for amending and supplementing such Resolution; providing certain other matters in connection with said Bonds; and providing an effective date,” as heretofore amended, restated and supplemented (the “Subordinated Resolution”).

SECTION 102. Definitions. 1. Except as provided by this Fifty-Fourth Supplemental Subordinated Electric System Resolution, all terms which are defined in Section 2 of the Electric System Resolution (as defined in the Subordinated Resolution) and in Section 1.01 of the Subordinated Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 2 of the Electric System Resolution and in said Section 1.01 of the Subordinated Resolution. Words importing a singular number shall include the plural number in each case and vice versa, and words importing persons shall include business entities.

2. In this Fifty-Fourth Supplemental Subordinated Electric System Resolution, the following terms shall have the indicated meanings:

Advance Refunding Bonds shall mean 2017 Series A Subordinated Bonds, or a portion thereof, that are issued to refund Refunded Subordinated Bonds that will be paid or redeemed more than 90 days after the Delivery Date.

Bond Purchase Agreement shall mean the Bond Purchase Agreement to be entered into between JEA and the Underwriters named therein relating to the 2017 Series A Subordinated Bonds, the form of which is attached as Exhibit “A” to Resolution No. 2016-17.

Code shall mean the Internal Revenue Code of 1986, as amended.

Commercial Paper Notes shall mean outstanding JEA Electric System Commercial Paper Notes, Series C.

Continuing Disclosure Agreement shall mean the Continuing Disclosure Agreement to be delivered by JEA in connection with the issuance of the 2017 Series A Subordinated Bonds, a form of which is attached as Appendix D to the Draft Preliminary Official Statement.

Delivery Date shall mean the date of initial issuance and delivery of the 2017 Series A Subordinated Bonds (however such Subordinated Bonds are identified upon initial issuance and delivery pursuant to the certificate referred to in Section 203 hereof relating to the 2017 Series A Subordinated Bonds).

Draft Preliminary Official Statement shall mean the draft of the Preliminary Official Statement of JEA relating to, among other things, the 2017 Series A Subordinated Bonds attached as Exhibit “B” to Resolution No. 2016-17.

DTC shall mean The Depository Trust Company.

Escrow Agent shall mean the bank or trust company appointed as escrow agent under an Escrow Deposit Agreement, if any, and its duly appointed successors, such appointment, with respect to the 2017 Series A Subordinated Bonds, to be made in the certificate referred to in Section 203 hereof relating to the 2017 Series A Subordinated Bonds.

Escrow Deposit Agreement shall mean the escrow deposit agreement between JEA and an Escrow Agent that may be entered into concurrently with the issuance and delivery of the 2017 Series A Subordinated Bonds, a form of which is attached hereto as Exhibit “A.”

Fifty-Fourth Supplemental Subordinated Resolution shall mean this Fifty-Fourth Supplemental Subordinated Electric System Resolution (Resolution No. 2016-18), as from time to time amended or supplemented by Supplemental Subordinated Resolutions in accordance with the terms of the Subordinated Resolution. This Fifty-Fourth Supplemental Subordinated Resolution shall constitute a Supplemental Subordinated Resolution within the meaning of the Subordinated Resolution.

Letter of Representations shall mean the Blanket Issuer Letter of Representations, dated May 6, 2004, from JEA to DTC, providing for the issuance of certain obligations of JEA (including the 2017 Series A Subordinated Bonds) in book-entry form through the facilities of DTC.

Managing Director/CEO shall mean the Managing Director and Chief Executive Officer of JEA.

Refunded Subordinated Bonds shall mean, with respect to the 2017 Series A Subordinated Bonds, the Subordinated Bonds of the Series and maturities (and, if applicable, interest rates within maturities) and/or Commercial Paper Notes, in the respective principal amounts, to be refunded thereby, as identified by the Managing Director/CEO in the certificate described in Section 203 hereof relating to the 2017 Series A Subordinated Bonds.

Resolution No. 2016-17 shall mean Resolution No. 2016-17 of JEA adopted on the date of adoption hereof authorizing the issuance of JEA Electric System Revenue Bonds, Series Three 2017A.

Rule 15c2-12 shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

Sale Date with respect to the 2017 Series A Subordinated Bonds, shall mean the date on which JEA enters into a Bond Purchase Agreement with respect to the 2017 Series A Subordinated Bonds.

Series Three 2017A Bonds shall mean JEA's Electric System Revenue Bonds, Series Three 2017A, authorized by Section 4 of Resolution No. 2016-17.

Subordinated Bond Fund shall mean the Subordinated Bond Fund established pursuant to the Subordinated Resolution.

Underwriters shall mean any or all of the other investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA's debt named in the applicable Bond Purchase Agreement.

2017 Series A Subordinated Bonds shall mean the Electric System Subordinated Revenue Bonds, 2017 Series A of JEA authorized to be issued and sold pursuant to Article II of this Fifty-Fourth Supplemental Subordinated Resolution.

SECTION 103. Findings. It is hereby ascertained, determined and declared that:

A. Pursuant to the Subordinated Resolution, JEA has heretofore authorized the issuance of Subordinated Bonds in one or more Series.

B. Pursuant to its Ordinances 88-1108-554, 92-1411-902, 95-736-450, 1999-797-E, 2001-664-E, 2003-844-E, 2005-460-E, 2008-581-E and 2013-490-E, the Council of the City has authorized, among other things, the issuance and sale by JEA of Subordinated Bonds for the purposes, among others, of financing the refunding of any Subordinated Bonds.

C. It is in the best interests of JEA to provide for the refunding of the Refunded Subordinated Bonds to permit JEA to restructure and shorten the debt service on the Refunded Subordinated Bonds so that the debt is fully paid by October 1, 2019. .

D. It is in the best interests and serves a valid public purpose of JEA to issue and sell the 2017 Series A Subordinated Bonds as authorized herein for the purpose of providing all or a

portion of funds required to refund the Refunded Subordinated Bonds, and to pay the costs of issuance of the 2017 Series A Subordinated Bonds.

E. Because of the characteristics of the 2017 Series A Subordinated Bonds, prevailing and anticipated market conditions, the need for flexibility in timing the issuance of the 2017 Series A Subordinated Bonds, it is necessary and in the best interests of JEA to sell the 2017 Series A Subordinated Bonds at a negotiated sale to the Underwriters, upon satisfaction of the terms and conditions set forth herein and in the Bond Purchase Agreement.

F. Upon issuance in accordance with the terms hereof, the 2017 Series A Subordinated Bonds will constitute Subordinated Bonds under the Subordinated Resolution, entitled to all the security and benefits thereof.

G. The 2017 Series A Subordinated Bonds shall be limited obligations of JEA payable solely from and secured by a lien upon and pledge of (i) the amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, including investments, if any, thereof and (ii) the amounts on deposit in the Funds established under the Subordinated Resolution, including investments, if any, thereof, subject only to the provisions of the Electric System Resolution and the Subordinated Resolution permitting the application thereof for purposes and on the terms and conditions set forth in the Electric System Resolution and the Subordinated Resolution; *provided, however*, that such pledge shall be junior and subordinate in all respects to the Electric System Bonds as to lien on arid source and security for payment from the Revenues. The 2017 Series A Subordinated Bonds shall not constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and pledge of the amounts provided in the Subordinated Resolution. In no event shall any owner of 2017 Series A Subordinated Bonds ever have the right to compel the ad valorem taxing power of the City or JEA, if any, or taxation of any form to pay the 2017 Series A Subordinated Bonds or be entitled to payment thereof from any other funds of the City or JEA.

H. Prior to the sale of the 2017 Series A Subordinated Bonds, the Underwriters will provide JEA with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes. The Bond Purchase Agreement shall include a Truth-In-Bonding Statement pursuant to Section 218.385, Florida Statutes.

ARTICLE II AUTHORIZATION OF 2017 SERIES A SUBORDINATED BONDS

SECTION 201. Principal Amount, Designation and Series. Pursuant to the provisions of the Electric System Resolution and the Subordinated Resolution one or more Series of Subordinated Bonds entitled to the benefit, protection and security of the Subordinated Resolution in an aggregate principal amount not to exceed \$150,000,000 reduced by the aggregate principal amount of Series Three 2017 A Bonds issued under JEA Resolution No. 2016-17, adopted on October 18, 2016, are hereby authorized for the purpose of refunding fixed

rate Refunded Subordinated Bonds. Such Subordinated Bonds shall be designated as, and shall be distinguished from the Subordinated Bonds of all other Series by the title, "Electric System Subordinated Revenue Bonds, 2017 Series A"; *provided*, that the Managing Director/CEO may alter the year and letter designation of the 2017 Series A Subordinated Bonds as he deems appropriate to reflect the year of issue or sale of such 2017 Series A Subordinated Bonds, the designation of Subordinated Bonds previously issued and JEA's custom in identifying Subordinated Bonds or as he otherwise deems desirable. Notwithstanding any such alteration of the Series designation for the 2017 Series A Subordinated Bonds, references in this Fifty-Fourth Supplemental Subordinated Resolution to "2017 Series A Subordinated Bonds" shall include all Subordinated Bonds issued pursuant to the authority contained in this Section 201. The actual aggregate principal amount of the 2017 Series A Subordinated Bonds to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purpose of which the 2017 Series A Subordinated Bonds are being issued, such determination to be set forth in the certificate referred to in Section 203 hereof to be executed with respect to the 2017 Series A Subordinated Bonds. Notwithstanding any other provision of the Subordinated Resolution or this Fifty-Fourth Supplemental Resolution, the 2017 Series A Subordinated Bonds shall be deemed to be a separate Series of Subordinated Bonds for all purposes of the Subordinated Resolution, including (without limitation) for the purpose of determining satisfaction of the conditions to the issuance of the 2017 Series A Subordinated Bonds set forth in Article II of the Subordinated Resolution.

The 2017 Series A Subordinated Bonds authorized to be issued hereunder may be sold pursuant to a Bond Purchase Agreement entered into not later than June 30, 2017.

SECTION 202. Purpose. The 2017 Series A Subordinated Bonds shall be issued for the purposes of: (1) financing the refunding of the Refunded Subordinated Bonds; and (2) paying the costs of issuance of the 2017 Series A Subordinated Bonds. Subject to complying with the criteria provided in Section 203 hereof, the refunding of the Refunded Subordinated Bonds is hereby authorized.

SECTION 203. Date(s), Maturities and Interest; Certain Determinations with Respect to the 2017 Series A Subordinated Bonds. The 2017 Series A Subordinated Bonds shall be issued as fully registered bonds in the denomination of \$5,000 each or integral multiples thereof, shall be numbered from 1 upward, shall bear interest from their respective dates (payable semiannually thereafter on April 1 and October 1 in each year, commencing on either of the October 1 or April 1 next following the Delivery Date of the 2017 Series A Subordinated Bonds, as determined by the Managing Director/CEO) at such rates per annum and shall mature on October 1 in such years and amounts, all as shall be determined by the Managing Director/CEO in the manner hereinafter set forth.

On or prior to the Sale Date for the 2017 Series A Subordinated Bonds, the Managing Director/CEO shall execute a certificate setting forth the following determinations:

- (a) the aggregate principal amount of the 2017 Series A Subordinated Bonds; *provided*, that, the aggregate principal amount of all 2017 Series A Subordinated Bonds

when added to the aggregate principal amount of all Series Three 2017A Bonds shall not exceed \$150,000,000;

(b) the year and letter and any other designation and the Delivery Date for the 2017 Series A Subordinated Bonds;

(c) the Refunded Subordinated Bonds to be refunded through the issuance of the 2017 Series A Subordinated Bonds and the date(s) on which such Refunded Subordinated Bonds are to be redeemed, which shall be such date as the Managing Director/CEO determines to be the earliest date on which such Refunded Subordinated Bonds may be redeemed in light of the circumstances then existing; and the identity of the Escrow Agent, if any, for such Refunded Subordinated Bonds and, if applicable, the Sinking Fund Installments to which the principal amount of the Refunded Subordinated Bonds shall be credited;

(d) the respective dates on which the 2017 Series A Subordinated Bonds shall mature and the principal amounts of each such maturity; *provided, however*, that the 2017 Series A Subordinated Bonds (i) shall have a weighted average life that is less than the remaining weighted average life of the Refunded Subordinated Bonds being refunded thereby; and (ii) shall have a final maturity date of no later than October 1, 2019;

(e) the respective rate or rates of interest to be borne by the 2017 Series A Subordinated Bonds maturing on each such date; *provided, however*, that the true interest cost of the 2017 Series A Subordinated Bonds shall not exceed 3.00 percent;

(f) the commencement date of interest payments on the 2017 Series A Subordinated Bonds, which shall be either of the October 1 or April 1 next following the Delivery Date of the 2017 Series A Subordinated Bonds;

(g) the 2017 Series A Subordinated Bonds are not subject to redemption prior to maturity;

(h) the identity of the senior managing underwriter and co-senior managing underwriter, if applicable, for the 2017 Series A Subordinated Bonds from any of the Underwriters; and

(i) the purchase price for the 2017 Series A Subordinated Bonds to be paid by the Underwriters pursuant to the applicable Bond Purchase Agreement; *provided, however*, that such purchase price shall result in compliance with the limitations set forth in this Section 203.

The 2017 Series A Subordinated Bonds shall bear interest from the Delivery Date therefor or, if one or more payments of interest on the 2017 Series A Subordinated Bonds has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has then been paid or duly provided for.

SECTION 204. Minimum Denomination, Dates, Numbers and Letters. The 2017 Series A Subordinated Bonds shall be issued in fully registered form in the denominations of \$5,000 or any integral multiple of \$5,000. The 2017 Series A Subordinated Bonds shall be dated the Delivery Date thereof. Unless an Authorized Officer of JEA shall otherwise direct, the 2017 Series A Subordinated Bonds shall be numbered, from one upward, preceded by the letter “R” prefixed to the number.

SECTION 205. Place of Payment; Appointment of Paying Agent and Subordinated Bond Registrar. Except as provided in paragraph 5 of Section 3.09 of the Subordinated Resolution and paragraph 3 of Section 206 hereof, the principal and Redemption Price of the 2017 Series A Subordinated Bonds shall be payable at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (or such other city as may be designated by such bank), as Subordinated Bond Registrar and Paying Agent for the 2017 Series A Subordinated Bonds. The principal and Redemption Price of the 2017 Series A Subordinated Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Subordinated Resolution. Except as provided in paragraph 3 of Section 206 hereof, the interest on the 2017 Series A Subordinated Bonds shall be payable by check or draft of U.S. Bank National Association, as Paying Agent, mailed to the persons entitled thereto at the addresses of such persons shown on the registration books of JEA kept for that purpose at the office of U.S. Bank National Association, and such institution is hereby appointed Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds.

SECTION 206. Designation of the 2017 Series A Subordinated Bonds as Book Entry Subordinated Bonds; Appointment of Securities Depository for the 2017 Series A Subordinated Bonds. 1. Except as provided in paragraph 4 below, the 2017 Series A Subordinated Bonds are hereby authorized to be and shall be issued as Book Entry Subordinated Bonds within the meaning of and subject to Section 3.09 of the Subordinated Resolution.

2. DTC is hereby appointed as the initial Securities Depository for the 2017 Series A Subordinated Bonds.

3. The 2017 Series A Subordinated Bonds shall be initially issued in the form of a separate single, fully registered Bond in the amount of each such separate stated maturity (and, if applicable, each interest rate within a maturity) of the 2017 Series A Subordinated Bonds. Upon initial issuance, the ownership of the 2017 Series A Subordinated Bond shall be registered in the registry books of JEA kept by the Subordinated Bond Registrar in the name of Cede & Co. (“Cede”), as nominee of DTC. So long as DTC serves as Securities Depository for the 2017 Series A Subordinated Bonds, the registered holder of all 2017 Series A Subordinated Bonds shall be, and each of the 2017 Series A Subordinated Bonds shall be registered in the name of, Cede, as nominee of DTC. Upon delivery by DTC to JEA or the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Subordinated Resolution, the word “Cede” in this Fifty-Fourth Supplemental Subordinated Resolution shall refer to such new nominee of DTC. So long as any 2017 Series A Subordinated Bond is registered in the name of Cede, as nominee of DTC in its capacity as Securities

Depository for the 2017 Series A Subordinated Bonds, all payments with respect to the principal or Redemption Price of, and interest on, such 2017 Series A Subordinated Bond and all notices with respect to such 2017 Series A Subordinated Bond shall be made or given, as the case may be, to DTC as provided in DTC's Operational Arrangements (as defined in the Letter of Representations); *provided, however*, that if a substitute securities depository shall be appointed, all payments with respect to the principal or Redemption Price of, and interest on, the 2017 Series A Subordinated Bonds and all notices with respect to the 2017 Series A Subordinated Bonds shall be made and given, respectively, to such substitute securities depository (or any nominee thereof) as provided in the procedures of such substitute securities depository.

4. (a) DTC may determine to discontinue providing its services as Securities Depository for the 2017 Series A Subordinated Bonds at any time by giving reasonable notice thereof to JEA or the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds. Upon the discontinuance of the services of DTC as Securities Depository for the 2017 Series A Subordinated Bonds pursuant to the first sentence of this paragraph, JEA may within 90 days thereafter appoint a substitute securities depository which, in the opinion of JEA, is willing and able to undertake the functions of Securities Depository under the Subordinated Resolution upon reasonable and customary terms. In such event, and subject to the transfer provisions of the Subordinated Resolution, the word "DTC" in this Fifty-Fourth Supplemental Subordinated Resolution shall refer to such substitute securities depository and the word "Cede" in this Fifty-Fourth Supplemental Subordinated Resolution shall refer to the nominee, if any, of such substitute securities depository (or, if there shall be no such nominee, then the word "Cede" in this Fifty-Fourth Supplemental Subordinated Resolution shall refer to such substitute securities depository). If no such successor can be found within such period, the 2017 Series A Subordinated Bonds no longer shall be restricted to being registered in the registration books kept by the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds in the name of a Securities Depository.

(b) In the event that the 2017 Series A Subordinated Bonds no longer shall be restricted to being registered in the registration books kept by the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds in the name of a Securities Depository as provided in subparagraph (a) of this paragraph 4, (i) JEA shall execute and the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds shall authenticate and deliver, upon presentation and surrender of the 2017 Series A Subordinated Bonds, Bond certificates as requested by the Securities Depository therefor of like aggregate principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owners' beneficial ownership interests in the 2017 Series A Subordinated Bonds and (ii) such Subordinated Bond Registrar shall notify the Paying Agents for the 2017 Series A Subordinated Bonds that the 2017 Series A Subordinated Bonds no longer are restricted to being registered in the registration books kept by such Subordinated Bond Registrar in the name of a Securities Depository.

SECTION 207. [Reserved].

SECTION 208. Application of Proceeds of 2017 Series A Subordinated Bonds.

In accordance with Article II of the Subordinated Resolution, the proceeds of the 2017 Series A Subordinated Bonds shall be applied simultaneously with the delivery of the 2017 Series A Subordinated Bonds as follows:

(a) if applicable, there shall be delivered to the Escrow Agent, simultaneously with the delivery of the 2017 Series A Subordinated Bonds, for deposit in the Escrow Account (the "Escrow Account") to be created under the Escrow Deposit Agreement executed in connection with the issuance of the 2017 Series A Subordinated Bonds, if any, an amount determined by an Authorized Officer of JEA as being equal to the amount necessary, when combined with the moneys, if any, transferred to the Escrow Account as provided in Section 209 hereof, to either (i) purchase such securities as are permitted by Section 9.01 of the Subordinated Resolution, the principal of and interest to be received on which, together with any initial cash balance, will provide moneys which will be sufficient to, or (ii) to be held uninvested to, pay when due the Redemption Price of the Refunded Subordinated Bonds being refunded thereby on the respective dates such Refunded Subordinated Bonds are to be called for redemption or mature and the interest to become due on such Refunded Subordinated Bonds on and prior to such respective redemption or maturity date; and

(b) all proceeds remaining after application as provided in subsections (a) and (b) hereof shall be deposited into the Subordinated Bond Construction Fund or a separate subaccount thereof simultaneously with the delivery of the 2017 Series A Subordinated Bonds and applied to pay, together with any funds transferred pursuant to Section 209, if applicable, the principal of and interest on the Refunded Subordinated Bonds being refunded thereby on the respective redemption or maturity dates therefor if an Escrow Account is not funded pursuant to (a) above and to pay costs of issuance of the 2017 Series A Subordinated Bonds.

SECTION 209. Transfer of Certain Amounts. In accordance with Section 5.05(6) of the Subordinated Resolution, simultaneously with the delivery of the 2017 Series A Subordinated Bonds, there shall be transferred from the Subordinated Bond Fund to the Escrow Agent, for deposit in the Escrow Account, or, if no such Escrow Account is established, to the Subordinated Bond Construction Fund or a separate subaccount thereof, monies in an amount determined by an Authorized Officer of JEA as being not greater than the amount accumulated therein with respect to the Refunded Subordinated Bonds to be refunded through the issuance of such 2017 Series A Subordinated Bonds. Such withdrawal shall, however, not be made unless immediately thereafter (a) such Refunded Subordinated Bonds are deemed to have been paid pursuant to the Subordinated Resolution and (b) the amount remaining in the Subordinated Bond Fund, after giving effect to the issuance of the 2017 Series A Subordinated Bonds and the refunding of the Refunded Subordinated Bonds of such Series being refunded thereby, shall not be less than the amount required to be maintained therein.

SECTION 210. Tax Covenants. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would

adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2017 Series A Subordinated Bonds under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the 2017 Series A Subordinated Bonds concerning certain matters pertaining to the use of proceeds of the 2017 Series A Subordinated Bonds, including any and all exhibits attached thereto (the "Tax Certificate"). This covenant shall survive payment in full or defeasance of the 2017 Series A Subordinated Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017 Series A Subordinated Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Subordinated Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the 2017 Series A Subordinated Bonds, the Holders of the 2017 Series A Subordinated Bonds shall be entitled to the rights and remedies provided to Holders of Subordinated Bonds under the Subordinated Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all 2017 Series A Subordinated Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the Holders of any Subordinated Bonds other than the 2017 Series A Subordinated Bonds shall not be entitled to exercise any right or remedy provided to Holders of Subordinated Bonds under the Subordinated Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the 2017 Series A Subordinated Bonds.

SECTION 211. Redemption of Refunded Subordinated Bonds. 1. In the case of any Refunded Subordinated Bonds to be refunded by the 2017 Series A Subordinated Bonds that are to be redeemed prior to maturity, such Refunded Subordinated Bonds are hereby designated for redemption and the Escrow Agent (if any) or the respective Paying Agents therefor, as applicable, are hereby directed to redeem such Refunded Subordinated Bonds on the respective dates determined by the Managing Director/CEO pursuant to clause (c) of the second paragraph of Section 203 hereof and at a Redemption Price equal to the principal amount of the Subordinated Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption.

2. The designation for redemption set forth in the foregoing paragraph 1, and the direction to the Escrow Agent (if any) or the respective Paying Agents for the Refunded Subordinated Bonds, as applicable, set forth therein, shall be, and hereby are declared to be, irrevocable upon the original issuance of the 2017 Series A Subordinated Bonds; *provided*, that

notice of such redemption as provided in 3. below shall be revocable and conditioned upon the issuance of the 2017 Series A Subordinated Bonds.

3. In order to effectuate such designation, on or prior to the applicable Delivery Date, an Authorized Officer of JEA shall give the Escrow Agent or the Subordinated Bond Registrar, as applicable, for any Refunded Subordinated Bonds to be redeemed prior to maturity instructions to mail, postage prepaid, not less than 30 days (or such lesser number of days as is permitted pursuant to the applicable supplemental resolution(s) for the Refunded Subordinated Bonds) prior to the redemption date therefor, to all registered owners of such Refunded Subordinated Bonds at their last addresses appearing on the registry books of JEA kept by the Subordinated Bond Registrar therefor, a notice of redemption in substantially the following form:

REVOCABLE NOTICE OF [PARTIAL] REDEMPTION

**JEA
[VARIABLE RATE] ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS,
____ SERIES ____**

Notice is hereby given to the holders of the outstanding JEA [Variable Rate] Electric System Subordinated Revenue Bonds, ____ Series __ described below (the "Bonds") that the Bonds have been called for redemption prior to maturity on _____, 201_ in accordance with their terms at a redemption price of 100 percent of the principal amount thereof, together with accrued interest thereon to _____, 201_.

<u>Series</u>	<u>Maturity Date</u> <u>(October 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>CUSIP</u>
____ Series ____			\$_____	

THIS CALL FOR REDEMPTION IS REVOCABLE AND IS CONDITIONED UPON THE ISSUANCE BY JEA OF ITS REFUNDING BONDS FOR THE PURPOSE OF FINANCING THE REFUNDING OF THE BONDS ON OR PRIOR TO _____ 201_. In the event that such refunding bonds are not issued on or prior to _____ 201_, this notice shall be of no further force or effect and the Bonds shall continue to bear interest until paid at the same rates they would have borne had this notice not been given. If JEA's refunding bonds are not issued on or prior to _____ 201_, the undersigned, on behalf of JEA, shall give notice forthwith of such fact to the holders of the Bonds, and this notice shall thereupon be revoked and shall be of no further force and effect.

Subject to the foregoing, the redemption price of and accrued interest on the Bonds shall become due and payable on _____ 201_ and from and after _____ 201_ interest on the Bonds shall cease to accrue and be payable.

Holders of the Bonds will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of [insert name of current Paying Agent].

Dated this _____ day of _____, 201_.

JEA

By _____,
as [Escrow Agent/Subordinated Bond Registrar]

**ARTICLE III
FORM OF 2017 SERIES A SUBORDINATED BONDS**

The form of the 2017 Series A Subordinated Bonds and the Subordinated Bond Registrar's certificate of authentication shall be of substantially the following tenor, with such variations, omissions and insertions as are required or permitted by the Subordinated Resolution:

[FORM OF 2017 Series A SUBORDINATED BONDS]

At such times as the 2017 Series A Subordinated Bonds are restricted to being registered in the registration books kept by the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds in the name of DTC (or a successor Securities Depository), each 2017 Series A Subordinated Bond shall contain or have endorsed thereon the following legend:

AS PROVIDED IN THE SUBORDINATED RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE SUBORDINATED RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE SUBORDINATED RESOLUTION TO THE CONTRARY, (A) THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF AND (B) A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE SUBORDINATED RESOLUTION.

In addition, so long as DTC shall serve as Securities Depository for the 2017 Series A Subordinated Bonds, each 2017 Series A Subordinated Bond shall contain or have endorsed thereon the following legend, which legend JEA hereby determines to be necessary or desirable:

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE SUBORDINATED BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY 'TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF JACKSONVILLE

JEA
ELECTRIC SYSTEM SUBORDINATED REVENUE BOND,
2017 Series A

R- \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
	October 1, ____	_____, 201_	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

JEA, a body politic and corporate and an independent agency of the City of Jacksonville, Florida (the "City"), organized and existing under and by virtue of the laws of the State of Florida, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner (stated above) or registered assigns, on the Maturity Date (stated above), but solely from the funds pledged therefor, upon presentation and surrender of this bond at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida (such bank and any successors thereto being referred to herein as the "Paying Agent"), the Principal Amount (stated above) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay, but solely from the funds pledged therefor, interest on such Principal Amount in like coin or currency from the Original Issue Date (stated above), or, if one or more payments of interest has or have theretofore been made or duly provided for, from the most recent interest payment date to which

interest has been paid or duly provided for, payable on the first days of April and October in each year commencing on **[April 1] [October 1]**, 201_ or, if the date of this bond is after **[April 1] [October 1]**, commencing with the first April 1 or October 1 after the date of this bond, at a rate per annum equal to the Interest Rate (stated above), until JEA's obligation with respect to the payment of such Principal Amount shall be discharged; *provided, however*, that so long as this bond shall be restricted to being registered in the registration books of JEA in the name of the Securities Depository (as defined in the Subordinated Resolution hereinafter referred to) for this bond, the provisions of the Subordinated Resolution governing Book Entry Subordinated Bonds (as defined in the Subordinated Resolution) shall govern the manner of payment of the principal or redemption price of, and interest on, this bond. The interest so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Subordinated Resolution, be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day of the calendar month next preceding such interest payment date, such payment to be made by check or draft of the Paying Agent mailed to such person at the address shown on the registration books of JEA kept for that purpose at the principal corporate trust office of U.S. Bank National Association in Jacksonville, Florida, or its successor, as Subordinated Bond Registrar for the bonds of the series of which this bond is one. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the person in whose name this bond is registered on the Regular Record Date, and shall be paid, in the manner described above, to the person in whose name this bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by such Subordinated Bond Registrar, notice whereof shall be given to holders of bonds of the series of which this bond is one not less than 10 days prior to such Special Record Date.

This bond is one of a duly authorized series of bonds of JEA designated as its "Electric System Subordinated Revenue Bonds, 2017 Series A" (herein sometimes called the "2017 Series A Subordinated Bonds"), in the aggregate principal amount of \$_____, issued pursuant to Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended (herein called the "Act") and under and pursuant to a resolution of JEA adopted on August 16, 1988, as amended, restated and supplemented, including (a) as amended and restated by a resolution of JEA adopted on January 18, 2000 and (b) as supplemented by Resolution No. 2016-18 of JEA entitled "Fifty-Fourth Supplemental Subordinated Electric System Resolution," adopted on October 18, 2016 authorizing the 2017 Series A Subordinated Bonds (the "Fifty-Fourth Supplemental Subordinated Resolution"; said resolution as amended, restated and supplemented, being herein called the "Subordinated Resolution"). As provided in the Subordinated Resolution, bonds, notes or other evidences of indebtedness of JEA may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Subordinated Resolution provided. All such bonds, notes or other evidences of indebtedness issued pursuant to the Subordinated Resolution are referred to herein as the "Subordinated Bonds."

As provided in the Subordinated Resolution, the Subordinated Bonds are special obligations of JEA payable solely from and secured as to payment of the principal of, premium, if any, and interest thereon, in accordance with their terms and the provisions of the Subordinated Resolution and are secured equally and ratably by a lien upon and a pledge of (i) the amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution (as defined in the Subordinated Resolution) as may from time to time be available therefor, including the investments, if any, thereof and (ii) the amounts on deposit in the Funds established under the Subordinated Resolution, including the investments, if any, thereof, subject only to the provisions of the Electric System Resolution and the Subordinated Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Electric System Resolution and the Subordinated Resolution; *provided, however*, that such pledge (other than with respect to amounts on deposit in the Subordinated Bond Construction Fund established pursuant to the Subordinated Resolution) shall be junior and subordinate in all respects to the Electric System Bonds (as defined in the Subordinated Resolution) as to lien on and source and security for payment from the Revenues (as defined in the Subordinated Resolution). This bond and the series of which it is one constitute Subordinated Bonds for all purposes of the Subordinated Resolution, and are payable from and secured, on a parity with the Subordinated Bonds heretofore issued by JEA, by a pledge of the amounts described in clauses (i) and (ii) above. In accordance with the provisions of the Subordinated Resolution, JEA reserves the right to issue additional Subordinated Bonds payable from and secured, on a parity with the 2017 Series A Subordinated Bonds, by a pledge of the amounts described in clauses (i) and (ii) above. Copies of the Subordinated Resolution are on file at the office of JEA and at the principal corporate trust office of the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds, and reference to the Subordinated Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the security interest, pledge and covenants securing the Subordinated Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Subordinated Bonds with respect thereto and for the other terms and provisions thereof.

This bond and the issue of which it is one do not constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as provided in the Subordinated Resolution and it is expressly agreed by the owner of this bond that such owner shall never have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this bond or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Subordinated Resolution.

To the extent and in the manner permitted by the terms of the Subordinated Resolution, the provisions of the Subordinated Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by JEA, with the written consent of the holders of not less than a majority in principal amount of the Subordinated Bonds affected by such modification or amendment then outstanding under the Subordinated Resolution, and, in case such modification or amendment would change the terms of any sinking fund installment,

with such consent of the holders of not less than a majority in principal amount of the Subordinated Bonds of the particular series and maturity entitled to such sinking fund installment then outstanding; *provided, however*, that, if such modification or amendment will, by its terms, not take effect so long as any Subordinated Bonds of any specified like series and maturity remain outstanding under the Subordinated Resolution, the consent of the holders of such Subordinated Bonds shall not be required and such Subordinated Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Subordinated Bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Subordinated Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the holder of such Subordinated Bond, or shall reduce the percentages or otherwise affect the classes of Subordinated Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary (as defined in the Subordinated Resolution) without its written assent thereto.

The Subordinated Resolution also contains provisions permitting JEA, without the necessity for the consent of the holder of any Subordinated Bond, to modify or amend the Subordinated Resolution to cure ambiguities or defects in the Subordinated Resolution, to clarify the provisions of the Subordinated Resolution or to make any other modification or amendment which will not have a material adverse effect on the interests of Holders of the Subordinated Bonds, determined as provided in the Subordinated Resolution.

This bond is transferable, as provided in the Subordinated Resolution, only upon the books of JEA kept for that purpose at the above-mentioned office of the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds, by the Registered Owner hereof in person, or by its duly authorized attorney, upon surrender of this bond together with a written instrument of transfer satisfactory to such Subordinated Bond Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new fully registered bond or bonds, without coupons, and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Subordinated Resolution, and upon payment of the charges therein prescribed. JEA and each Fiduciary may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 2017 Series A Subordinated Bonds are issuable in the form of fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple of \$5,000.

[redemption provisions to be inserted here]

If less than all of the 2017 Series A Subordinated Bonds of like maturity (and, if applicable, interest rate within a maturity) are to be redeemed, the particular 2017 Series A Subordinated Bonds to be redeemed shall be selected in such manner as JEA in its discretion may deem fair and appropriate.

The 2017 Series A Subordinated Bonds are payable upon redemption at the above-mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be given by first class mail, postage prepaid, to the registered owners of the 2017 Series A Subordinated Bonds to be redeemed sent not less than 30 days before the redemption date, but failure of the owner of any 2017 Series A Subordinated Bond which is to be redeemed to receive any such notice by mail will not affect the validity of the proceedings for the redemption of 2017 Series A Subordinated Bonds. If notice of redemption shall have been given as aforesaid, on the redemption date so designated, (a) unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof and (b) if there shall be sufficient moneys available therefor, then the 2017 Series A Subordinated Bonds or portions thereof specified in said notice shall become due and payable on such redemption date, and if, on the redemption date, moneys for the redemption of all the 2017 Series A Subordinated Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such 2017 Series A Subordinated Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

This bond shall be payable, as to principal or redemption price hereof, and interest hereon, solely from the Revenues and other funds of JEA as provided in the Subordinated Resolution. No member, officer, agent or employee of JEA shall be individually or personally liable for the payment of the principal or redemption price of or interest on this bond.

It is hereby certified and recited that all conditions, acts and things required by law and the Subordinated Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the 2017 Series A Subordinated Bonds, together with all other indebtedness of JEA, comply in all respects with the applicable laws of the State of Florida including, particularly, the Act.

This bond shall not be entitled to any benefit under the Subordinated Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds of the Subordinated Bond Registrar's Certificate of Authentication hereon.

IN WITNESS WHEREOF, JEA has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chair or its Vice Chair, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary.

Dated: _____, 20__

(SEAL)

JEA

By: _____
[Vice] Chair

Attest:

[Assistant] Secretary

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common UNIF GIF MIN ACT _____
(Cust.)

TEN ENT - as tenants by the entireties Custodian for _____
(Minor)

JT TEN - as joint tenants with right of survivorship and not as tenants in common under Uniform Gifts to Minors Act of _____
(State)

Additional abbreviations may also be used although not listed above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

the within bond and does hereby irrevocably constitute and appoint the Subordinated Bond Registrar as his agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: This signature to this assignment must correspond with the name of the registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

[FORM OF SUBORDINATED BOND REGISTRAR'S
CERTIFICATE OF AUTHENTICATION]

**SUBORDINATED BOND REGISTRAR'S
CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Subordinated Bonds described in the within-mentioned Subordinated Resolution.

Dated: _____, 20__

U.S. BANK NATIONAL ASSOCIATION,
Subordinated Bond Registrar

By _____
Authorized Signatory

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**ARTICLE IV
MISCELLANEOUS**

SECTION 401. Authorization and Approval of the Negotiated Sale of the 2017 Series A Subordinated Bonds and Execution and Delivery of the Bond Purchase Agreement; Delegation of Authority to Determine Certain Matters in Connection Therewith. The terms and conditions of the bond purchase agreement(s) between JEA and the Underwriters, providing for the negotiated sale and purchase of the 2017 Series A Subordinated Bonds, in substantially the form attached to Resolution No. 2016-17 as Exhibit “A” (the “Bond Purchase Agreement”), are hereby approved. At such time or times as the Managing Director/CEO of JEA shall determine is advantageous to JEA, such officer shall execute and deliver the Bond Purchase Agreement(s) (with such changes as are necessary to reflect, among other things, the terms of the 2017 Series A Subordinated Bonds, such determination to be evidenced by the execution and delivery thereof); *provided, however*, that at or prior to the time of the execution and delivery of the Bond Purchase Agreement, JEA shall have received from the senior managing underwriter the disclosure statement required pursuant to Section 218.385(6), Florida Statutes. The purchase price of the 2017 Series A Subordinated Bonds to be paid by the Underwriters pursuant to the Bond Purchase Agreement shall be determined as provided in Section 203 hereof, subject to the limitations set forth therein.

SECTION 402. Appointment of Subordinated Bond Registrar and Paying Agent. U.S. Bank National Association is hereby appointed as Subordinated Bond Registrar and Paying Agent for the 2017 Series A Subordinated Bonds.

SECTION 403. Authorization of Authentication. In the event that the Managing Director/CEO shall determine that it is desirable to sell and issue 2017 Series A Subordinated Bonds, as provided herein, U.S. Bank National Association, as Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds, is hereby requested and authorized to authenticate and deliver such 2017 Series A Subordinated Bonds in the aggregate principal amount determined as provided in Section 203 hereof, to or upon the order of the Underwriters, upon payment to JEA of the sum to be specified in the Subordinated Bond Purchase Agreement.

SECTION 404. Appointment of the Escrow Agent and Authorization and Approval of the Escrow Deposit Agreement; Authorization to Purchase SLGS and Other Investments. The Managing Director/CEO is hereby authorized to appoint U.S. Bank National Association, The Bank of New York Mellon Trust Company, N.A. or any other bank or trust company selected pursuant to JEA’s purchasing code to act as Escrow Agent under the Escrow Deposit Agreement. The Escrow Deposit Agreement is hereby approved in substantially the form attached hereto as Exhibit “A.” The Escrow Deposit Agreement may be executed and delivered as provided in Section 409 hereof. Pursuant to the Escrow Deposit Agreement, the Escrow Agent may be directed to invest the funds held thereunder in the manner provided therein.

In connection with the refunding of the Refunded Subordinated Bonds as provided herein, each Authorized Officer of JEA is hereby authorized, if deemed desirable, to cause proceeds of the 2017 Series A Subordinated Bonds and other available amounts, and earnings

thereon, to be invested in United States Treasury Securities—State and Local Government Series (“SLGS”) or other obligations permitted to be used to accomplish the defeasance of such Refunded Subordinated Bonds in such amounts, at such times, maturing at such times and having such rate or rates of interest as any Authorized Officer of JEA shall determine is necessary or desirable; and each such Authorized Officer of JEA and, upon receipt of instructions from an Authorized Officer of JEA, any authorized officer of the Escrow Agent is hereby authorized in the name and on behalf of JEA to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations.

SECTION 405. Approval of the Form and Use of Preliminary Official Statement and Official Statement. The form and use of a preliminary official statement for the 2017 Series A Subordinated Bonds, in substantially the form attached to Resolution No. 2016-17 as Exhibit “B” (the “Draft Preliminary Official Statement”), is hereby authorized and approved in connection with the offering and sale of the 2017 Series A Subordinated Bonds.

In the event that the Managing Director/CEO shall determine that it is desirable to issue and sell the 2017 Series A Subordinated Bonds as provided herein, the Managing Director/CEO is hereby authorized and directed to cause to be prepared a Preliminary Official Statement with respect to such bonds in substantially the form of the Draft Preliminary Official Statement and with such changes thereto as are necessary so that such Preliminary Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and, in such case, to cause such Preliminary Official Statement to be used in connection with the offering and sale of the 2017 Series A Subordinated Bonds and, if applicable, the Treasurer of JEA is hereby authorized to deem said Preliminary Official Statement final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. In the event that the Managing Director/CEO shall cause to be prepared a Preliminary Official Statement for the 2017 Series A Subordinated Bonds as aforesaid, an Official Statement relating to the 2017 Series A Subordinated Bonds, in substantially the form of said Preliminary Official Statement, with such changes thereto as are necessary (a) to reflect the terms of the 2017 Series A Subordinated Bonds and (b) so that such Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, is hereby authorized and approved for use in connection with the offering and sale of the 2017 Series A Subordinated Bonds. In such event, such Official Statement shall be executed as provided in Section 409 hereof.

SECTION 406. Approval With Respect to Registration or Qualification of the Authorized Bonds Under the Blue Sky or Securities Laws of Various States. The Authorized Officers of JEA shall be, and hereby are, authorized in the name and on behalf of JEA, to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2017 Series A Subordinated Bonds for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the

United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters.

SECTION 407. Continuing Disclosure. For the benefit of holders and beneficial owners from time to time of the 2017 Series A Subordinated Bonds, JEA agrees, as an obligated person with respect to the 2017 Series A Subordinated Bonds under Rule 15c2-12, to provide or cause to be provided such financial information and operating data, audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5) of Rule 15c2-12. In order to describe and specify certain terms of JEA's continuing disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the Authorized Officers of JEA are, and each of them hereby is, authorized and directed to sign and deliver, in the name and on behalf of JEA, a Continuing Disclosure Agreement with respect to the 2017 Series A Subordinated Bonds substantially in the form of Appendix D to the Draft Preliminary Official Statement, with any changes or amendments that are not inconsistent with this Fifty-Fourth Supplemental Subordinated Resolution and not substantially adverse to JEA and that are approved by the Authorized Officer of JEA executing the same on behalf of JEA, all of which shall be conclusively evidenced by the signing of that agreement or amendments to it. The agreement formed, collectively, by this paragraph and that agreement, shall be JEA's continuing disclosure agreement with respect to the 2017 Series A Subordinated Bonds for purposes of Rule 15c2-12, and its performance shall be subject to the annual appropriation of any funds that may be necessary to perform it.

The Authorized Officers of JEA are, and each of them hereby is, further authorized and directed to take such actions as shall be necessary to comply with each such continuing disclosure agreement, including timely provision of information and notices. Prior to making any filing in accordance with any such agreement or providing notice of the occurrence of any other events, any such officer of JEA shall consult with and obtain legal advice from, as appropriate, the Office of the General Counsel and bond or other qualified independent special counsel selected by JEA. Any such officer of JEA, acting in the name and on behalf of JEA, shall be entitled to rely upon any such legal advice in determining whether a filing should be made.

SECTION 408. Representations and Covenants Regarding the Pledge of the Subordinated Resolution. JEA represents that, pursuant to the Act, the Subordinated Resolution creates a valid and binding lien on (i) the amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, including the investments, if any, thereof and (ii) the amounts on deposit in the Funds established under the Subordinated Resolution, including the investments, if any, thereof (collectively, the "Subordinate Lien Pledged Assets"), in each such case, except as described below, prior and superior to all other liens or encumbrances on such amounts, subject only to the provisions of the Electric System Resolution and the Subordinated Resolution permitting the

application thereof for the purposes and on the terms and conditions set forth therein, for the benefit of the Holders of the Subordinated Bonds, including the 2017 Series A Subordinated Bonds, as security for the payment of the Subordinated Bonds, including the 2017 Series A Subordinated Bonds, to the extent set forth therein, enforceable in accordance with the terms thereof; *provided, however*, that such pledge (other than with respect to amounts on deposit in the Subordinated Bond Construction Fund) is junior and subordinate in all respects to the Electric System Bonds as to lien on and source and security for payment from the Revenues.

Except for the pledge and lien created by the Electric System Resolution in favor of the holders of the Electric System Bonds, JEA has not heretofore made or granted a pledge or assignment of, lien on or security interest in the Subordinate Lien Pledged Assets that ranks on a parity with or prior to the lien and pledge made or granted in the Subordinated Resolution. JEA shall not hereafter make or grant a pledge or assignment of, lien on or security interest in such Subordinate Lien Pledged Assets that ranks prior to or on a parity with the lien and pledge made or granted in the Subordinated Resolution, except as expressly permitted thereby.

SECTION 409. Authorization of the Execution and Delivery of 2017 Series A Subordinated Bonds and Related Documents. The Authorized Officers of JEA are hereby authorized to execute the 2017 Series A Subordinated Bonds, the Bond Purchase Agreement, the Escrow Deposit Agreement, if any, the Continuing Disclosure Agreement and the Official Statement, each subject to completion thereof, and with such changes therein as they may approve as necessary and desirable and in the best interest of JEA, such approval to be evidenced by the execution and delivery thereof; *provided, however*, that the 2017 Series A Subordinated Bonds shall be executed and delivered pursuant to the Subordinated Resolution and applicable law. The Secretary or an Assistant Secretary of JEA is hereby authorized (but not required) to cause the seal of JEA to be affixed to the 2017 Series A Subordinated Bonds and the foregoing documents and to attest the same. Such Authorized Officers of JEA are each hereby authorized to deliver such 2017 Series A Subordinated Bonds and documents on behalf of JEA.

SECTION 410. [Reserved]

SECTION 411. Further Actions. Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all administrative acts and things as may be necessary or desirable in connection with: the approval, execution and delivery of the Bond Purchase Agreement, the Escrow Deposit Agreement, if any, and the Continuing Disclosure Agreement; and the carrying out of their terms and the terms of the Electric System Resolution, the Subordinated Resolution and this Fifty-Fourth Supplemental Resolution; the issuance, sale, execution and delivery of the 2017 Series A Subordinated Bonds, and the refunding and redemption of the Refunded Subordinated Bonds; and the use of the Preliminary Official Statement and the Official Statement. Without limiting the generality of the foregoing, the Managing Director/CEO is hereby authorized to execute the certificates referred to in Section 203 hereof. In the absence of the Managing Director/CEO for any reason, the authority granted to him in this resolution is hereby delegated to the Vice President and General Manager, Electric Systems, the Chair of JEA's governing board and the Chair of the Finance and Audit Committee of JEA's governing board, in that order.

SECTION 412. [Reserved]

SECTION 413. Severability. If any one or more of the covenants, agreements or provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforceability of such remaining provisions.

[Remainder of page intentionally left blank]

SECTION 414. Effective Date. This Fifty-Fourth Supplemental Subordinated Resolution shall take effect immediately upon its adoption.

ADOPTED THIS 18TH DAY OF OCTOBER, 2016.



JEA

ATTEST:

Secretary

Approved as to Form:

By: _____
Office of General Counsel

EXHIBIT A

ESCROW DEPOSIT AGREEMENT

BOND PURCHASE AGREEMENT

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida 32202

Re: \$000,000,000 JEA Electric System Revenue Bonds, Series Three 2017A
\$000,000,000 JEA Electric System Subordinated Revenue Bonds, 2017 Series A

Ladies and Gentlemen:

The Underwriters (as defined below) jointly and severally hereby propose to purchase all (but not less than all) of the Bonds (as defined below) from JEA, a public body corporate and politic organized and existing under the laws of the State of Florida, and to make a public offering of the Bonds subject to the acceptance of this proposal by JEA on or before 5:00 p.m. local time then prevailing in Jacksonville, Florida, on _____, 20__, and subject to the following provisions:

Section 1. Definitions. The following terms shall have the following meanings in this Agreement unless another meaning is plainly intended:

“2017 Series A Subordinated Bonds” means JEA’s Electric System Subordinated Revenue Bonds, 2017 Series A in the aggregate principal amount of \$000,000,000 with maturities, amounts, interest rates and yields as described in Annex A hereto and as further described in the Final Official Statement.

“Accountants” means Ernst & Young LLP, independent certified public accountants.

“Agreed Upon Procedures Letter” means the letter from the Accountants to the governing body of JEA and the Representative in a form acceptable to JEA and the Representative and with the procedures described therein to be applied at least through _____, 20__, the date of the last meeting of the Board of JEA prior to the Closing.

“Agreement” means this Bond Purchase Agreement between the Representative, acting on behalf of the Underwriters and JEA.

“Annual Report” means the document entitled “Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2015 of JEA dated as of April 19, 2016 included by reference in the Official Statements to the extent described under the caption “INTRODUCTION – Inclusion of Information” therein.

“Bond Counsel” means _____, _____, _____.

“Bond Registrar” means U.S. Bank National Association or its corporate successor, in its capacity as Bond Registrar, Subordinated Bond Registrar and Paying Agent, as the case may be, for the Bonds under the Electric System Resolution and the Subordinated Electric System Resolution, respectively.

“Bonds” means, collectively, the Series Three 2017A Bonds and the 2017 Series A Subordinated Bonds.

“City” means the City of Jacksonville, Florida.

“Closing” refers to the transaction at which the Bonds are delivered by JEA to or on behalf of the Underwriters, and paid for by the Underwriters, pursuant to this Agreement.

“Closing Date” means the date specified in Section 7 hereof, or such other date as is mutually agreeable to the Representative and JEA pursuant to Section 7 hereto.

“Closing Documents” means the documents described in Section 8 hereof and required to be delivered to the Underwriters at the Closing.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Continuing Disclosure Agreement” means the agreement of JEA to be dated the Closing Date in substantially the form set forth in Appendix D to the Preliminary Official Statement.

“DTC” means The Depository Trust Company.

“Electric System Resolution” means the resolution of JEA adopted on March 30, 1982, as supplemented, amended and restated, particularly as supplemented by Resolution No.2016-17 adopted on October 18, 2016.

“Escrow Agent” means _____.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement to be delivered in connection with the issuance of the Bonds between JEA and the Escrow Agent relating to the refunding of the Refunded Bonds.

“Final Official Statement” means the final Official Statement of JEA relating to the Bonds, substantially in the form of the Preliminary Official Statement, with such changes as may be approved by the Representative, to be delivered pursuant to Section 6 hereof.

“JEA’s Counsel” means the Office of General Counsel of the City.

“Letter of Representations” means the Blanket Issuer Letter of Representations dated May 6, 2004 from JEA to DTC.

“Official Statements” means the Preliminary Official Statement and the Final Official Statement.

“Preliminary Official Statement” means the Preliminary Official Statement of JEA relating to the Bonds, dated _____, 20__, including the cover page and appendices thereto and the information included by reference therein.

“Refunded Bonds” means JEA’s Electric System Revenue Bonds, Series Three and JEA’s Electric System Subordinated Revenue Bonds, all as described in Annex E hereto.

“Representative” means _____, as representative of the Underwriters.

“Resolution” means, collectively, the Electric System Resolution and the Subordinated Electric System Resolution.

“Series Three 2017A Bonds” means JEA’s Electric System Revenue Bonds, Series Three 2017A in the aggregate principal amount of \$000,000,000, with maturities, amounts, interest rates, prices or yields and redemption provisions set out in Annex A hereto.

“Subordinated Electric System Resolution” means the resolution of JEA adopted August 16, 1988, authorizing the issuance by JEA of certain subordinated bonds, as supplemented, amended and restated, particularly as supplemented by Resolution No. 2016-18 adopted on October 18, 2016.

“Underwriters” means _____, acting for and on behalf of themselves and such other securities dealers, if any, as may from time to time be designated by JEA or the Underwriters.

“Underwriters’ Counsel” means _____, _____, _____.

[“Verification Agent” means _____.]

[“Verification Report” means the report dated the date of Closing of the Verification Agent to the effect that such Verification Agent has verified the accuracy of (a) the adequacy of the maturing principal of and interest on certain federal securities to be held under the Escrow Deposit Agreement, together with other moneys held under the Escrow Deposit Agreement, to pay when due or upon earlier redemption, the principal or redemption price of and interest on the Refunded Bonds, and (b) certain mathematical computations supporting the conclusion that the Bonds are not “arbitrage bonds” under the Code.]

Section 2. Purchase Price. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriters shall purchase and JEA shall sell all, but not less than all, of the (i) Series Three 2017A Bonds at an aggregate purchase price of \$_____ (representing the aggregate principal amount of the Series Three 2017A Bonds of \$000,000,000, less Underwriters’ discount of \$_____ [plus/minus net] original

issue [premium/discount] of \$_____) and (ii) 2017 Series A Subordinated Bonds at an aggregate purchase price of \$_____ (representing the aggregate principal amount of the 2017 Series A Subordinated Bonds of \$000,000,000, less Underwriters' discount of \$_____ [plus/minus] net original issue [premium/discount] of \$_____).

Section 3. Public Offering. The Underwriters have made a bona fide public offering of the Bonds at prices not in excess of the initial offering price or prices (or at yields not lower than the yield or yields) set forth in Annex A hereto. The Underwriters represent that, based on prevailing market conditions, they have no reason to believe that any of the Bonds will be initially sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices (or yields lower than the yields) shown in Annex A hereto. The Underwriters reasonably expected to sell at least 10 percent of the Bonds of each maturity to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than the respective prices shown in Annex A hereto or in the case of discount obligations sold on a yield basis, at yields not lower than the yields shown in Annex A hereto. The Underwriters reserve the right to change such public offering prices as the Underwriters deem necessary in connection with the marketing of the Bonds. In connection with the public offering of the Bonds, the Underwriters have delivered to JEA a letter containing the information required by Section 218.385, Florida Statutes in the form attached as Annex D.

JEA acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between JEA and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or a fiduciary of JEA, (iii) the Underwriters have not assumed a fiduciary responsibility in favor of JEA with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters have advised or are currently advising JEA on other matters) or any other obligation to JEA except the obligations expressly set forth in this Agreement, (iv) the Underwriters have financial interests that differ from those of JEA and are not acting as municipal advisors (as defined in Section 15B of the Securities Exchange Act of 1934, as amended) and (v) JEA has consulted with its own legal and financial advisors to the extent it deemed it appropriate in connection with the offering of the Bonds.

Section 4. Good Faith Deposit. Delivered to JEA herewith is a check payable to the order of JEA in the amount of \$_____ (the "Good Faith Deposit") as security for the performance by the Underwriters of their obligation to accept and pay for the Bonds on the Closing Date in accordance with the provisions hereof. JEA shall hold such check uncashed until the Closing Date. In the event of the Underwriters' compliance with their obligations hereunder, the Good Faith Deposit shall be returned to the Representative on the Closing Date upon payment to JEA as provided in Section 7 hereof of the purchase price of the Bonds. In the event JEA does not accept this offer, or upon the failure of JEA to deliver the Bonds on the Closing Date, or if JEA shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Agreement, or if such obligations shall be terminated for any reasons permitted by this Agreement except for the reasons set forth in Section 10 hereof, the Good Faith Deposit shall immediately be returned to the Representative. If the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Bonds upon tender thereof by JEA on the Closing Date as herein provided, the Good Faith Deposit shall be retained by JEA

as and for full and agreed upon liquidated damages, and not as a penalty, to JEA for such failure, and the retention of the Good Faith Deposit shall constitute a full release and discharge of all claims and damages for such failure and of any and all defaults hereunder on the part of the Underwriters.

Section 5. Representations of JEA. JEA represents to the Underwriters that: (a) the Preliminary Official Statement has been “deemed final” by JEA as of its date for the purpose of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”); (b) as of their respective dates and on the date hereof the statements and information contained in the Official Statements are, and on the Closing Date the statements and information contained in the Final Official Statement will be, true and complete in all material respects, and the Preliminary Official Statement, as of its date, did not and the Final Official Statement, as of its date, does not on the date hereof, and will not on the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; (c) the Preliminary Official Statement, as of its date, did not and does not on the date hereof, and the Final Official Statement, as of its date did not and does not on the date hereof, and will not on the Closing Date, omit any information with respect to JEA or its business, properties and affairs which might in a material respect adversely or unfavorably affect the transactions contemplated by the Preliminary Official Statement or the Final Official Statement; (d) JEA has full title to the Electric System (as defined in the Annual Report) and the power and authority to operate the same and to collect the Revenues (as defined in the Electric System Resolution) therefrom; (e) the resolution or resolutions of, or other appropriate actions taken by, JEA establishing the rates and charges for services of the Electric System described in the Annual Report have been duly adopted or taken and are in full and effect; (f) when delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of JEA of the character referred to in the Final Official Statement, in conformity with, and entitled to the benefit and security of, the Resolution; (g) JEA is empowered and has been duly authorized to enter into this Agreement, the Continuing Disclosure Agreement and the Letter of Representations and to adopt the Resolution; (h) the execution and delivery of this Agreement, the Continuing Disclosure Agreement, the Letter of Representations and the Bonds and compliance with the provisions thereof, under the circumstances contemplated herein and therein, will not in any material respect conflict with or constitute on the part of JEA a breach of or default under any agreement or other instrument to which JEA is a party, or any existing law, administrative regulation, court order or consent decree to which JEA is subject; (i) no litigation or proceeding (to which JEA is a party) is pending or to the best of JEA’s knowledge is threatened against or affecting JEA to restrain or enjoin the issuance or delivery of the Bonds or other indebtedness of JEA relating to the Electric System or in any way contesting or affecting the authority for the issuance of the Bonds or other indebtedness of JEA relating to the Electric System or the validity of the Bonds or other indebtedness of JEA, the Resolution, this Agreement, the Continuing Disclosure Agreement or the Letter of Representations or in any way contesting the corporate existence or the powers of JEA; (j) except as may be disclosed in the Official Statements, no litigation or proceeding (to which JEA is a party) is pending or, to the best of its knowledge, is threatened against or affecting JEA or involving any of the business, property or affairs of JEA which involves the possibility of any judgment or liability which may result in any material adverse change in the financial condition of JEA relating to its electric

utility functions; (k) JEA has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon; (l) subsequent to the date of the last audited financial statements included in the Official Statements there have been no material adverse changes in the assets, liabilities or condition of JEA related to its electric utility functions, financial or otherwise, except as disclosed in or contemplated by the Official Statements, and neither the business, the properties, nor the affairs of JEA related to its electric utility functions have been adversely affected in any substantial way as the result of any fire, explosion, accident, strike, riot, flood, windstorm, earthquake, embargo, war or act of God or of the public enemy; (m) all permits or licenses which JEA is required to maintain in order to operate the Electric System, the Power Park and the Scherer 4 Project (as such terms are defined in the Annual Report) are in full force and effect; (n) the proceeds of the Bonds will be used by JEA to redeem all of the Refunded Bonds within 90 days of the Closing; (o) other than as disclosed in the Official Statements, JEA has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under the Rule; and (p) JEA has not been in default any time after December 31, 1975 as to principal or interest with respect to any of its debt obligations.

Section 6. Final Official Statement; Public Offering. JEA shall prepare, and shall deliver to the Underwriters as promptly as practicable but, in any event, not later than seven business days after the acceptance by JEA of this Agreement and in sufficient time to allow the Underwriters to deliver copies thereof to purchasers of the Bonds at least two business days prior to the Closing, copies of the Final Official Statement in sufficient quantity to comply with the Rule and the rules of the Municipal Securities Rulemaking Board and in form and substance satisfactory to the Representative and JEA, executed on behalf of JEA by its Managing Director and Chief Executive Officer. JEA agrees that the Preliminary Official Statement, the Final Official Statement and copies of the Resolution, prepared by or on behalf of JEA may be used by the Underwriters in the public offering of the Bonds and that it will cooperate with the Underwriters if the Underwriters decide to qualify the Bonds under the securities laws of any state; provided, however, JEA shall not be required to register as a dealer or broker in any such state or to qualify to do business in connection with any such qualification of the Bonds for sale in any state. To the extent required by MSRB Rules, JEA confirms that it does not object to the distribution of the Official Statements in electronic form. The Final Official Statement shall be provided in a “designated electronic format” (as defined in MSRB Rule G-32). The term “designated electronic format” is defined in MSRB Rule G-32 to mean portable document format, with files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. For files submitted to the Electronic Municipal Market Access system operated by the MSRB on or after January 1, 2010, documents in designated electronic format must be word searchable (without regard to diagrams, images and other non-textual elements).

JEA further agrees to provide the Representative with copies of the Escrow Deposit Agreement and any other advance refunding documents (as defined in MSRB Rule G-32) in a word-searchable pdf format as described in the MSRBs Rule G-32 and shall provide such electronic copy of the word-searchable pdf format of such advance refunding documents to the Underwriters no later than four business days after the Closing Date to enable the Underwriters to comply with MSRB Rule G-32.

Section 7. Closing, Delivery and Payment. The Bonds shall be printed or reproduced in definitive form as fully registered Bonds and shall be registered initially in the name of Cede & Co., as nominee of DTC, shall be in the denominations of the aggregate par amount of the Bonds of each series and maturity of each series (and, if applicable, each interest rate within a maturity) and shall be made available to, or on behalf of, DTC, 55 Water Street, New York, New York, which shall act as securities depository for the Bonds, not less than one business day prior to the Closing. The Representative may inspect the Bonds prior to the Closing.

The Closing shall be held beginning at 9:00 a.m. on _____, 20__ at the offices of JEA, 21 West Church Street, Jacksonville, Florida, or at such other time and other place as is mutually agreeable to the Representative and JEA. At the Closing and subject to the conditions contained herein, the Representative shall accept the delivery of the Bonds from JEA and shall make payment therefor as provided herein in federal funds or other immediately available funds upon (i) tender by JEA of the definitive Bonds to or on behalf of DTC on behalf of the Underwriters; and (ii) the delivery by JEA to the Underwriters of all the Closing Documents.

Section 8. Closing Documents. The Closing Documents shall consist of at least the following, each properly executed, certified or otherwise verified, dated as of the Closing Date except as otherwise provided below, and in such form as may be satisfactory to Bond Counsel, the Representative and Underwriters' Counsel, including, but not limited to, the matters hereinafter set forth:

(a) Certified copies of the Resolution and the ordinances of the City Council of the City approving the issuance of the Bonds;

(b) JEA's closing certificate confirming (i) the representations made by JEA herein; (ii) the application of the proceeds of the sale of the Bonds and certain other amounts as described in the Final Official Statement; (iii) the adoption and present effectiveness of all resolutions considered necessary, in the opinion of Bond Counsel, in connection with the transactions contemplated hereby, together with copies of said resolutions; (iv) that the Resolution has not been amended since the date of this Agreement, except as may have been consented to in writing by the Representative; and (v) that, except as described in the Official Statements, no material adverse change has occurred with respect to the Electric System, the Power Park and the Scherer 4 Project (all as defined therein), including, without limitation, the financial condition thereof, for the period from September 30, 20[15] through the Closing Date;

(c) The approving opinions of Bond Counsel, dated the Closing Date, in substantially the forms attached to the Preliminary Official Statement as Appendix E and Appendix F;

(d) The supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriters in substantially the form set forth as Annex B hereto;

(e) An opinion of JEA's Counsel to the effect that (i) JEA is a public body corporate and politic and an independent agency of the City, duly organized and validly

existing under the laws of the State of Florida and has all the necessary power and authority to issue the Bonds and enter into this Agreement, the Letter of Representations and the Continuing Disclosure Agreement; (ii) the Resolution has been duly adopted by JEA and this Agreement, the Letter of Representations, the Continuing Disclosure Agreement and the Bonds have been duly authorized, executed and delivered by JEA and such documents and the Resolution constitute legal, valid and binding obligations of JEA enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, reorganization, insolvency and other similar laws affecting the enforcement of creditors' rights generally, and no opinion need be expressed as to the availability of any discretionary equitable remedy; (iii) the ordinances of the City Council of the City approving the issuance of the Bonds were duly enacted by the City; (iv) JEA has approved the distribution of the Preliminary Official Statement and the Final Official Statement and the execution and delivery of the Final Official Statement to the purchasers of the Bonds; (v) the execution and delivery of the Bonds, this Agreement, the Continuing Disclosure Agreement and the Letter of Representations, the adoption of the Resolution and the issuance of the Bonds pursuant to the Resolution and compliance with the provisions of the Resolution under the circumstances contemplated thereby and hereby, do not and will not in any material respect conflict with or constitute on the part of JEA a breach of or default under any existing law, regulation, court order or consent decree to which JEA is subject; (vi) nothing has come to such counsel's attention which would lead such counsel to believe that the Final Official Statement (with the exception of the tax treatment of interest on the Bonds, Blue Sky or other securities registration matters, and financial and statistical information, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to be stated therein to make the statements therein, in light of the circumstances under which they were made, not misleading; (vii) no litigation or proceeding (to which JEA or the City is a party) is pending or to the best of such counsel's knowledge is threatened against or affecting JEA or the City to restrain or enjoin the issuance or delivery of the Bonds or the refunding of the Refunded Bonds or in any way contesting or affecting the authority for the issuance of the Bonds, or the validity of the Bonds or this Agreement, the Continuing Disclosure Agreement or the Letter of Representations or in any way contesting the corporate existence or the powers of JEA; (viii) except as may be disclosed in the Preliminary Official Statement and the Final Official Statement, no litigation or proceeding (to which JEA or the City is a party) is pending or to the best of such counsel's knowledge is threatened against or affecting JEA or involving any of the business, property or affairs of JEA which involves the possibility of any judgment or liability which may result in any material adverse change in the financial condition of JEA relating to its electric utility functions; and (ix) JEA has obtained the consents, approvals, authorizations or other orders of all municipal, state or regulatory authorities required for the consummation of the transaction contemplated hereby;

(f) The opinion of Underwriters' Counsel, dated the Closing Date, in substantially the form attached hereto as Annex C;

(g) An executed copy of the Agreed Upon Procedures Letter, dated the day prior to the Closing Date;

(h) A consent, manually signed by the Accountants, to the use of their report in the Annual Report and to the references to their firm therein and in the Official Statements, dated the day prior to the Closing Date;

(i) Appropriate arbitrage certifications and tax covenants with respect to the Bonds by JEA in form and substance satisfactory to Bond Counsel and Underwriters' Counsel;

(j) Appropriate evidence that the Series Three 2017A Bonds have been assigned ratings of “__” by Fitch, Inc. (“Fitch”), “__” by Moody’s Investors Service, Inc. (“Moody’s”) and “__” by Standard & Poor’s (“S&P”) and the 2017 Series A Subordinated Bonds have been assigned ratings of “__” by Fitch, “__” by Moody’s and “__” by S&P;

(k) A certificate of the Bond Registrar as to the incumbency of its officers and its power to serve as Bond Registrar in form and substance acceptable to Bond Counsel and Underwriters' Counsel;

(l) A certificate of the Escrow Agent, dated the Closing Date as to (i) the incumbency of its officers, (ii) that the Escrow Agent is a banking corporation, duly organized and validly existing under the laws of the United States of America or the state of its incorporation and authorized to do business in the State, (iii) that the Escrow Agent has duly accepted its duties under the Escrow Deposit Agreement, and (iv) that the Escrow Agent has taken all necessary corporate action required to act as escrow agent under the Escrow Deposit Agreement and to perform its duties thereunder;

(m) A certified copy of the Letter of Representations;

(n) An executed counterpart of the Continuing Disclosure Agreement;

(o) An executed counterpart of the Escrow Deposit Agreement;

(p) The Verification Report; and

(q) Such additional legal opinions, certificates, instruments and other documents and such multiple copies of the above listed documents as the Underwriters, Underwriters' Counsel or Bond Counsel may reasonably request to evidence compliance by JEA with legal requirements; the truth and accuracy, as of the Closing Date, of the respective representations contained herein and in the Final Official Statement; and the due performance or satisfaction by JEA of all agreements to be performed by it and all conditions to be satisfied by it at or prior to the Closing.

Section 9. Termination by Underwriters. This Agreement may be terminated in writing prior to the Closing by the Representative acting on behalf of the Underwriters if any of the following shall occur subsequent to the execution hereof: (i) this Agreement shall not have been accepted by JEA within the time herein provided; (ii) the copies of the Final Official Statement shall not have been provided within the time required by this Agreement; (iii) the Bonds and all of the Closing Documents shall not have been delivered to the Underwriters as of

2:00 p.m. on the Closing Date; (iv)(a) legislation shall have been enacted by the Congress, or introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (b) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (c) an order, ruling, regulation or communication (including a press release) shall have been issued by the Treasury Department of the United States, the Internal Revenue Service or the Securities and Exchange Commission, or (d) any action shall be taken or statement made by or on behalf of the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, which indicates or implies that interest on the Bonds may not be excludable from gross income for federal income tax purposes or that legislation will be introduced in the next scheduled session of the United States Congress, in each case referred to in clauses (a), (b), (c) and (d), with the purpose or effect, directly or indirectly, of (y) imposing federal income taxation upon interest to be received by any holders of the Bonds or (z) requiring the offer or sale of the Bonds to be registered under the Securities Act of 1933 or the Resolution to be qualified as an indenture under the Trust Indenture Act of 1939; (v) there shall exist any event or circumstance which, in the opinion of the Representative, either makes untrue or incorrect in a material respect any statement or information contained in the Final Official Statement, or any event or circumstance is not reflected in the Final Official Statement but should be reflected therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in a material respect; (vi) there shall have occurred any outbreak of hostilities (or the escalation of any hostilities existing on the date hereof) or other national or international calamity or crisis, the effect of such outbreak or escalation, calamity or crisis on the financial markets of the United States of America being such as, in the opinion of the Representative, would make it impracticable for the Underwriters to sell the Bonds, including an effect generally on the market which affects the marketability of the Bonds; (vii) there shall be in force a general suspension of trading on the New York Stock Exchange, or any other major United States stock exchange, or minimum or maximum prices for trading shall have been fixed and be in force; (viii) in the judgment of the Representative, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be adversely affected because: (a) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (b) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters; (ix) a general banking moratorium shall have been declared by either federal, New York or Florida authorities having jurisdiction, and shall be in force, or there shall occur any other material disruption in commercial banking or securities settlement or clearance services in the United States; or (x) (a) the rating on any of the Bonds shall have been suspended, withdrawn or downgraded by any of the three rating agencies referred to in paragraph (j) of Section 8 hereof or (b) any of such rating agencies shall have placed any of the Bonds on negative credit watch or the like.

Section 10. Termination by JEA. In the absence of a termination of this Agreement by the Representative as permitted by Section 9 hereof, this Agreement may be terminated in writing by JEA in the event that the Underwriters shall fail to accept delivery and pay the purchase price of the Bonds at the Closing upon (i) tender thereof to or on behalf of the Underwriters by JEA and (ii) delivery to the Underwriters of all of the Closing Documents, all as provided in Section 8 hereof, and in such event JEA shall retain the Good Faith Deposit as provided in Section 4 hereof.

Section 11. Changes Affecting the Final Official Statement After the Closing. If during the period from the date of this Agreement and a date 25 days after the End of the Underwriting Period (as defined herein), any event relating to or affecting JEA shall occur the result of which shall make it necessary, in the reasonable opinion of (i) JEA and (ii) the Representative or Underwriters' Counsel, to amend or supplement the Final Official Statement in order to make it not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made not misleading, JEA shall forthwith prepare and furnish to the Underwriters, at JEA's expense, a reasonable number of copies of an amendment of or supplement to the Final Official Statement in form and substance satisfactory to the Representative, so that it then will not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading; provided, however, JEA will not adopt any amendment or supplement to the Final Official Statement except with the written consent of the Representative, which consent shall not be unreasonably withheld. The "End of the Underwriting Period" shall mean the Closing Date unless the Representative shall in writing advise JEA that the Underwriting Period must be extended, in which case the End of the Underwriting Period shall be the date set forth in such writing, but in no event later than 90 days after the Closing Date.

Section 12. Expenses. The Underwriters shall pay their own out-of-pocket expenses, the fees and expenses of Underwriters' Counsel, and the fees and expenses in connection with the preparation of the Blue Sky Memorandum and the registration of the Bonds for "Blue Sky" purposes.

JEA acknowledges that it has had an opportunity to consult with its financial advisor in order to evaluate and consider the fees and expenses being incurred as a part of the issuance of the Bonds. JEA shall pay all of the other costs and expenses in connection with the financing contemplated by this Agreement, including, but not limited to: (i) the fees and expenses of Bond Counsel and JEA's Counsel and the expenses of JEA, if any; (ii) any fees and expenses incurred for filing fees; (iii) the fees and expenses of any experts or consultants; (iv) the fees and expenses of the Bond Registrar, the Escrow Agent and any verification report; (v) the cost of preparation and printing of the Bonds; (vi) the cost of printing and duplication for the Official Statements and any amendments or supplements thereto; (vii) the fees and expenses of the Accountants; and (viii) bond rating agencies fees. JEA acknowledges that a portion of the Underwriters' expenses are intended to reimburse the Underwriters for incidental expenses (including, but not limited to, transportation, lodging and meals of JEA and Underwriters personnel) incurred by the Underwriters (on their own behalf or on behalf of JEA personnel), as applicable, in connection with the transaction contemplated by this Agreement.

Section 13. Notices. Any notice or other communication to be given to JEA under this Agreement may be given by delivering the same in writing to the address set forth above; and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to the Underwriters in care of _____, _____, _____, _____, Attention: _____.

Section 14. Authority of Representative. The Representative has been duly authorized to execute this Agreement and, pursuant to an agreement among the Underwriters, has been duly authorized to act hereunder by and on behalf of the Underwriters.

Section 15. Parties and Interests; JEA's Undertaking; Survival of Representations. This Agreement is made solely for the benefit of JEA and the Underwriters, including the successors and assigns of the Underwriters, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof except as provided in Section 11 hereof. All representations and agreements by JEA in this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Underwriters, and shall survive the delivery of and payment for the Bonds.

Section 16. Truth-In-Bonding Statement. For purposes of subsections (2) and (3) of Section 218.385, Florida Statutes, as amended, the following Truth in Bonding Statement is made with respect to the Bonds:

JEA is proposing to issue \$_____ of the Bonds. The Bonds are to be issued for the purposes of refunding the Refunded Bonds and paying cost of issuance of the Bonds. The Bonds are expected to be repaid over a period of approximately ____ years. At the interest rates set out in Annex A hereto (being a true interest cost of _____%), total interest paid over the life of the Bonds will be \$_____.

The source of repayment or security for the Bonds is the revenues of the JEA's Electric System. Issuing the Bonds finances the items described in the preceding paragraph. Authorizing this debt will result in an average annual debt service payment of approximately \$_____ from Electric System revenues, which will not otherwise be available to finance the other services or expenditures of JEA each year for approximately ____ years.

Section 17. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which taken together shall constitute one instrument.

Section 18. Entire Agreement Clause. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Bond Purchase Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

[Remainder of page intentionally left blank; signature page follows]

Very truly yours,

as Representative of the Underwriters

By: _____

Name:

Title:

Accepted by JEA on _____, 20__

By: _____

Name:

Title:

FORM APPROVED:

Office of General Counsel

ANNEX A

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

\$000,000,000 Electric System Revenue Bonds, Series Three 2017A

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %
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\$ _____ % Term Bond Due October 1, 20__ - Yield _____ %

\$000,000,000 Electric System Subordinated Revenue Bonds, 2017 Series A

<u>Maturity</u> <u>October 1,</u>	<u>Amount</u> \$	<u>Interest Rate</u> %	<u>Yield</u> %
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\$ _____ % Term Bond Due October 1, 20__ - Yield _____ %

Redemption Provisions

[to come]

ANNEX B

[Form of Supplemental Opinion of Bond Counsel]

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida

[Underwriters]

c/o _____

Re: 000,000,000 JEA Electric System Revenue Bonds, Series Three 2017A
(the "Series Three 2017A Bonds")
\$000,000,000 JEA Electric System Subordinated Revenue Bonds, 2017 Series A
(the "2017 Series A Subordinated Bonds")

Ladies and Gentlemen:

We have served as Bond Counsel to JEA in connection with the issuance of the Series Three 2017A Bonds and the 2017 Series A Subordinated Bonds (collectively, the "Bonds"). This letter is addressed to the underwriters addressed above (the "Underwriters"), pursuant to Section 9(d) of the Bond Purchase Agreement, dated _____, 20__ (the "Bond Purchase Agreement"), between _____, as Representative of the Underwriters, and JEA, providing for the purchase of the Bonds. The Bonds are issued pursuant to the Constitution and laws of the State of Florida, including, in particular, Article 21 of the Charter of the City of Jacksonville, Florida (the "City"), as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof, and other applicable provisions of law and, in the case of the Series Three 2017A Bonds, under and pursuant to a resolution of JEA adopted on August 16, 1988, as supplemented and amended (the "Series Three Resolution"), including as supplemented by Resolution No. 2016-17 of JEA adopted on October 18, 2016, authorizing the Series Three 2017A Bonds, which Series Three Resolution amends and supplements a resolution of JEA adopted on March 30, 1982 (the "Electric System Resolution"), as supplemented, amended and restated (such Electric System Resolution, as so supplemented, amended and restated, being herein referred to as the "Resolution") and, in the case of the 2017 Series A Subordinated Bonds, under and pursuant to a resolution of JEA (the "Original Subordinated Resolution") adopted on August 16, 1988 authorizing the issuance of JEA's Subordinated Bonds (such resolution, as supplemented, amended and restated, being herein referred to as the "Subordinated Resolution"), including as supplemented by Resolution No. 2016-18 of JEA adopted on October 18, 2016, authorizing the 2017 Series A Subordinated Bonds. Capitalized terms not otherwise defined herein shall have

the meanings ascribed thereto in the Resolution or the Subordinated Resolution, or, if not defined therein, in the Bond Purchase Agreement.

On the date hereof, we have delivered our approving opinions (the “Bond Counsel Opinions”) concerning the validity of the Bonds and certain other matters to JEA. The opinions and conclusions expressed herein are subject to the same qualifications, limitations and reliances as stated in the Bond Counsel Opinions. The Underwriters may rely on the Bond Counsel Opinions as though such opinions were addressed to them.

In connection with our role as Bond Counsel, we have reviewed the Bond Purchase Agreement; a certified copy of the Resolution; a certified copy of the Subordinated Resolution; a certified copy of Ordinance 82-228-94, enacted by the Council of the City on March 30, 1982, approving, among other things, the Electric System Resolution and the issuance by JEA of Bonds (as defined in the Electric System Resolution); a certified copy of Ordinance 88-1108-554, enacted by the Council of the City on September 27, 1988, approving, among other things, the Series Three Resolution, the issuance by JEA of Series Three Bonds (as defined in the Series Three Resolution), the Original Subordinated Resolution and the issuance by JEA of Subordinated Bonds; a certified copy of Ordinance 92-1411-902, enacted by the Council of the City on September 8, 1992, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 95-736-450, enacted by the Council of the City on September 12, 1995, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 1999-797-E, enacted by the Council of the City on August 24, 1999, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2001-664-E, enacted by the Council of the City on August 28, 2001, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2003-844-E, enacted by the Council of the City on August 26, 2003, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2005-460-E, enacted by the Council of the City on May 10, 2005, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2007-797-E, enacted by the Council of the City on September 26, 2007, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; a certified copy of Ordinance 2008-581-E, enacted by the Council of the City on September 23, 2008, approving, among other things, the issuance by JEA of Series Three Bonds and Subordinated Bonds; the Official Statement of JEA, dated _____, 20____, relating to the Bonds, including those portions of the Annual Disclosure Report (as defined therein) which are included by reference therein (the “Official Statement”); the Continuing Disclosure Agreement; the Tax Certificate executed and delivered by JEA on the date hereof in connection with the issuance of the Bonds (the “Tax Certificate”); an opinion of the Office of General Counsel of the City, attorney for JEA; certificates of JEA and others; and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based upon an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any

person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than JEA. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof (except that we have not relied on any such legal conclusions that are to the same effect as the opinions or conclusions set forth herein). We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolution, the Subordinated Resolution, the Tax Certificate, the Continuing Disclosure Agreement and the Bond Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against bodies politic and corporate of the State of Florida. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue or waiver or severability provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. JEA is a public body corporate and politic and an independent agency of the City, duly created and existing under the Constitution and laws of the State of Florida.

2. The Bonds have been duly authorized by JEA and all conditions precedent to the issuance of the Bonds have been fulfilled, including, without limitation, all necessary approvals of the City.

3. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution and the Subordinated Resolution are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

4. The statements contained in the Official Statement under the captions "PURPOSE OF ISSUE AND PLAN OF FINANCE," "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS," "DESCRIPTION OF THE SERIES THREE 2017A BONDS," "SECURITY AND SOURCE OF PAYMENT FOR THE 2017 SERIES A SUBORDINATED BONDS," "DESCRIPTION OF THE 2017 SERIES A SUBORDINATED BONDS," and "TAX MATTERS" and the statements contained in Appendix A to the Annual Disclosure Report, "Summary of Certain Provisions of the Electric System Resolution" in Appendix B to the Annual Disclosure Report, "Summary of Certain Provisions of the Subordinated Electric System Resolution" in Appendix C to the Annual Disclosure Report, "Summary of Certain Provisions of the First Power Park Resolution," in Appendix D to the Annual Disclosure Report, "Summary of Certain Provisions of the Second Power Park Resolution," in Appendix E to the Annual Disclosure Report, "Summary of Certain Provisions of the Restated and Amended Bulk Power Supply System Resolution," in Appendix G to the Annual Disclosure Report, "Summary of Certain Provisions of the Power Park Joint Ownership

Agreement” in Appendix H to the Annual Disclosure Report and “Summary of Certain Provisions of Agreements Relating to Scherer Unit 4,” in Appendix I to the Annual Disclosure Report, insofar as such statements expressly summarize certain provisions of the Resolution, the Subordinated Resolution, the First Power Park Resolution (as defined in the Annual Disclosure Report), the Second Power Park Resolution (as defined in the Annual Disclosure Report), the Restated and Amended Bulk Power Supply System Resolution (as defined in the Annual Disclosure Report), the Power Park Joint Ownership Agreement (as defined in the Annual Disclosure Report), the Scherer Unit 4 Purchase Agreement (as defined in the Annual Disclosure Report), the Scherer Unit 4 Operating Agreement (as defined in the Annual Disclosure Report), the Scherer Unit 4 Agency Agreement (as defined in the Annual Disclosure Report), and the form and content of our Bond Counsel Opinions, are accurate in all material respects.

5. We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in paragraph 4 above), completeness or fairness of any of the statements contained in the Official Statement, and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. We do not assume any responsibility for any electronic version of the Official Statement, and assume that any such version is identical in all respects to the printed version. In our capacity as Bond Counsel in connection with the issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of JEA, representatives of Public Financial Management, Inc., JEA’s Financial Advisor, representatives of Ernst & Young LLP, independent certified public accountants, JEA’s auditors, and others, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in the above-referenced conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates, opinions and matters herein mentioned (as set forth above), subject to the limitations on our role as Bond Counsel, we advise you as a matter of fact and not opinion that no facts came to the attention of the attorneys in our firm rendering legal services in connection with such issuance which caused us to believe that the Official Statement as of its date and as of the date hereof (except for any CUSIP numbers, financial, accounting, statistical, economic or engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion (other than our opinions relating to the Bonds), any information about book-entry or DTC and the information contained in Appendices A, B and C to the Official Statement and in Schedule 1 and Appendices A, F and J to the Annual Disclosure Report, included or referred to therein, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity.

6. The Continuing Disclosure Agreement has been duly executed and delivered by JEA and is a valid and binding agreement of JEA, enforceable in accordance with its terms. No opinion regarding the adequacy of the Continuing Disclosure Agreement for purposes of SEC Rule 15c2-12 may be inferred from this opinion.

7. In reliance upon the certifications, directions and acknowledgements of JEA and the Paying Agent for the respective Refunded Series Three Bonds and Refunded Subordinated Bonds (as such terms are defined in the Official Statement), upon deposit of amounts sufficient to pay the redemption price of, and interest on, the respective Refunded Series Three Bonds and Refunded Subordinated Bonds on _____, 20__, the date such Refunded Series Three Bonds and Refunded Subordinated Bonds have been called for redemption, with the Paying Agent therefor, the Refunded Series Three Bonds will no longer be “Outstanding” within the meaning of the Resolution and the Refunded Subordinated Bonds will no longer be deemed “Outstanding” within the meaning of the Subordinated Resolution.

This letter is furnished by us as Bond Counsel to JEA. No attorney-client relationship has existed or exists between our firm and the Underwriters in connection with the Bonds or by virtue of this letter. Our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this letter. This letter is delivered to JEA, as the issuer of the Bonds and the Underwriters in their capacity as the Underwriters of the Bonds, is solely for your benefit in such capacities and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

ANNEX C

[Form of Underwriters' Counsel Opinion]

_____, 20__

[Underwriters]

c/o _____

Re: \$000,000,000 JEA Electric System Revenue Bonds, Series Three 2017A
\$000,000,000 JEA Electric System Subordinated Revenue Bonds, 2017 Series A

Ladies and Gentlemen:

We have acted as counsel to you (the "Underwriters") in connection with the purchase by the Underwriters from JEA of the captioned obligations designated Series Three 2017A (the "Series Three 2017A Bonds") and the captioned obligations designated 2017 Series A (the "2017 Series A Subordinated Bonds" and, together with the Series Three 2017A Bonds, the "Bonds"). As such counsel, we have examined the Official Statement, dated _____, 20__, relating to the Bonds (the "Official Statement"), the Bond Purchase Agreement, dated _____, 20__, by and between Goldman, Sachs & Co., as Representative of the Underwriters named therein and JEA, with respect to the Bonds (the "Bond Purchase Agreement"), the Resolution (as defined in the Bond Purchase Agreement), the Continuing Disclosure Agreement (as defined in the Bond Purchase Agreement), and such other matters as we have deemed necessary; and we have participated in discussions and conferences with members of JEA and its staff, bond counsel, JEA's financial advisor, and the independent certified public accountants with respect to matters contained and included by reference in the Official Statement.

From such examination, we are of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

We are not passing upon, do not assume responsibility for, and have not independently verified the accuracy, completeness, or fairness of the statements contained or included by reference in the Official Statement. In addition, we are not experts in evaluating the business, operations, or financial condition of public power authorities in general or JEA in particular. As your counsel we have participated in the preparation of the Official Statement and in the discussions referred to above with respect to the Official Statement. In the course of such preparation, discussions and review nothing has come to our attention which leads us to believe that the Official Statement (except for the appendices thereto and references to such appendices and the graphic, engineering, financial and statistical information, any information about book-entry or DTC (as such term is defined in the Official Statement), as to which we express no

view) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

We are further of the opinion that the Continuing Disclosure Agreement satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by said Rule.

We are furnishing this letter to you pursuant to Section 8(f) of the Bond Purchase Agreement solely for your benefit as Underwriters. Our engagement with respect to this matter has terminated as of the date hereof, and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

ANNEX D

_____, 20__

JEA
21 West Church Street
Jacksonville, Florida 32202

Re: \$000,000,000 JEA Electric System Revenue Bonds, Series Three 2017A
\$000,000,000 JEA Electric System Subordinated Revenue Bonds, 2017 Series A

Ladies and Gentlemen:

In connection with the proposed issuance by JEA (the "Issuer") of \$000,000,000 in aggregate principal amount of Electric System Revenue Bonds, Series Three 2017A and \$000,000,000 in aggregate principal amount of Electric System Subordinated Revenue Bonds, 2017 Series A (collectively, the "Bonds"), [Underwriters] (collectively, the "Underwriters") are preparing to underwrite a public offering of the Bonds. Arrangements for underwriting the Bonds will be pursuant to a Bond Purchase Agreement between the Issuer and the Underwriters.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, as amended, certain information in respect of the arrangements contemplated for the underwriting of the Bonds as follows:

(a) The nature and estimated amounts of expenses to be incurred by the Underwriters in connection with the purchase and reoffering of the Bonds are set forth in Schedule I attached hereto.

(b) Based upon representations of the Underwriters, there are no "finders," as defined in Section 218.386, Florida Statutes, as amended, connected with the issuance of the Bonds.

(c) The underwriting spread (*i.e.*, the difference between the price at which the Bonds will be initially offered to the public by the Underwriters and the price to be paid to the Issuer for the Bonds) will be \$_____ per \$1,000 bond or \$_____.

(d) The Underwriters will charge no management fee.

(e) There is no other fee, bonus or other compensation to be paid by the Underwriters in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriters, except as specifically enumerated as expenses

SCHEDULE I

ESTIMATED UNDERWRITERS' FEE AND EXPENSES

<u>Underwriters' Fee</u>	<u>Dollar Amount</u>	<u>Per \$1,000 Bond</u>
Average Takedown	\$_____	\$_____
Expenses:		
Underwriters' Counsel	_____	_____
Dalcomp	_____	_____
Dalnet	_____	_____
CUSIP	_____	_____
DTC	_____	_____
Total Fees and Expenses	<u> </u> \$_____	<u> </u> \$_____

ANNEX E

REFUNDED BONDS

[Insert name(s) of Series]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The 2014 Bonds may not be sold, nor may any offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2014 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

Return to Agenda

PRELIMINARY OFFICIAL STATEMENT DATED _____, 20__

NEW ISSUE – BOOK-ENTRY ONLY

In the opinion of Bond Counsel, assuming compliance by JEA with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series Three 2017A Bonds and the 2017 Series A Subordinated Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series Three 2017A Bonds and the 2017 Series A Subordinated Bonds will, however, be taken into account in computing an adjustment made in determining a corporate Bondholder's adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein for a description of other tax consequences to owners of the 2017A Bonds.



(www.jea.com)

\$000,000,000* ELECTRIC SYSTEM REVENUE BONDS, SERIES THREE 2017A
\$000,000,000* ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS, 2017 Series A

Dated: Date of Delivery

Due: October 1, as shown on the inside cover page

The Electric System Revenue Bonds, Series Three 2017A (the "Series Three 2017A Bonds") and the Electric System Subordinated Revenue Bonds, 2017 Series A (the "2017 Series A Subordinated Bonds" and, together with the Series Three 2017A Bonds, the "2017A Bonds") will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the 2017A Bonds. Individual purchases of the 2017A Bonds will be made in book-entry form only, in principal amounts of \$5,000 or any integral multiple thereof. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto. Interest on the 2017A Bonds is payable commencing on [April/October] 1, 20__ and semiannually thereafter on April 1 and October 1 of each year.

The 2017A Bonds will be subject to redemption prior to maturity as set forth herein.

The Series Three 2017A Bonds are being issued to (a) refund certain of JEA's outstanding Electric System Bonds (as defined herein), (b) provide funds to make a deposit in the Initial Subaccount in the Debt Service Reserve Account, and (c) pay costs of issuance of the Series Three 2017A Bonds. The 2017 Series A Subordinated Bonds are being issued to (a) refund certain of JEA's outstanding Subordinated Electric System Bonds (as defined herein), and (b) pay costs of issuance of the 2017 Series A Subordinated Bonds.

The payment of the principal of and interest on the Series Three 2017A Bonds will be secured by a first lien on the Net Revenues derived by JEA from operation of the Electric System (as defined herein), equally and ratably with all of the Electric System Bonds which have been or may hereafter be issued and outstanding.

The 2017 Series A Subordinated Bonds and the interest thereon will be payable solely from, and secured by a lien on, amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution (as defined herein) as may from time to time be available therefor, including the investments, if any, thereof, and the funds established under the Subordinated Electric System Resolution (as defined herein), including the investments, if any, thereof. The 2017 Series A Subordinated Bonds will be on a parity with all of the Subordinated Electric System Bonds which have been or may hereafter be issued and outstanding but will be junior and subordinate in all respects to the Electric System Bonds.

None of the 2017A Bonds will be or constitute general obligations or indebtedness of the City of Jacksonville, Florida or JEA as "bonds" within the meaning of the Constitution of the State of Florida. No Holder of any 2017A Bonds will ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form of any real property in the City to pay the 2017A Bonds or the interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Electric System Resolution and the Subordinated Electric System Resolution, respectively. JEA has no power to levy taxes for any purpose.

MATURITY SCHEDULE – See Inside Cover Page

The 2017A Bonds are offered when, as and if issued [and accepted by the Underwriters, subject to the approval of legality by _____, _____, _____, Bond Counsel to JEA. Certain legal matters in connection with the 2017A Bonds will be passed upon by the Office of General Counsel of the City of Jacksonville, Florida, as counsel to JEA, and by _____, _____, _____, counsel to the Underwriters. It is expected that the 2017A Bonds in definitive form will be available for delivery to DTC in New York, New York on or about _____, 20__.

[UNDERWRITERS]

_____, 20__

* Preliminary, subject to change.

MATURITIES, AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS^{††}

\$000,000,000^{*}

Electric System Revenue Bonds, Series Three 2017A

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> [*]
	\$	%	%	

\$0,000,000^{*} _____% Term Bonds due October 1, 20__ - Price _____ CUSIP No.^{*} _____

\$0,000,000^{*} _____% Term Bonds due October 1, 20__ - Price _____ CUSIP No.^{*} _____

\$000,000,000^{*}

Electric System Subordinated Revenue Bonds, 2017 Series A

<u>Maturity</u> <u>(October 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> [*]
	\$	%	%	

\$0,000,000^{*} _____% Term Bonds due October 1, 20__ - Price _____ CUSIP No.^{*} _____

\$0,000,000^{*} _____% Term Bonds due October 1, 20__ - Price _____ CUSIP No.^{*} _____

(The bonds offered hereby will be sold initially without accrued interest.)

^{*} Preliminary, subject to change.

[†] The CUSIP numbers listed herein are provided for the convenience of bondholders. JEA is not responsible for the accuracy or completeness of such numbers.

JEA
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JEA OFFICIALS

BOARD MEMBERSHIP

Chair
Vice Chair
Secretary

Tom F. Petway III
Edward E. Burr
Dolores P. Kesler
Husein A. Cumber
Kelly Flanagan
G. Alan Howard
Warren A. Jones

MANAGEMENT

Managing Director and Chief Executive Officer
Vice President and General Manager, Electric Systems
Vice President and General Manager, Water and Wastewater Systems
Chief Financial Officer
Chief Audit, Risk and Compliance Officer
Chief Customer Officer
Chief Human Resources Officer
Chief Information Officer
Chief Legal Officer
Chief Public Affairs Officer
Treasurer

Paul E. McElroy
Michael I. Brost
Brian J. Roche
Melissa H. Dykes
Ted E. Hobson
Monica Whiting
Angelia R. Hiers
Paul J. Cosgrave
Jody Brooks
Michael Hightower
Joseph E. Orfano

GENERAL COUNSEL

Jason R. Gabriel
General Counsel of the City of Jacksonville
Jacksonville, Florida

INDEPENDENT AUDITORS

Ernst & Young, LLP
Jacksonville, Florida

BOND COUNSEL

Nixon Peabody LLP
New York, New York

FINANCIAL ADVISOR

Public Financial Management, Inc.
Philadelphia, Pennsylvania

REGISTRAR AND PAYING AGENT/

SUBORDINATED BOND REGISTRAR AND PAYING AGENT

U.S. Bank National Association
Jacksonville, Florida

No dealer, broker, salesman or any other person has been authorized by JEA to give any information or to make any representations, other than as contained in this Official Statement or included herein by specific reference, and if given or made, such other information or representations must not be relied upon as having been authorized by JEA or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2017A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale in such jurisdiction.

THE 2017A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE ELECTRIC SYSTEM RESOLUTION OR THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion set forth herein or included herein by specific reference are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the affairs of JEA since the date hereof.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intent," "believe" and similar expressions are intended to identify forward-looking statements. A number of factors affecting JEA's business and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

IN CONNECTION WITH THIS OFFERING OF THE 2017A BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Except as specifically provided herein, none of the information on JEA's website is included by reference herein.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY JEA FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

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OFFICIAL STATEMENT

Relating to



\$000,000,000* Electric System Revenue Bonds, Series Three 2017A
\$000,000,000* Electric System Subordinated Revenue Bonds, 2017 Series A

_____, 20__

INTRODUCTION

General

The purpose of this Official Statement, including the cover page and inside cover page hereof, the appendices hereto, and the information included by reference herein, is to provide information concerning the proposed issuance by JEA of (a) \$000,000,000* aggregate principal amount of JEA's Electric System Revenue Bonds, Series Three 2017A (the "Series Three 2017A Bonds") and (b) \$000,000,000* aggregate principal amount of JEA's Electric System Subordinated Revenue Bonds, 2017 Series A (the "2017 Series A Subordinated Bonds" and, together with the Series Three 2017A Bonds, the "2017A Bonds").

The Series Three 2017A Bonds are being issued to (a) refund certain of JEA's outstanding Electric System Bonds (as defined herein), (b) provide funds to make a deposit in the Initial Subaccount in the Debt Service Reserve Account, and (c) pay costs of issuance of the Series Three 2017A Bonds.

The 2017 Series A Subordinated Bonds are being issued to (a) refund certain of JEA's outstanding Subordinated Electric System Bonds (as defined herein), and (b) pay costs of issuance of the 2017 Series A Subordinated Bonds.

The descriptions herein of the 2017A Bonds and the descriptions herein and in the Annual Disclosure Report referred to below of the documents authorizing and securing the same and of the other debt of JEA and of the documents authorizing, securing and relating to the same do not purport to be comprehensive or definitive. All references herein and in the Annual Disclosure Report to such documents are qualified in their entirety by reference to such documents.

Unless otherwise defined herein, all capitalized terms in this Official Statement shall have the same meanings as given to them in the Electric System Resolution and the

* Preliminary, subject to change.

Subordinated Electric System Resolution referred to below or, if not defined therein, in the Annual Disclosure Report.

JEA

General. JEA is a body politic and corporate organized and existing under the laws of the State of Florida and is an independent agency of the City of Jacksonville, Florida (the "City"). JEA was established in 1968 to own and manage the electric utility which had been owned by the City since 1895 (as more particularly defined in the Annual Disclosure Report, included by reference herein, the "Electric System"). In 1997, the City transferred to JEA the City's combined water and wastewater (sewer) utilities system (the "Water and Sewer System"). In 2004, the City authorized JEA to create a local district energy system; and JEA established such a system (the "District Energy System") and transferred to it the chilled water production and distribution assets formerly held as part of the Electric System.

Electric System. In 2014, the latest year for which such information is available, JEA was the eighth largest municipally-owned electric utility in the United States in terms of number of customers. During its Fiscal Year ended September 30, 2015, the Electric System served an average of 443,705 customer accounts in a service area which covers virtually the entire City. JEA also sells electricity to retail customers and an electric system in neighboring counties. JEA's total energy sales in its Fiscal Year ended September 30, 2015, net of off-system sales and the energy sold by JEA to Florida Power & Light Company, a Florida corporation ("FPL"), pursuant to the FPL-Power Park Sale (see "ELECTRIC UTILITY SYSTEM – FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS – Debt Relating to Electric Utility Functions – Power Park Issue Two Bonds" and "ELECTRIC UTILITY SYSTEM – ELECTRIC UTILITY FUNCTIONS – St. Johns River Power Park – Ownership" in the Annual Disclosure Report), were approximately 12.4 billion kilowatt-hours ("kWh"). Total revenues, including investment income, for the Electric System for the Fiscal Year ended September 30, 2015, net of the revenues received by JEA from the FPL-Power Park Sale, were approximately \$1,247,488,000.

Bulk Power Supply System. Pursuant to Chapter 80-513, Laws of Florida, Special Acts of 1980 (as amended and supplemented, the "Bulk Power Act"), JEA is authorized to acquire, own and operate as a separate bulk power supply utility or system, electric generating plants and transmission lines within the City and within and outside of the State of Florida. In accordance with the Bulk Power Act, JEA has acquired a 23.64 percent interest in Unit 4 of the Robert W. Scherer Electric Generating Plant ("Scherer Unit 4"), a coal-fired steam electric generating unit currently rated at 846 megawatts ("MW"), net, located near Forsyth, Georgia, and proportionate ownership interests in associated common facilities and an associated coal stockpile (such ownership interests are referred to herein as the "Scherer 4 Project"). See "ELECTRIC UTILITY SYSTEM – ELECTRIC UTILITY FUNCTIONS – The Scherer 4 Project" in the Annual Disclosure Report.

St. Johns River Power Park System. Pursuant to the Bulk Power Act, JEA has also acquired and constructed, and operates, an 80 percent undivided ownership interest in the St. Johns River Power Park (the “Power Park”), a two-unit, coal- and pet coke-fired, steam electric generating station currently rated at 1,276 MW, net, located in the northeast section of the City that is jointly-owned by JEA and FPL. See “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – St. Johns River Power Park” in the Annual Disclosure Report.

Water and Sewer System. The Water and Sewer System is owned and operated by JEA as a combined utilities system, separate and apart from the Electric System. Accordingly, information relating to the Water and Sewer System is not relevant to the debt of JEA relating to the Electric System.

District Energy System. The District Energy System is owned and operated by JEA as a distinct utilities system, separate and apart from the Electric System and the Water and Sewer System. Accordingly, information relating to the District Energy System is not relevant to the debt of JEA relating to the Electric System.

Inclusion of Information. JEA previously has prepared a document entitled “Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2015” dated as of April 19, 2016 (the “Annual Disclosure Report”). The Annual Disclosure Report sets forth certain information concerning JEA, its outstanding debt, the Electric System, its interest in the Power Park and the Scherer 4 Project. *As more fully described under the caption “Inclusion of Information” below, certain information contained in the Annual Disclosure Report is included by reference in this Official Statement.* Copies of the Annual Disclosure Report may be obtained in the manner and from the sources described under the caption “Inclusion of Information” below.

The Series Three 2017A Bonds

The Series Three 2017A Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Article 21 of the Charter of the City, as amended (the “Charter”), and other applicable provisions of law (collectively, the “Act”), and under and pursuant to a resolution adopted by JEA on March 30, 1982 (as supplemented, amended and restated, the “Electric System Resolution”) authorizing the issuance of JEA’s Electric System Revenue Bonds, Series One (the “Electric System Series One Bonds”) and, subject to the satisfaction of the conditions set forth therein, Additional Parity Obligations (as defined therein). A summary of certain provisions of the Electric System Resolution is attached as APPENDIX B to the Annual Disclosure Report. The Electric System Resolution is available for viewing and downloading on JEA’s website (<http://www.jea.com>) by selecting “Investor Relations,” at the bottom of the home page, then selecting “Bonds” and then selecting “Electric System Senior Lien Bond Resolution” under the heading “JEA Bond Resolutions.” *See, however, “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS – Proposed Amendments to Electric System Resolution” herein for a description of certain amendments to the Electric System Resolution that are not yet effective.*

No Electric System Series One or Series Two Bonds remain outstanding under the Electric System Resolution. As of the date of this Official Statement, there are outstanding under the Electric System Resolution \$[_____] in aggregate principal amount of Electric System Revenue Bonds, Series Three (the “Prior Series Electric System Series Three Bonds”), consisting of (a) \$[_____] in aggregate principal amount of Variable Rate Electric System Revenue Bonds of various series (the “Prior Series Variable Rate Electric System Bonds”), which include the Refunded Series Three Bonds (as defined herein) to be refunded through the issuance of the Series Three 2017A Bonds, and (b) \$[_____] in aggregate principal amount of fixed rate Electric System Revenue Bonds of various series (the “Prior Series Fixed Rate Electric System Bonds”).

Principal of and interest on the Series Three 2017A Bonds will rank equally and be on a parity, as to security and source of payment, with the Prior Series Electric System Series Three Bonds that will remain Outstanding following the issuance of the Series Three 2017A Bonds and all Additional Parity Obligations hereafter issued pursuant to the Electric System Resolution. All Bonds issued under (and as defined in) the Electric System Resolution, including the Prior Series Electric System Series Three Bonds and all additional Bonds issued under the Electric System Resolution, are referred to herein collectively as the “Electric System Bonds.” Pursuant to the Electric System Resolution and the laws of Florida, the amount of Electric System Bonds that may be issued by JEA is not limited and is subject only to approval by the City Council of the City (the “Council”) and satisfaction of the conditions set forth in the Electric System Resolution. *See “ELECTRIC UTILITY SYSTEM – FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS – Debt Relating to Electric Utility Functions – Electric System Bonds” in the Annual Disclosure Report and “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS – Additional Bonds – Additional Electric System Bonds” herein.*

JEA has entered into certain floating-to-fixed rate interest rate swap transactions in order to synthetically fix the rates of interest on certain of the Prior Series Variable Rate Electric System Bonds. See the table under the caption “OTHER FINANCIAL INFORMATION – Interest Rate Swap Transactions” in the Annual Disclosure Report for information regarding those interest rate swap transactions. [For purposes of estimating its debt service requirements, as shown in APPENDIX B hereto, on the Prior Series Variable Rate Electric System Bonds, JEA has assumed that such bonds will bear interest at a rate of 2.00 percent per annum for 2015, 3.00 percent per annum for 2016 and 4.00 percent per annum thereafter.]

Liquidity support in connection with tenders for purchase of JEA’s Variable Rate Electric System Revenue Bonds, Series Three 2008A, Series Three 2008B-2, Series Three 2008B-3, Series Three 2008C-1, Series Three 2008C-2 and Series Three 2008C-3 (collectively, the “Senior Liquidity Supported Electric System Prior Series Bonds”) currently is provided by certain banks pursuant to standby bond purchase agreements between JEA and each such bank. Any Senior Liquidity Supported Electric System Prior Series Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement between JEA and such bank and is not remarketed is required to be repaid as to principal in equal semiannual installments over a

period of approximately five years from the date so purchased. In addition, any Senior Liquidity Supported Electric System Prior Series Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” on the part of JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Senior Liquidity Supported Electric System Prior Series Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreements giving rise to such an event of default, see “OTHER FINANCIAL INFORMATION – Effect of JEA Credit Rating Changes – Liquidity Support for JEA’s Variable Rate Bonds and Series C Commercial Paper Notes” in the Annual Disclosure Report. The standby bond purchase agreements are subject to periodic renewal (see Note 6 to the financial statements of JEA attached hereto as APPENDIX C).

On July 27, 2010, the bank previously providing liquidity support for JEA’s Variable Rate Electric System Revenue Bonds, Series Three 2008B-1 and Series Three 2008D-1 and on October 22, 2012, the bank previously providing credit and liquidity support for JEA’s Variable Rate Electric System Revenue Bonds, Series Three 2008B-4 (such Series Three 2008B-1, 2008D-1 and 2008B-4 Bonds are referred to herein collectively as, the “Bank Purchased Bonds”) purchased the applicable Bank Purchased Bonds pursuant to three substantially similar direct purchase agreements. The Bank Purchased Bonds are currently outstanding in the principal amounts of \$[_____], \$[_____] and \$[_____], respectively. Upon such purchases, the letter of credit and standby bond purchase agreement previously in effect for the respective Bank Purchased Bonds were terminated. Such bank has no option to tender the Bank Purchased Bonds for payment by JEA during the holding period except upon the occurrence of certain “events of default” on the part of JEA under the respective direct purchase agreements and the occurrence of certain other conditions. Upon such tender for payment, the Bank Purchased Bond so tendered would be due and payable immediately. [The current expiration of the direct purchase agreements with respect to the Series Three 2008B-1 and 2008D-1 Bonds is September 25, 2015 and with respect to the Series Three 2008B-4 Bonds is October 22, 2015.] At the end of the period specified, which period is subject to extension under certain conditions, the Bank Purchased Bonds are subject to mandatory tender for purchase. Any Bank Purchased Bond that is not remarketed and purchased from such bank on the mandatory tender date that will occur upon the expiration of such period would be required to be repaid as to principal in equal semiannual installments over a period of approximately five years from such mandatory tender date.

The 2017 Series A Subordinated Bonds

The 2017 Series A Subordinated Bonds are being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly the Act, and under and pursuant to a resolution adopted by JEA on August 16, 1988 (as supplemented, amended and restated, the “Subordinated Electric System Resolution”) authorizing the issuance by JEA of Subordinated Bonds (as defined therein). The Subordinated Electric System Resolution was adopted in accordance with, and supplements, the Electric System Resolution.

A summary of certain provisions of the Subordinated Electric System Resolution is attached as APPENDIX C to the Annual Disclosure Report. The Subordinated Electric System Resolution is available for viewing and downloading on JEA's website (<http://www.jea.com>) by selecting "Investor Relations," at the bottom of the home page, then selecting "Bonds" and then selecting "Electric System Subordinated Bond Resolution" under the heading "JEA Bond Resolutions."

As of the date of this Official Statement, there are outstanding under the Subordinated Electric System Resolution \$[_____] in aggregate principal amount of Subordinated Bonds, consisting of (a) \$[_____] in aggregate principal amount of tax-exempt Electric System Commercial Paper Notes, Series C (the "Series C Commercial Paper Notes"), (b) \$[_____] in aggregate principal amount of Variable Rate Electric System Subordinated Revenue Bonds of various series (the "Prior Series Variable Rate Subordinated Bonds"), including the Refunded Subordinated Bonds to be refunded through the issuance of the 2017 Series A Subordinated Bonds and (c) \$[_____] in aggregate principal amount of fixed rate Electric System Subordinated Revenue Bonds of various series (the "Prior Series Fixed Rate Subordinated Bonds"). JEA has entered into a floating-to-fixed rate interest rate swap transaction in order to synthetically fix the rate of interest on certain of the Prior Series Variable Rate Subordinated Bonds. See the table under the caption "OTHER FINANCIAL INFORMATION – Interest Rate Swap Transactions" in the Annual Disclosure Report for information regarding that interest rate swap transaction. [For purposes of estimating its debt service requirements, as shown in APPENDIX B hereto, on the Prior Series Variable Rate Subordinated Bonds, JEA has assumed that such bonds will bear interest at a rate of 2.00 percent per annum for 2015, 3.00 percent per annum for 2016 and 4.00 percent per annum thereafter.]

In addition, JEA has issued Special Subordinated Bonds (as defined in the Subordinated Electric System Resolution; see "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION – Definitions" in APPENDIX C to the Annual Disclosure Report) to the bank currently providing liquidity support for the Series C Commercial Paper Notes, to evidence JEA's obligation to repay any loans made on behalf of JEA in connection with such liquidity support. Such Special Subordinated Bonds are in an aggregate maximum principal amount to be Outstanding (as defined in the Subordinated Electric System Resolution) from time to time equal to the principal amount of the Outstanding Series C Commercial Paper Notes, but no amounts are owed with respect thereto unless and until any such loans are made. Under the credit agreement between JEA and such bank, any such loans are required to be repaid in equal semiannual installments over a period of approximately five years from the date incurred. In addition, such Special Subordinated Bonds constitute "Option Subordinated Bonds" within the meaning of the Subordinated Electric System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" on the part of JEA under the credit agreement between JEA and such bank. Upon any such tender or deemed tender for purchase, the Special Subordinated Bonds so tendered or deemed tendered will be due and payable immediately. For a discussion of certain "ratings triggers" contained in such credit agreement giving rise to such an event of default, see "OTHER FINANCIAL INFORMATION – Effect of JEA Credit

Rating Changes – *Liquidity Support for JEA’s Variable Rate Bonds and Series C Commercial Paper Notes*” in the Annual Disclosure Report. Such credit agreement is subject to periodic renewal (see Note 6 to the financial statements of JEA attached hereto as APPENDIX C).

Liquidity support in connection with tenders for purchase of JEA’s Variable Rate Electric System Subordinated Revenue Bonds, 2000 Series B, 2000 Series F-1, 2000 Series F-2, 2001 Series C and 2008 Series D (collectively, the “Subordinated Liquidity Supported Electric System Bonds”) currently is provided by certain banks pursuant to standby bond purchase agreements between JEA and each such bank. Any Subordinated Liquidity Supported Electric System Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement between JEA and such bank and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Subordinated Liquidity Supported Electric System Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement will constitute an “Option Subordinated Bond” within the meaning of the Subordinated Electric System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” on the part of JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Subordinated Liquidity Supported Electric System Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreements or such reimbursement agreements, as applicable giving rise to such an event of default, see “OTHER FINANCIAL INFORMATION – Effect of JEA Credit Rating Changes” in the Annual Disclosure Report. Such standby bond purchase agreements are subject to periodic renewal (see Note 6 to the financial statements of JEA attached hereto as APPENDIX C).

Principal of and interest on the 2017 Series A Subordinated Bonds will rank equally and be on a parity, as to security and source of payment, with the Series C Commercial Paper Notes, the Prior Series Variable Rate Subordinated Bonds and the Prior Series Fixed Rate Subordinated Bonds (collectively, the “Prior Series Subordinated Bonds”), the Outstanding Special Subordinated Bonds and all additional Subordinated Bonds hereafter issued pursuant to the Subordinated Electric System Resolution, including, without limitation, the 2013 Series A Subordinated Bonds if and when issued. All Subordinated Bonds issued pursuant to the Subordinated Electric System Resolution, including the Prior Series Subordinated Bonds, the Outstanding Special Subordinated Bonds and the 2017 Series A Subordinated Bonds, are referred to herein collectively as the “Subordinated Electric System Bonds.” All Subordinated Electric System Bonds are junior and subordinate in all respects to the Electric System Bonds. Pursuant to the Subordinated Electric System Resolution and the laws of Florida, the amount of Subordinated Electric System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Subordinated Electric System Resolution. *See “ELECTRIC UTILITY SYSTEM – FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS – Debt Relating to Electric Utility Functions – Subordinated Electric System Bonds” in the Annual Disclosure Report and*

“SECURITY AND SOURCE OF PAYMENT FOR THE 2017 Series A SUBORDINATED BONDS – Additional Bonds – Additional Subordinated Electric System Bonds” herein.

Inclusion of Information

In accordance with the provisions of Rule 15c2-12, as amended (“Rule 15c2-12”), promulgated by the United States Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended, on April 19, 2016, JEA caused the document entitled “Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2015” to be filed with Municipal Securities Rulemaking Board (the “MSRB”), through the MSRB’s Electronic Municipal Market Access (“EMMA”) website, currently located at <http://emma.msrb.org>. The Annual Disclosure Report sets forth certain information concerning JEA, its outstanding debt, the Electric System, its interest in the Power Park and the Scherer 4 Project.

There is hereby included in this Official Statement by this reference the information contained in the Annual Disclosure Report, which information should be read in its entirety in conjunction with this Official Statement. In addition, reference is made to the information in this Official Statement under the caption “RECENT DEVELOPMENTS,” which information updates and supplements certain of the information contained in the Annual Disclosure Report.

Included in the Annual Disclosure Report are JEA’s financial statements as of September 30, 2015 and 2014 and for the Fiscal Years then ended and the report thereon of Ernst & Young LLP, independent auditors. APPENDIX C hereto contains JEA’s financial statements as of September 30, 2015 and 2014 and for the Fiscal Years then ended, together with the report of Ernst & Young LLP, independent auditors, on such financial statements, providing more recent audited financial information than that included in the Annual Disclosure Report. See “RECENT DEVELOPMENTS – Financial Information” herein.

Copies of the Annual Disclosure Report may be obtained from the MSRB’s EMMA website (<http://emma.msrb.org>). Copies of the Annual Disclosure Report also may be obtained via the Internet from JEA’s website as described below.

[The Annual Disclosure Report is available for viewing and downloading from JEA’s website (<http://www.jea.com>) by selecting “Investor Relations,” at the bottom of the home page, then selecting “Financial Reports,” then selecting “2015 Annual Disclosure Reports” and then selecting “2015 Annual Disclosure Report for Electric Utility System as filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA)” under the heading “JEA Annual Disclosure Reports.” (Please note that there also are available from JEA’s website separate documents entitled “2015 Annual Report” under the heading “Annual Reports” and under the heading “JEA Annual Disclosure Reports” entitled “2015 Annual Disclosure Report for Water and Sewer and District Energy System as filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA)”); these documents are not the Annual Disclosure Report included by reference herein, and are not included by reference

herein.) *Furthermore, except for the Annual Disclosure Report (to the extent set forth herein), none of the other information contained on JEA's website is included by reference in this Official Statement.]*

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Except as specifically provided herein, such web sites and the information or links contained therein, including specifically (but not limited to) the information on JEA's website, are not included by reference herein, and are not part of this final official statement for purposes of, and as that term is defined in, Rule 15c2-12.

Continuing Disclosure Undertaking

Pursuant to a Continuing Disclosure Agreement to be executed by JEA simultaneously with the issuance of the 2017A Bonds (the "Continuing Disclosure Agreement"), JEA will covenant for the benefit of the holders and beneficial owners of the 2017A Bonds to provide certain financial information and operating data relating to JEA by not later than the June 1 following the end of each of JEA's fiscal years, commencing with the report for the fiscal year ending September 30, [2014] (the "JEA Annual Information"), and to provide notices of the occurrence of certain enumerated events with respect to the 2017A Bonds, as required by Rule 15c2-12. The JEA Annual Information and the notices of such material events will be filed by or on behalf of JEA with the MSRB. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the MSRB's EMMA website, currently located at <http://emma.msrb.org>. The specific nature of the information to be contained in the JEA Annual Information or the notices of material events is set forth in the form of the Continuing Disclosure Agreement attached hereto as APPENDIX D.

The covenants described in the preceding paragraph have been made in order to assist the Underwriters in complying with paragraph (b)(5) of Rule 15c2-12.

The failure by JEA to observe or perform any of its obligations under the Continuing Disclosure Agreement will not be deemed an "event of default" under the Electric System Resolution or the Subordinated Electric System Resolution. As provided in the Continuing Disclosure Agreement, if JEA fails to make a filing required under the Continuing Disclosure Agreement, any holder or beneficial owner of the 2017A Bonds may institute and maintain, or cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by JEA of such obligation. In addition, as provided in the Continuing Disclosure Agreement, if JEA fails to perform any other obligation under the Continuing Disclosure Agreement, the holders or beneficial owners of not less than 10 percent in principal amount of the applicable installment or series, as applicable, of the 2017A Bonds then outstanding or a trustee appointed by the holders or beneficial owners of not less than 25 percent in principal amount of the applicable installment or series, as applicable, of the 2017A Bonds then outstanding may institute and maintain, or cause to be instituted and maintained, such proceedings (including any proceedings that contest the sufficiency of any pertinent filing)

as may be authorized at law or in equity to obtain the specific performance by JEA of such obligation. IF ANY PERSON SEEKS TO CAUSE JEA TO COMPLY WITH ITS OBLIGATIONS UNDER THE CONTINUING DISCLOSURE AGREEMENT, IT IS THE RESPONSIBILITY OF SUCH PERSON TO DEMONSTRATE THAT IT IS A BENEFICIAL OWNER WITHIN THE MEANING OF THE CONTINUING DISCLOSURE AGREEMENT.

As of the date of this Official Statement, JEA has not failed to comply, in any material respect, with any previous continuing disclosure undertakings made by it pursuant to the provisions of Rule 15c2-12 in connection with the issuance of its bonds. Nonetheless, issues have been discovered with regard to certain of JEA's filings as described below. JEA inadvertently failed to timely file a notice relating to generally available information about the upgrade by S&P of the ratings of Assured Guaranty Municipal Corp. (formerly Financial Security Assurance Inc.) ("AGM") from "AA-" to "AA" in March of 2014 as it relates to certain Electric System bonds insured by AGM. Such notice was filed on May 23, 2014.

As described in "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto, the 2017A Bonds will be available only in book-entry form through the facilities of The Depository Trust Company ("DTC"), and the ownership of one or more fully registered bonds for each installment or series and each maturity (and, if applicable, each interest rate within a maturity), in the aggregate principal amount thereof, will be registered in the name of Cede & Co., as nominee for DTC. For a description of DTC's procedures with respect to the enforcement of bondholders' rights, see "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto.

PURPOSE OF ISSUE AND PLAN OF FINANCE

Series Three 2017A Bonds

The Series Three 2017A Bonds are being issued to (a) provide a portion of the funds required to redeem on [_____, 20__]* certain of JEA's outstanding Electric System Bonds (collectively, the "Refunded Series Three Bonds"), (b) provide funds to make a deposit in the Initial Subaccount in the Debt Service Reserve Account and (c) pay costs of issuance of the Series Three 2017A Bonds.

JEA presently anticipates that the Refunded Series Three Bonds will consist of the Electric System Bonds listed in the following table.

* Preliminary, subject to change.

Series Three	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)
		\$ _____ ⁽¹⁾		[100]%
Total		\$ _____		

⁽¹⁾ The Electric System Revenue Bonds, Series Three _____ Bonds maturing on October 1, 20__ currently are Outstanding in the aggregate principal amount of \$_____.

JEA will select the particular Electric System Bonds to be refunded through the issuance of the Series Three 2017A Bonds at or about the time of the pricing of the Series Three 2017A Bonds and such selection will be based upon, among other things, market conditions existing at such time. No assurance can be given as to which Electric System Bonds will be finally selected for refunding, and the Electric System Bonds finally selected may not include all of the Electric System Bonds shown above and may include other Electric System Bonds.

Moneys sufficient to pay the redemption price of and interest on the Refunded Series Three Bonds on the redemption date therefor will be derived from a portion of the proceeds of the Series Three 2017A Bonds and certain amounts available under the Electric System Resolution.

Simultaneously with the issuance of the Series Three 2017A Bonds, JEA will enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with [ESCROW AGENT], as escrow agent (the "Escrow Agent"). The moneys on deposit in the Escrow Account will be invested in certain direct obligations of the United States of America ("U.S. Treasury Securities") which will be scheduled to mature and bear interest at the times and in the amounts required to pay the principal or redemption price, as applicable of and interest on the Refunded Series Three Bonds when due.

Upon deposit of [cash and] the U.S. Treasury Securities with the Escrow Agent pursuant to the Escrow Deposit Agreement and compliance with certain other provisions of the Electric System Resolution, the Refunded Series Three Bonds shall no longer be deemed "Outstanding" within the meaning of the Electric System Resolution.

2017 Series A Subordinated Bonds

The 2017 Series A Subordinated Bonds are being issued to (a) provide a portion of the funds required to redeem on [_____, 20__]* certain of JEA's outstanding Subordinated Electric System Bonds (collectively, the "Refunded Subordinated Bonds") and (b) pay costs of issuance of the 2017 Series A Subordinated Bonds.

* Preliminary, subject to change.

JEA presently anticipates that the Refunded Subordinated Bonds will consist of the Subordinated Bonds listed in the following table.

Series Three	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)
		\$ _____ ⁽¹⁾		[100]%
Total		\$ _____		

⁽¹⁾ The Electric System Revenue Bonds, Series Three _____ Bonds maturing on October 1, 20__ currently are Outstanding in the aggregate principal amount of \$_____.

JEA will select the particular Subordinated Electric System Bonds to be refunded through the issuance of the 2017 Series A Subordinated Bonds at or about the time of the pricing of the 2017 Series A Subordinated Bonds and such selection will be based upon, among other things, market conditions existing at such time. No assurance can be given as to which Subordinated Electric System Bonds, or the principal amount thereof, will be finally selected for refunding, and the Subordinated Electric System Bonds finally selected may not be allocated to the Sinking Fund Installments indicated above and may include other Subordinated Electric System Bonds.

Moneys sufficient to pay the redemption price of and interest on the Refunded Subordinated Bonds on the redemption date therefor will be derived from a portion of the proceeds of the 2017 Series A Subordinated Bonds and certain amounts available under the Subordinated Electric System Resolution.

Simultaneously with the issuance of the 2017 Series A Subordinated Bonds, JEA will enter into an Escrow Deposit Agreement with the Escrow Agent. The moneys on deposit in the Escrow Account will be invested in U.S. Treasury Securities which will be scheduled to mature and bear interest at the times and in the amounts required to pay the principal or redemption price, as applicable of and interest on the Refunded Subordinated Bonds when due.

Upon deposit of [cash and] the U.S. Treasury Securities with the Escrow Agent pursuant to the Escrow Deposit Agreement and compliance with certain other provisions of the Electric System Resolution, the Refunded Series Three Bonds shall no longer be deemed "Outstanding" within the meaning of the Electric System Resolution.

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ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the 2017A Bonds are estimated to be as follows:

	<u>Series Three 2013A Bonds</u>	<u>2017 Series A Subordinated Bonds</u>	<u>Total</u>
Sources:			
Principal Amount	\$	\$	\$
Plus: Original Issue Premium (net of Discount)			
Plus: Amount available from Sinking Fund.....			
[Plus: Amount released from Initial Subaccount in Debt Service Reserve Account			
Plus: Amount available from Subordinated Bond Fund.....			
[Plus: Contribution of JEA Revenues.....			
TOTAL	\$	\$	\$
Uses:			
Deposit with Escrow Agent for Refunded Series Three Bonds	\$	\$	\$
Deposit with Escrow Agent for Refunded Subordinated Bonds			
Underwriters' discount and costs of issuance			
TOTAL	\$	\$	\$

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS

The information under this caption relates solely to the Series Three 2017A Bonds. For a description of the security and source of payment for the 2017 Series A Subordinated Bonds, see "SECURITY AND SOURCE OF PAYMENT FOR THE 2017 SERIES A SUBORDINATED BONDS" herein.

General

The Series Three 2017A Bonds will be issued pursuant to the Constitution and laws of the State of Florida, particularly Article 21 of the Charter, other applicable provisions of law and the Electric System Resolution. For a more extensive discussion of the terms and provisions of the Electric System Resolution, including the levels at which the funds and accounts established thereby are to be maintained, the flow of funds thereunder and the purposes to which moneys in such funds and accounts may be applied, see "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION" in APPENDIX B to the Annual Disclosure Report, as supplemented herein under the caption "RECENT DEVELOPMENTS — March 2010 Amendments to Electric System Resolution."

Source of Payment

The payment of the principal of and interest on all Electric System Bonds (including the Series Three 2017A Bonds) is secured equally and ratably by an irrevocable first lien on (a) the Net Revenues derived from the operation of the Electric System and (b) the amounts on deposit in the Revenue Fund and the Debt Service Account in the Sinking Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, and such Net Revenues and such amounts are irrevocably pledged to the payment of the principal of and interest on the Electric System Bonds.

In addition, the payment of the principal of and interest on the Additionally Secured Bonds (as defined in the Electric System Resolution; see “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Definitions” in APPENDIX B to the Annual Disclosure Report) of each series is additionally secured by the amounts on deposit in the separate subaccount in the Debt Service Reserve Account in the Sinking Fund designated therefor as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, and such amounts are irrevocably pledged to the payment of the principal of and interest on the Additionally Secured Bonds of such series. See “Debt Service Reserve Account” below.

The term “Net Revenues” is defined in the Electric System Resolution to mean the Revenues or Gross Revenues, as defined therein, after deduction of the Cost of Operation and Maintenance, as defined therein.

The term “Revenues” or “Gross Revenues” is defined in the Electric System Resolution to mean all income or earnings, including any income from the investment of funds which is deposited in the Revenue Fund as provided in the Electric System Resolution, derived by JEA from the ownership or operation of the Electric System. “Gross Revenues” or “Revenues” does not include customers’ deposits and any other deposits subject to refund unless such deposits have become property of JEA or any cash subsidy payments received by JEA from the U.S. Treasury in respect of the interest on any Build America Bonds. For any purpose of the Electric System Resolution that requires the computation of Gross Revenues or Revenues with respect to any period of time, “Gross Revenues” or “Revenues” includes such amounts derived by JEA from the ownership or operation of the Electric System during such period plus (x) the amounts, if any, paid from the Rate Stabilization Fund established pursuant to the Electric System Resolution into the Revenue Fund during such period (excluding from (x) amounts, if any, included in the Revenues for such period representing interest earnings transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the Electric System Resolution)

and minus (y) the amounts, if any, paid from the Revenue Fund into the Rate Stabilization Fund during such period.

The term “Cost of Operation and Maintenance” is defined in the Electric System Resolution to mean the current expenses, paid or accrued, of operation, maintenance and repair of the Electric System, including administration costs, as calculated in accordance with generally accepted accounting principles, and includes all Contract Debts, but does not include any reserve for renewals and replacements or any allowance for depreciation or amortization and there is included in the Cost of Operation and Maintenance only that portion of the total administrative, general and other expenses of JEA which are properly allocable to the Electric System.

For the definition of the term “Contract Debts,” see “Contract Debts” below.

Debt Service Reserve Account

There is created within the Debt Service Reserve Account in the Sinking Fund established pursuant to the Electric System Resolution a subaccount designated as the “Initial Subaccount” for the benefit of (a) all Electric System Bonds Outstanding on February 29, 2000 and (b) all Additional Parity Obligations of any series issued after such date, but only to the extent that the resolution of JEA supplemental to the Electric System Resolution authorizing the Additional Parity Obligations of such series shall specify that such Additional Parity Obligations shall be additionally secured by amounts on deposit therein; *provided, however*, that no Capital Appreciation Bonds or Deferred Interest Bonds (as such terms are defined in the Electric System Resolution) may be additionally secured by amounts on deposit in the Initial Subaccount. Resolution No. 2016-17 adopted by JEA on October 18, 2016 supplemental to the Electric System Resolution authorizing the Series Three 2017A Bonds (“Resolution No. 2016-17”), specifies that the Series Three 2017A Bonds will be additionally secured by amounts on deposit in the Initial Subaccount.

If on any day on which the principal or sinking fund redemption price of or interest on the Electric System Bonds shall be due, the amount on deposit in the Debt Service Account in the Sinking Fund established pursuant to the Electric System Resolution shall be less than the amount required to pay such principal, redemption price or interest, then JEA shall apply amounts from each separate subaccount in the Debt Service Reserve Account to the extent necessary to cure the deficiency that exists with respect to the Additionally Secured Bonds secured thereby.

Pursuant to the Electric System Resolution, JEA is required to maintain on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund an amount equal to the Debt Service Reserve Requirement related thereto. The term “Debt Service Reserve Requirement” is defined in the Electric System Resolution to mean, with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund, as of any date of calculation, an amount equal to the maximum amount of interest to accrue on the Additionally

Secured Bonds secured thereby (including the Series Three 2017A Bonds) during the then current, or any future, Fiscal Year (assuming, for this purpose, that in the case of any Additionally Secured Bonds secured thereby that bear interest at a variable or floating rate (i) if the interest rate(s) on all or any portion of such Bonds shall have been converted synthetically to a fixed interest rate pursuant to an interest rate swap transaction that has a term equal to, and the notional amount of which amortizes at the same times and in the same amounts as, such Bonds, such Bonds (or such portion thereof) shall be deemed to bear interest during such period at the greater of (A) the fixed rate payable by JEA under such interest rate swap transaction and (B) the Certified Interest Rate applicable to such Bonds and (ii) if the interest rate(s) on such Bonds (or portion thereof) shall not have been converted synthetically to a fixed interest rate pursuant to such an interest rate swap transaction, such Bonds shall be deemed to bear interest during such period at the greater of (x) the actual rate of interest then borne by such Bonds or (y) the Certified Interest Rate applicable thereto). In the event that any Additionally Secured Bonds secured by the Initial Subaccount shall bear interest at a variable or floating rate, if the amount of the Debt Service Reserve Requirement for the Initial Subaccount shall increase as a result of either (x) any termination of any interest rate swap transaction described in clause (i) above prior to the final maturity date of such Bonds or (y) the actual rate of interest borne by such Bonds (or such portion thereof) that shall not have been converted synthetically to a fixed interest rate pursuant to such an interest rate swap transaction at any time being in excess of the Certified Interest Rate applicable thereto, the amount of such increase shall be required to be funded in equal semiannual installments over a three-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six months following the date on which the event resulting in such increase shall have occurred. For the purpose of the calculation of the Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund in the event that any Additionally Secured Bonds secured thereby shall constitute Build America Bonds, then until such time, if any, as JEA, for whatever reason, no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), the interest on such Bonds shall be calculated net of the amount of such subsidy; provided, however, that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of such Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to JEA by the U.S. Treasury, and the amount of such increase shall be required to be funded in equal semiannual installments over a five year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six months following the date on which such specified percentage is so reduced, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial

Subaccount shall be evenly apportioned over the remainder of such five year period and provided, further, that in the event that JEA, for whatever reason, ceases to receive cash subsidy payments from the U.S. Treasury in respect of the interest payable on any such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), then the amount of such Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be required to be funded in equal semiannual installments over a five year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six months following the date on which JEA does not receive the first such cash subsidy payment that it therefore was qualified to receive, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five year period. Notwithstanding any other provision of this Official Statement, any one or more installments of any increase in Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund provided for the preceding sentence may be prepaid at any time in whole or in part by JEA by designating in JEA's records that such payment(s) is (or are) to be treated as a prepayment.

In lieu of maintaining moneys or investments in the Initial Subaccount, JEA at any time may cause to be deposited into the Initial Subaccount for the benefit of the Holders of the Additionally Secured Bonds secured thereby (including the Series Three 2017A Bonds) an irrevocable surety bond, an insurance policy or a letter of credit (referred to herein as a "reserve fund credit instrument") satisfying the requirements set forth in the Electric System Resolution in an amount equal to the difference between the Debt Service Reserve Requirement for the Initial Subaccount and the sum of moneys or value of Authorized Investments then on deposit in the Initial Subaccount, if any, and amounts available under all reserve fund credit instruments credited to the Initial Subaccount. See "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Establishment of Funds and Disposition of Revenues of the Electric System" in APPENDIX B to the Annual Disclosure Report.

As of the date of this Official Statement, the Debt Service Reserve Requirement for the Initial Subaccount in the Debt Service Reserve Account was \$_____, and the amount credited to the Initial Subaccount was \$_____. As a result of the issuance of the Series Three 2017A Bonds and the refunding of the Refunded Series Three Bonds refunded thereby, the Debt Service Reserve Requirement for the Initial Subaccount in the Debt Service Reserve Account will decrease by \$_____, to \$_____.

As discussed in "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Establishment of Funds and Disposition of Revenues of the Electric System" in APPENDIX B to the Annual Disclosure Report, JEA has previously funded the Initial

Subaccount with cash and reserve fund credit instruments (the “Surety Policies”) to satisfy the Debt Service Reserve Requirement therefor.

As a result of rating actions by Fitch Ratings, Moody’s Investors Service (“Moody’s”) and Standard & Poor’s, a business of Standard & Poor’s Financial Services LLC (“S&P”), pursuant to the Electric System Resolution, JEA has made deposits to the Initial Subaccount in an aggregate amount equal to the aggregate amount of the Surety Policies. See “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Establishment of Funds and Disposition of Revenues of the Electric System” in APPENDIX B to the Annual Disclosure Report.

JEA may, by resolution supplemental to the Electric System Resolution, create within the Debt Service Reserve Account one or more additional subaccounts, for the benefit of such series of Electric System Bonds as may be specified in, or determined pursuant to, such supplemental resolution. In lieu of maintaining moneys or investments in any such subaccount, JEA at any time may cause to be deposited into such subaccount for the benefit of the Holders of the Additionally Secured Bonds secured thereby an irrevocable surety bond, an insurance policy or a letter of credit satisfying the requirements set forth in such supplemental resolution in an amount equal to the difference between the Debt Service Reserve Requirement for such subaccount and the sum of moneys or value of Authorized Investments then on deposit therein, if any. Any such additional subaccount hereafter established will not additionally secure the Series Three 2017A Bonds.

No Pledge of Credit or Taxing Power

The Electric System Bonds will not be or constitute general obligations or indebtedness of the City or JEA as “bonds” within the meaning of the Constitution of the State of Florida, but will be payable solely from and secured by a lien upon and a pledge of the Net Revenues and other amounts as provided in the Electric System Resolution. No Holder or Holders of any Electric System Bonds will ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the Electric System Bonds or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Electric System Resolution. JEA has no power to levy taxes for any purpose.

Contract Debts

Contract Debts, a component of the Electric System’s Cost of Operation and Maintenance, is defined in the Electric System Resolution to mean any obligations of JEA under a contract, lease, installment sale agreement, bulk electric power purchase agreement or otherwise to make payments out of Revenues for property, services or commodities whether or not the same are made available, furnished or received, but shall not include (a) payments required to be made in respect of (i) debt service on any obligations incurred by JEA in connection with the financing of any separate bulk power supply utility or system undertaken

by JEA and any additional amounts relating to “debt service coverage” with respect thereto and (ii) deposits into any renewal and replacement or other similar fund or account established with respect to any such separate bulk power supply utility or system (in each such case, other than (X) the Power Park and (Y) the Bulk Power Supply System Projects (as such term is defined in the Electric System Resolution)) and (b) payments required to be made in respect of any other arrangement(s) for the supply of power and/or energy to the Electric System for resale as may be determined by JEA to be payable on a parity with Subordinated Bonds that may be issued in accordance with the provisions of the Electric System Resolution. For a further discussion of Contract Debts, see “ELECTRIC UTILITY SYSTEM – FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS – Debt Relating to Electric Utility Functions – *Electric System Contract Debts*” in the Annual Disclosure Report.

For a description of certain proposed amendments to the foregoing provisions, see “Proposed Amendments to Electric System Resolution” below and “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Proposed Amendments to Electric System Resolution - May 1998 Amending Resolution” in APPENDIX B to the Annual Disclosure Report.

Rate Covenants

Electric System Rate Covenant. For a description of the rate covenant made by JEA in the Electric System Resolution, see “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Rate Covenant” in APPENDIX B to the Annual Disclosure Report. See, however, “RECENT DEVELOPMENTS – March 2010 Amended to Electric System Resolution” below for a description of certain amendments to the Electric System Resolution affecting such rate covenant. See also “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – *Rates*” in the Annual Disclosure Report, as updated in “RECENT DEVELOPMENTS – Rates” herein.

Power Park Rate Covenants. For a description of the rate covenant made by JEA in the First Power Park Resolution and the Second Power Park Resolution (as defined in the Annual Disclosure Report), see “SUMMARY OF CERTAIN PROVISIONS OF THE FIRST POWER PARK RESOLUTION – Particular Covenants of JEA – *Rate Covenant*” in APPENDIX D to the Annual Disclosure Report and “SUMMARY OF CERTAIN PROVISIONS OF THE SECOND POWER PARK RESOLUTION – Covenants as to Rates, Fees and Charges” in APPENDIX E to the Annual Disclosure Report.

Bulk Power Supply System Rate Covenant. For a description of the rate covenant made by JEA in the Restated and Amended Bulk Power Supply System Resolution (as defined in the Annual Disclosure Report), see “SUMMARY OF CERTAIN PROVISIONS OF THE RESTATED AND AMENDED BULK POWER SUPPLY SYSTEM RESOLUTION – Covenant as to Rates, Fees and Charges” in APPENDIX F to the Annual Disclosure Report.

Additional Bonds

Additional Electric System Bonds. Except for Contract Debts, JEA has covenanted in the Electric System Resolution to issue no obligations payable from the Revenues of the Electric System, nor to create voluntarily or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Electric System Bonds except as provided in the Electric System Resolution. For a description of the provisions of the Electric System Resolution relating to the issuance of additional Electric System Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Issuance of Additional Electric System Bonds” in APPENDIX B to the Annual Disclosure Report.

Additional Power Park Issue Two Bonds. JEA may issue one or more series of additional Power Park Issue Two Bonds for the purpose of providing funds to pay all or a portion of the Cost of Acquisition and Construction of any Additional Facilities (as such terms are defined in the First Power Park Resolution). JEA may also issue refunding Power Park Issue Two Bonds to refund outstanding Power Park Issue Two Bonds from time to time as it deems economical or advantageous. Any additional Power Park Issue Two Bonds or refunding Power Park Issue Two Bonds will be entitled to a lien on the Revenues (as defined in the First Power Park Resolution) and other funds pledged pursuant to the First Power Park Resolution equal to the lien of the outstanding Power Park Issue Two Bonds. For a description of the provisions of the First Power Park Resolution relating to the issuance of additional Power Park Issue Two Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE FIRST POWER PARK RESOLUTION – Additional Power Park Bonds” in APPENDIX D to the Annual Disclosure Report.

Additional Power Park Issue Three Bonds. JEA may issue one or more series of additional Power Park Issue Three Bonds for any lawful purpose of JEA relating to the Power Park. JEA may also issue refunding Power Park Issue Three Bonds to refund outstanding Power Park Issue Two Bonds or outstanding Power Park Issue Three Bonds from time to time as it deems economical or advantageous. Any additional Power Park Issue Three Bonds or refunding Power Park Issue Three Bonds will be entitled to a lien on the Revenues (as defined in the Second Power Park Resolution) and other funds pledged pursuant to the Second Power Park Resolution equal to the lien of the outstanding Power Park Issue Three Bonds. For a description of the provisions of the Second Power Park Resolution relating to the issuance of additional Power Park Issue Three Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE SECOND POWER PARK RESOLUTION – Additional Power Park Issue Three Bonds” in APPENDIX E to the Annual Disclosure Report.

Additional Bulk Power Supply System Bonds. JEA may issue one or more series of Additional Bulk Power Supply System Bonds (as defined in the Annual Disclosure Report) for any lawful purpose of JEA relating to any Project (as defined in the Restated and Amended Bulk Power Supply System Resolution). JEA may also issue refunding Additional Bulk Power Supply System Bonds to refund outstanding Additional Bulk Power Supply System Bonds from

time to time as it deems economical or advantageous. Any Additional Bulk Power Supply System Bonds or refunding Additional Bulk Power Supply System Bonds will be entitled to a lien on the Revenues (as defined in the Restated and Amended Bulk Power Supply System Resolution) and other funds pledged pursuant to the Restated and Amended Bulk Power Supply System Resolution equal to the lien of the outstanding Additional Bulk Power Supply System Bonds. For a description of the provisions of the Restated and Amended Bulk Power Supply System Resolution relating to the issuance of Additional Bulk Power Supply System Bonds, see "SUMMARY OF CERTAIN PROVISIONS OF THE RESTATED AND AMENDED BULK POWER SUPPLY SYSTEM RESOLUTION – Additional Bonds" in APPENDIX F to the Annual Disclosure Report.

Proposed Amendments to Electric System Resolution

In May 1998, JEA adopted a resolution (as amended, the "May 1998 Amending Resolution") for the purpose of making certain material amendments to the Electric System Resolution. In addition to certain amendments to the Electric System Resolution that heretofore have become effective, the May 1998 Amending Resolution provides for the amendment of certain provisions of the Electric System Resolution relating to the priority of payments from the Electric System with respect to the Power Park, in a manner requiring (i) the consent of FPL, (ii) the consent of the holders of 60 percent or more in principal amount of the Power Park Issue Two Bonds outstanding and (iii) the consent of the holders of a majority in principal amount of the Power Park Issue Three Bonds outstanding.

If and when they become effective, these amendments will amend the provisions of the Electric System Resolution relating to the priority of payments with respect to the Power Park to provide that payments with respect to (i) debt service on obligations issued by JEA with respect to the Power Park (including the Power Park Issue Two Bonds and the Power Park Issue Three Bonds) and any additional amounts relating to "debt service coverage" with respect thereto and (ii) deposits into any renewal and replacement or similar fund with respect to the Power Park will no longer constitute a portion of the Cost of Operation and Maintenance, but will be payable on a parity with Subordinated Bonds (as defined in the Electric System Resolution) that may be issued in accordance with the provisions of the Electric System Resolution, including the Subordinated Electric System Bonds. The amendments to the Electric System Resolution described in this paragraph will become effective upon the satisfaction of the conditions to the effectiveness thereof described above. As of the date of this Official Statement, JEA has not solicited any consents to such amendments and has no intention of soliciting any such consents in the future.

The amendments to the Electric System Resolution contained in the May 1998 Amending Resolution also would have amended the provisions of the Electric System Resolution relating to the priority of payments with respect to the Scherer 4 Project (and any other project that may be financed under the Restated and Amended Bulk Power Supply System Resolution) in a manner similar to that described above with respect to the Power Park, but the amendments relating to the Scherer 4 Project (and any other project that may be

financed under the Restated and Amended Bulk Power Supply System Resolution) were rescinded by JEA in conjunction with the adoption of the Restated and Amended Bulk Power Supply System Resolution.

Additional Provisions Relating to the Series Three 2017A Bonds

With respect to the requirements relating to the Internal Revenue Code of 1986, as amended, (the "Code"), JEA has covenanted in Resolution No. 2016-17 authorizing the Series Three 2017A Bonds as follows:

"Tax Covenants. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series Three 2017A Bonds under Section 103 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the Series Three 2017A Bonds concerning certain matters pertaining to the use of proceeds of the Series Three 2017A Bonds, including any and all exhibits attached thereto (the 'Tax Certificate'). This covenant shall survive payment in full or defeasance of the Series Three 2017A Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Series Three 2017A Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Electric System Resolution to the contrary, (a) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the Series Three 2017A Bonds, the Holders of the Series Three 2017A Bonds shall be entitled to the rights and remedies provided to Bondholders under the Electric System Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all Series Three 2017A Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the holders of any [Electric System] Bonds other than the Series Three 2017A Bonds shall not be entitled to exercise any right or remedy provided to Bondholders under the Electric System

Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the Series Three 2017A Bonds."

DESCRIPTION OF THE SERIES THREE 2017A BONDS

General

The Series Three 2017A Bonds will be issued in the aggregate principal amount of \$500,000,000*. The Series Three 2017A Bonds will be dated the date of delivery thereof and bear interest at the rates and mature on the dates, as set forth on the inside cover page of this Official Statement. Interest on the Series Three 2017A Bonds will be payable commencing on [April/October] 1, 20__ and semiannually on each April 1 and October 1 thereafter. The Series Three 2017A Bonds will be issuable only in fully registered form in the principal amount of \$5,000 or any integral multiple thereof. The Series Three 2017A Bonds will be available only in book-entry form. DTC will act as the initial securities depository for the Series Three 2017A Bonds, and the ownership of one or more fully registered Series Three 2017A Bonds for each maturity (and, if applicable, each interest rate and CUSIP number within a maturity) as set forth on the inside cover page of this Official Statement, in the aggregate principal amount thereof, will be registered in the name of Cede & Co., as nominee for DTC. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto. U.S. Bank National Association, Jacksonville, Florida, is Registrar and Paying Agent for the Series Three 2017A Bonds.

Registration and Transfer

Payment of the semiannual interest on the Series Three 2017A Bonds shall be made by check or draft mailed to the persons in whose names the Series Three 2017A Bonds are registered at the persons' addresses as they appear on the registration books maintained by the Registrar on behalf of JEA at 5:00 p.m. (local time in the city in which the principal office of the Registrar is located) on the 15th day of the month (whether or not a business day) next preceding each interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Series Three 2017A Bonds subsequent to the Record Date and prior to such interest payment date, unless JEA shall default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the persons in whose names such Series Three 2017A Bonds are registered at 5:00 p.m. (local time in the city in which the principal office of the Registrar is located) on a special record date for the payment of such defaulted interest established by notice mailed by the Registrar on behalf of JEA to the registered owners of the Series Three 2017A Bonds not less than 15 calendar days preceding such special record date. For so long as a book-entry system is used for determining beneficial ownership of the Series Three 2017A Bonds, such interest shall be payable to DTC or its nominee. Disbursement of such payments to the Direct Participants (as defined in APPENDIX A hereto) is the responsibility of DTC, and disbursement of such payments to the

* Preliminary, subject to change.

Beneficial Owners (as defined in APPENDIX A hereto) of the Series Three 2017A Bonds is the responsibility of the Direct Participants or the Indirect Participants (as defined in APPENDIX A hereto).

JEA and the Registrar may charge the registered owner or the transferee or transferees, as the case may be, a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer of Series Three 2017A Bonds. The Registrar or JEA may also require payment from the registered owner or transferee of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Series Three 2017A Bond shall be delivered.

Redemption Provisions

Optional Redemption. The Series Three 2017A Bonds maturing on or before October 1, 20__ will not be subject to optional redemption prior to maturity. The Series Three 2017A Bonds maturing on October 1, 20__ and thereafter will be subject to redemption at the election of JEA on or after _____ 1, 20__, at any time, as a whole or in part, at a redemption price (plus accrued interest to the redemption date) equal to 100 percent of the principal amount thereof.

Mandatory Redemption. The Series Three 2017A Bonds maturing on October 1, 20__ will be subject to redemption from Amortization Installments on October 1 in the years and in the amounts shown below, at a redemption price of 100 percent of the principal amount thereof, together with accrued interest, if any, to the redemption date:

Series Three 2017A Bonds	
<u>Maturing October 1, 20__</u>	
<u>Year</u>	<u>Amount</u>
	\$
*	

* Final Maturity

Taking into consideration the Amortization Installments set forth above, the average life of the Series Three 2017A Bonds maturing on October 1, 20__, calculated from the date of delivery of such Bonds, is approximately ____ years.

In determining the amount of the Series Three 2017A Bonds maturing on October 1, 20__ or 20__ to be redeemed with any Amortization Installments, there will be deducted the principal amount of any Series Three 2017A Bonds of such maturity which have been purchased or redeemed, to the extent permitted by the Electric System Resolution, with amounts on deposit in the Debt Service Account (exclusive of amounts deposited from proceeds of Bonds). In addition, in the event that any Series Three 2017A Bonds are purchased or redeemed other than with moneys in the Debt Service Account, the Series Three 2017A Bonds so purchased or redeemed will be credited against the Amortization Installments for the Series 2017A Bonds thereafter to become due as follows: there will be credited toward each Amortization Installment thereafter to become due an amount bearing the same ratio to such

Amortization Installment as the total principal amount of such Series Three 2017A Bonds so purchased or redeemed bears to the total amount of all such Amortization Installments to be credited, subject to authorized denominations for the Series Three 2017A Bonds.

Selection of Series Three 2017A Bonds to be Redeemed. For so long as the Series Three 2017A Bonds are subject to the book-entry only system of registration and transfer described in APPENDIX A hereto, in the event that less than all of the Series Three 2017A Bonds of a particular maturity (and, if applicable, each interest rate within a maturity) are to be redeemed, the particular Beneficial Owner(s) to receive payment of the redemption price with respect to beneficial ownership interests in such Bonds shall be selected by DTC and the Direct Participants and/or Indirect Participants. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

Notice of Redemption

The Registrar shall mail a copy of the notice of redemption, at least 30 days prior to the redemption date, to each registered owner of any Series Three 2017A Bond to be redeemed in whole or in part at the address as it appears on the registration books as of 45 days prior to the date fixed for redemption. Failure to give such notice by mailing to any registered owner of Series Three 2017A Bonds, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Series Three 2017A Bonds. Any notice mailed as provided in the Electric System Resolution shall be conclusively presumed to have been given, whether or not the registered owner of such Series Three 2017A Bonds receives the notice. Notice having been given in the manner provided in the Electric System Resolution, on the redemption date so designated, (a) unless such notice has been revoked or ceases to be in effect in accordance with the terms thereof and (b) if there are sufficient moneys available therefor, then the Series Three 2017A Bonds or portions thereof so called for redemption will become due and payable on such redemption date at the redemption price, plus interest accrued and unpaid to the redemption date. For so long as a book-entry only system of registration is in effect with respect to the Series Three 2017A Bonds, the Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants, any failure of Direct Participants to convey such notice to any Indirect Participants or any failure of Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency or the validity of the redemption of Series Three 2017A Bonds. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

SECURITY AND SOURCE OF PAYMENT FOR THE 2017 SERIES A SUBORDINATED BONDS

The information under this caption relates solely to the 2017 Series A Subordinated Bonds. For a description of the security and source of payment for the Series Three 2017A Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS” herein.

General

The 2017 Series A Subordinated Bonds will be issued pursuant to the Constitution and laws of the State of Florida, particularly Article 21 of the Charter, other applicable provisions of law and the Electric System Resolution and the Subordinated Electric System Resolution. For a more extensive discussion of the terms and provisions of the Subordinated Electric System Resolution, including the levels at which the funds and accounts established thereby are to be maintained, the flow of funds thereunder and the purposes to which moneys in such funds and accounts may be applied, see "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION" in APPENDIX C to the Annual Disclosure Report.

Source of Payment

The payment of the principal of, premium, if any, and interest on all Subordinated Electric System Bonds (including the 2017 Series A Subordinated Bonds) is secured equally and ratably by a lien upon and a pledge of (i) the amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, including the investments, if any, thereof and (ii) the amounts on deposit in the Funds established under the Subordinated Electric System Resolution, including the investments, if any, thereof, subject only to the provisions of the Electric System Resolution and the Subordinated Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Electric System Resolution and the Subordinated Electric System Resolution; *provided, however*, that such pledge (other than with respect to amounts on deposit in the Subordinated Bond Construction Fund established pursuant to the Subordinated Electric System Resolution) shall be junior and subordinate in all respects to the Electric System Bonds as to lien on and source and security for payment from the Revenues (as defined in the Electric System Resolution).

The Subordinated Electric System Resolution establishes a Subordinated Bond Construction Fund, a Subordinated Bond Fund and a Subordinated Bond Rate Stabilization Fund.

In the Subordinated Electric System Resolution, JEA has covenanted (a) until such time, if any, as the Electric System Resolution shall be discharged and no longer shall be in effect, that JEA will comply with the provisions of the Electric System Resolution relating to the receipt, deposit and application of the Revenues (see "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION – Establishment of Funds and Disposition of Revenues of the Electric System" in APPENDIX B to the Annual Disclosure Report, as updated to reflect the amendment of certain defined terms in "RECENT DEVELOPMENTS – March 2010 Amendments to Electric System Resolution" herein) and (b) in the event that the Electric System Resolution shall be discharged and no longer in effect, that it will make the deposits into the Subordinated Bond Fund and the Subordinated Bond Rate Stabilization Fund required to be made pursuant to the Subordinated Electric System Resolution from Revenues.

Amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution are required to be applied (a) to the payment of the Electric System's Cost of Operation and Maintenance, including the payment of Contract Debts (as such terms are defined in the Electric System Resolution), and (b) to make certain required deposits to the Sinking Fund established pursuant to the Electric System Resolution in respect of debt service on, and required reserves for, the Electric System Bonds, in each such case, prior to any payment from such amounts of amounts in respect of debt service on the Subordinated Electric System Bonds.

No Subordinated Debt Service Reserve Account

No debt service reserve or similar account has been established under the Subordinated Electric System Resolution with respect to any outstanding Subordinated Electric System Bonds and no such account will be established with respect to the 2017 Series A Subordinated Bonds.

No Pledge of Credit or Taxing Power

The Subordinated Electric System Bonds will not be or constitute general obligations or indebtedness of the City or JEA as "bonds" within the meaning of the Constitution of the State of Florida, but will be payable solely from and secured by a lien upon and a pledge of the amounts as provided in the Subordinated Electric System Resolution. No Holder or Holders of any Subordinated Electric System Bonds will ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form of any real property in the City to pay the Subordinated Electric System Bonds or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds created by the Electric System Resolution and the Subordinated Electric System Resolution in the manner provided therein. JEA has no power to levy taxes for any purpose.

Contract Debts

For a discussion of Contract Debts, see "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS – Contract Debts" herein.

Rate Covenants

Rate Covenant Under the Subordinated Electric System Resolution. For a description of the rate covenant made by JEA in the Subordinated Electric System Resolution, see "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION – Rate Covenant" in APPENDIX C to the Annual Disclosure Report. *See, however, "RECENT DEVELOPMENTS - March 2010 Amendments to Subordinated Electric System Resolution" below for a description of certain amendments to such rate covenant.*

Electric System Rate Covenant. For a description of the rate covenant made by JEA in the Electric System Resolution, see "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS – Rate Covenants – *Electric System Rate Covenant*" herein.

Power Park Rate Covenants. For a description of the rate covenant made by JEA in the First Power Park Resolution and the Second Power Park Resolution, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS – Rate Covenants – *Power Park Rate Covenants*” herein.

Bulk Power Supply System Rate Covenant. For a description of the rate covenant made by JEA in the Restated and Amended Bulk Power Supply System Resolution, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS - Rate Covenants - *Bulk Power Supply System Rate Covenant*” herein.

Additional Bonds

Additional Subordinated Electric System Bonds. JEA may issue one or more Series of additional Subordinated Electric System Bonds for the purpose of (i) providing a portion of the funds necessary for the construction or acquisition of additions, extensions and improvements to the Electric System, and purposes incidental thereto, (ii) providing funds for the refunding of outstanding Electric System Bonds or Outstanding Subordinated Electric System Bonds and (iii) providing funds for any other lawful purpose of JEA relating to the Electric System. All additional Subordinated Electric System Bonds will rank equally and be on a parity, as to security and source of payment, with the 2017 Series A Subordinated Bonds and the Outstanding Subordinated Electric System Bonds. For a description of the provisions of the Subordinated Electric System Resolution relating to the issuance of additional Subordinated Electric System Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION – Additional Subordinated Bonds; Conditions to Issuance” in APPENDIX C to the Annual Disclosure Report.

Additional Electric System Bonds. For a description of the provisions of the Electric System Resolution relating to the issuance of additional Electric System Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS - Additional Bonds - *Additional Electric System Bonds*” herein.

Additional Power Park Issue Two Bonds. For a description of the provisions of the First Power Park Resolution relating to the issuance of additional Power Park Issue Two Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS - Additional Bonds - *Additional Power Park Issue Two Bonds*” herein.

Additional Power Park Issue Three Bonds. For a description of the provisions of the Second Power Park Resolution relating to the issuance of additional Power Park Issue Three Bonds, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS - Additional Bonds - *Additional Power Park Issue Three Bonds*” herein.

Additional Bulk Power Supply System Bonds. For a description of the provisions of the Restated and Amended Bulk Power Supply System Resolution relating to the issuance of Additional Bulk Power Supply System Bonds, see “SECURITY AND SOURCE OF PAYMENT

FOR THE SERIES THREE 2017A BONDS - Additional Bonds - *Additional Bulk Power Supply System Bonds*” herein.

Proposed Amendments to Electric System Resolution

For a description of certain amendments to the Electric System Resolution that have not yet become effective, see “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES THREE 2017A BONDS – Proposed Amendments to Electric System Resolution” herein.

Additional Provisions Relating to the 2017 Series A Subordinated Bonds

With respect to the requirements relating to the Code, JEA has covenanted in Resolution No. 2016-18 adopted by JEA on October 18, 2016, entitled “Fifty-Fourth Supplemental Subordinated Electric System Resolution” authorizing the 2017 Series A Subordinated Bonds (the “Fifty-Fourth Supplemental Subordinated Resolution”) as follows:

“Tax Covenants. 1. JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2017 Series A Subordinated Bonds under Section 103 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of the 2017 Series A Subordinated Bonds concerning certain matters pertaining to the use of proceeds of the 2017 Series A Subordinated Bonds, including any and all exhibits attached thereto (the ‘Tax Certificate’). This covenant shall survive payment in full or defeasance of the 2017 Series A Subordinated Bonds.

2. Notwithstanding any provisions of this Section, if JEA shall obtain an Opinion of Counsel of an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal income tax treatment of interest on bonds issued by states and their political subdivisions to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017 Series A Subordinated Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

3. Notwithstanding any other provision of the Subordinated [Electric System] Resolution to the contrary, (a) upon JEA’s failure to observe or refusal to comply with the above covenants, the Holders of the 2017 Series A

Subordinated Bonds shall be entitled to the rights and remedies provided to Holders of Subordinated [Electric System] Bonds under the Subordinated [Electric System] Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all 2017 Series A Subordinated Bonds then outstanding, and the interest accrued thereon, to be due and payable and (b) the Holders of the Subordinated [Electric System] Bonds of any Series other than the 2017 Series A Subordinated Bonds shall not be entitled to exercise any right or remedy provided to Holders of Subordinated [Electric System] Bonds under the Subordinated [Electric System] Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the 2017 Series A Subordinated Bonds."

DESCRIPTION OF THE 2017 SERIES A SUBORDINATED BONDS

General

The 2017 Series A Subordinated Bonds will be issued in the aggregate principal amount of \$000,000,000*. The 2017 Series A Subordinated Bonds will be dated the date of delivery thereof and bear interest at the rates and mature on the dates, as set forth on the inside cover page of this Official Statement. Interest on the 2017 Series A Subordinated Bonds will be payable commencing on [April/October] 1, 20__ and semiannually on each April 1 and October 1 thereafter. The 2017 Series A Subordinated Bonds will be issuable only in fully registered form in the principal amount of \$5,000 or any integral multiple thereof. The 2017 Series A Subordinated Bonds will be available only in book-entry form. DTC will act as the initial securities depository for the 2017 Series A Subordinated Bonds, and the ownership of one or more fully registered 2017 Series A Subordinated Bonds for each maturity (and, if applicable, each interest rate within a maturity) as set forth on the inside cover page of this Official Statement, in the aggregate principal amount thereof, will be registered in the name of Cede & Co., as nominee for DTC. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto. U.S. Bank National Association, Jacksonville, Florida is Subordinated Bond Registrar and Paying Agent for the 2017 Series A Subordinated Bonds.

Registration and Transfer

Payment of the semiannual interest on the 2017 Series A Subordinated Bonds shall be made by check or draft mailed to the persons in whose names such 2017 Series A Subordinated Bonds are registered at such persons' addresses as they appear on the registration books maintained by the Subordinated Bond Registrar for the 2017 Series A Subordinated Bonds on behalf of JEA at the close of business on the day which is the 15th day of the calendar month next preceding each interest payment date (the "Record Date"), irrespective of any transfer or

* Preliminary, subject to change.

exchange of such 2017 Series A Subordinated Bonds subsequent to the Record Date and prior to such interest payment date unless JEA shall default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the persons in whose names such 2017 Series A Subordinated Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Subordinated Bond Registrar on behalf of JEA to the registered owners of the 2017 Series A Subordinated Bonds not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after receipt by such Subordinated Bond Registrar of the notice from JEA of the proposed payment. For so long as a book-entry system is used for determining beneficial ownership of the 2017 Series A Subordinated Bonds, such interest shall be payable to DTC or its nominee. Disbursement of such payments to the Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners of the 2017 Series A Subordinated Bonds is the responsibility of the Direct Participants or the Indirect Participants.

JEA or the Subordinated Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Redemption Provisions

Optional Redemption. The 2017 Series A Subordinated Bonds maturing on or before October 1, 20__ will not be subject to redemption prior to maturity. The 2017 Series A Subordinated Bonds maturing on October 1, 20__ and thereafter will be subject to redemption at the election of JEA on or after _____ 1, 20__, at any time, as a whole or in part, at a redemption price (plus accrued interest to the redemption date) equal to 100 percent of the principal amount thereof.

Mandatory Redemption. The 2017 Series A Subordinated Bonds maturing on October 1, 20__ will be subject to redemption through mandatory Sinking Fund Installments by lot prior to maturity on October 1 in the years and in the amounts shown below, at a redemption price of 100 percent of the principal amount thereof, together with accrued interest, if any, to the redemption date:

2017 Series A Subordinated Bonds	
<u>Maturing October 1, 20__</u>	
<u>Year</u>	<u>Amount</u>
	\$
*	

* Final Maturity

Giving effect solely to the Sinking Fund Installment schedule set forth above, the average life of the 2017 Series A Subordinated Bonds maturing on October 1, 20__, calculated from the date of delivery of such Bonds, is approximately ____ years.

In determining the amount of the 2017 Series A Subordinated Bonds maturing on October 1, 20__ or 20__ to be redeemed with any Sinking Fund Installment, there will be deducted the principal amount of any 2017 Series A Subordinated Bonds of such maturity which have been purchased or redeemed, to the extent permitted by the Subordinated Electric System Resolution, with amounts on deposit in the Subordinated Bond Fund with respect to such Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the 2017 Series A Subordinated Bonds of such maturity). In addition, if there is any redemption or purchase of any 2017 Series A Subordinated Bonds maturing on October 1, 20__ or 20__ other than with amounts on deposit in the Subordinated Bond Fund with respect to any such Sinking Fund Installment, such 2017 Series A Subordinated Bonds so purchased or redeemed will be credited against the Sinking Fund Installments for the 2017 Series A Subordinated Bonds of such maturity thereafter to become due as specified by JEA.

Selection of 2017 Series A Subordinated Bonds to be Redeemed. In the event that less than all of the 2017 Series A Subordinated Bonds of an entire maturity (and, if applicable, each interest rate within a maturity) are to be redeemed, the particular 2017 Series A Subordinated Bonds or portions thereof to be redeemed will be selected in such manner as JEA in its discretion deems fair and appropriate. For so long as the 2017 Series A Subordinated Bonds are subject to the book-entry only system of registration and transfer described in APPENDIX A hereto, in the event that less than all of the 2017 Series A Subordinated Bonds of a particular maturity (and, if applicable, each interest rate within a maturity) are to be redeemed, the particular Beneficial Owner(s) to receive payment of the redemption price with respect to beneficial ownership interests in such Bonds shall be selected by DTC and the Direct Participants and/or Indirect Participants. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX A hereto.

Notice of Redemption

Notice of redemption will be given by first-class mail, postage prepaid, by or on behalf of JEA, not less than 30 days prior to the redemption date, in each such case, to each Holder of 2017 Series A Subordinated Bonds, or portions of the 2017 Series A Subordinated Bonds, which are to be redeemed, at its last address, if any, appearing upon the registration books. Failure of the Holder of any 2017 Series A Subordinated Bond to receive any such notice will not affect the validity of the proceedings for the redemption of any other Subordinated Electric System Bonds. Notice having been given in the manner provided in the Subordinated Electric System Resolution, on the redemption date so designated, (a) unless such notice has been revoked or ceases to be in effect in accordance with the terms thereof and (b) if there are sufficient moneys available therefor, then the 2017 Series A Subordinated Bonds or portions thereof so called for redemption will become due and payable on such redemption date at the redemption price, plus interest accrued and unpaid to the redemption date. For so long as a book-entry only system of registration is in effect with respect to the 2017 Series A Subordinated Bonds, notices of redemption will be mailed to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants, any failure of Direct Participants to convey such notice to any Indirect Participants or any failure of Direct Participants or Indirect Participants to convey such

notice to any Beneficial Owner will not affect the sufficiency or the validity of the redemption of 2017 Series A Subordinated Bonds. See “BOOK-ENTRY ONLY SYSTEM” in APPENDIX A hereto.

**DEBT SERVICE REQUIREMENTS FOR
THE ELECTRIC SYSTEM BONDS AND THE
SUBORDINATED ELECTRIC SYSTEM BONDS**

Set forth in APPENDIX B hereto are tables showing the debt service requirements for (a) the Electric System Bonds and (b) the Subordinated Electric System Bonds to be outstanding after the issuance of the 2017A Bonds and the refunding of the Refunded Series Three Bonds and the Refunded Subordinated Bonds to be refunded with the proceeds thereof.

RECENT DEVELOPMENTS

The following information updates and supplements certain of the information contained in the Annual Disclosure Report included by reference herein:

[Insert Updates to Annual Disclosure Report]

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

For a discussion of pension and other post-employment benefit matters, see “INTRODUCTION – Management and Employees” in the Annual Disclosure Report, as supplemented under the caption “RECENT DEVELOPMENTS – Management and Employees” herein and notes 11 and 13 to JEA’s Financial Statements set forth in APPENDIX C attached hereto.

LITIGATION

The Office of General Counsel of the City is not aware of any pending or threatened litigation contesting the validity of the 2017A Bonds or the right of JEA to issue the 2017A Bonds. In the opinion of the Office of General Counsel of the City there is no pending litigation or proceedings that may result in any material adverse change in the financial condition of JEA relating to the Electric System other than as set forth in the financial statements of JEA in APPENDIX C hereto. For a discussion of certain pending proceedings relating to environmental matters, see “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – *Environmental Matters*” in the Annual Disclosure Report.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the 2017A Bonds and certain other legal matters are subject to the approving opinions of _____, _____, _____, Bond Counsel to JEA (“Bond Counsel”). The proposed form of Bond Counsel opinion with respect to the Series Three 2017A Bonds is contained in APPENDIX E hereto, and the proposed form of Bond Counsel opinion

with respect to the 2017 Series A Subordinated Bonds is contained in APPENDIX F hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

Certain legal matters will be passed upon for JEA by the Office of General Counsel of the City, attorneys for JEA. Certain legal matters will be passed upon for the Underwriters by _____, _____, _____, counsel to the Underwriters.

[VERIFICATION OF MATHEMATICAL COMPUTATIONS]

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the 2017A Bonds in order that interest on the 2017A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the 2017A Bonds to be included in federal gross income retroactive to the date of issuance of the 2017A Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the 2017A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. JEA has covenanted in Resolution No. 2016-17 with respect to the Series Three 2017A Bonds and in Resolution No. 2016-18 with respect to the 2017 Series A Subordinated Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series Three 2017A Bonds and the 2017 Series A Subordinated Bonds, respectively.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the 2017A Bonds is excluded from gross income for purposes of federal income taxation. Interest on the 2017A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the 2017A Bonds may be subject to the federal alternative minimum tax when any 2017A Bonds is held by a corporation. The federal alternative minimum taxable income of a corporation must be increased by seventy-five percent (75%) of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted Current Earnings" will include interest on the 2017A Bonds.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of 2017A Bonds. Prospective purchasers of 2017A Bonds should be aware that the ownership of 2017A Bonds may result in collateral federal income tax consequences,

including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry 2017A Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on 2017A Bonds; (iii) the inclusion of interest on 2017A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on 2017A Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on 2017A Bonds in “modified adjusted gross income” by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of JEA, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the 2017A Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE 2017A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the 2017A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2017A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of 2017A Bonds, under certain circumstances, to “backup withholding” at the rate specified in the Code with respect to payments on the 2017A Bonds and proceeds from the sale of 2017A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2017A Bonds. This withholding generally applies if the owner of 2017A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2017A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2017A Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the 2017A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the 2017A Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the 2017A Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2017A Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the 2017A Bonds.

Prospective purchasers of the 2017A Bonds should consult their own tax advisors as to the tax consequences of owning the 2017A Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series Three 2017A Bonds maturing on October 1, 20__ through and including October 1, 20__ and the 2017 Series A Subordinated Bonds maturing on October 1, 20__ through and including October 1, 20__ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption

or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series Three 2017A Bonds maturing on October 1, 20__ through and including October 1, 20__ and the 2017 Series A Subordinated Bonds maturing on October 1, 20__ through and including October 1, 20__ (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

RATINGS

[The Series Three 2017A Bonds have been rated "__" by Fitch, "___" by Moody's and "___" by S&P. The 2017 Series A Subordinated Bonds have been rated "__" by Fitch, "___" by Moody's and "___" by S&P.]

An explanation of the significance of any ratings may be obtained only from the rating agency furnishing the same, at the following addresses: Fitch Ratings, One State Street Plaza, New York, New York 10004; Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; and Standard & Poor's, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating and outlook (if any) on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will be in effect for any given period of time or that such ratings will not be revised upward or downward or withdrawn entirely by such rating agencies if, in the judgment of such agencies, circumstances so warrant. Any such downward revision or withdrawal of any ratings may have an adverse effect on the market price of the Series Three 2017A Bonds or the 2017 Series A Subordinated Bonds.

UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain customary conditions to closing, to purchase the 2017A Bonds from JEA at the aggregate underwriting discount (a) in the case of the Series Three 2017A Bonds, of \$_____ from the initial public offering prices of the Series Three 2017A Bonds set forth on the inside cover page of this Official Statement, and (b) in the case of the 2017 Series A Subordinated Bonds, of \$_____ from the initial public offering prices of the 2017 Series A Subordinated Bonds set forth on the inside cover page of this Official Statement. The Underwriters will be obligated to purchase all the 2017A Bonds if any such 2017A Bonds are purchased. The public offering prices may be changed, from time to time, by the Underwriters. The Underwriters are _____.

[Insert specific disclosures]

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, commercial and investment banking services for JEA, for which they received or will receive customary fees and expenses. JEA intends to use a portion of the proceeds from this offering to refund the Refunded Bonds. Certain of the Underwriters for this offering or their affiliates may hold certain of the Refunded Bonds and, as a result, may receive a portion of the proceeds of this offering in connection with the redemption of the Refunded Bonds by JEA.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of JEA.

MISCELLANEOUS

Legal Investments

The 2017A Bonds are legal investments for savings banks, trust companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency or instrumentality of the State of Florida, or of any county, municipality, or other political subdivisions of the State of Florida. The 2017A Bonds are also eligible as security for deposits of state, county, municipal and other public funds.

References to Documents

The summaries of or references to the Electric System Resolution and certain proposed amendments thereto, the Subordinated Electric System Resolution and certain proposed amendments thereto, the First Power Park Resolution, the Second Power Park Resolution and certain proposed amendments thereto, the Restated and Amended Bulk Power Supply System Resolution and certain proposed amendments thereto and certain statutes and other ordinances and documents included in this Official Statement or in the document included by specific reference herein do not purport to be comprehensive or definitive, and such summaries and references are qualified in their entirety by references to each such resolution, statute, ordinance, law and document. Copies of all such documents may be obtained from JEA, provided that a reasonable charge may be imposed for the cost of reproduction.

Authorization of Official Statement

The dissemination and use of this Official Statement have been duly authorized by the JEA Board.

JEA

By: _____
Managing Director and Chief Executive Officer

BOOK-ENTRY ONLY SYSTEM

The 2017A Bonds will be available only in book-entry form. DTC will act as the initial securities depository for the 2017A Bonds. The 2017A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered bond certificates will be issued for the 2017A Bonds of each series and of each maturity (and, if applicable, each interest rate within a maturity), in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2017A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such 2017A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2013 Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2017A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants

acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2017A Bonds, except in the event that use of the book-entry system for the 2017A Bonds is discontinued.

SO LONG AS CEDE & CO. (OR ANY OTHER NOMINEE REQUESTED BY DTC) IS THE REGISTERED OWNER OF THE 2017A BONDS, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OR OWNERS OF THE 2017A BONDS, SHALL MEAN CEDE & CO. (OR SUCH OTHER NOMINEE), AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

To facilitate subsequent transfers, all 2017A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2017A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2017A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

JEA and the Registrar and Paying Agent and the Subordinated Bond Registrar and Paying Agent, as applicable, may treat DTC (or its nominee) as the sole and exclusive owner of the 2017A Bonds registered in its name for the purpose of: payment of the principal or redemption price of or interest on the 2017A Bonds; selecting 2017A Bonds and portions thereof to be redeemed; giving any notice permitted or required to be given to Holders under the Electric System Resolution or the Subordinated Electric System Resolution, as the case may be, including any notice of redemption; registering the transfer of 2017A Bonds; obtaining any consent or other action to be taken by Holders; and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. JEA, the Registrar and Paying Agent, the Subordinated Bond Registrar and Paying Agent, as applicable, and the Underwriters (other than in their capacity, if any, as Direct Participants or Indirect Participants) shall not have any responsibility or obligation to any Direct Participant, any person claiming a beneficial ownership interest in the 2017A Bonds under or through DTC or any Direct Participant, or any other person which is not shown on the registration books of JEA (kept by the Registrar or the Subordinated Bond Registrar, as applicable) as being a Holder, with respect to: the accuracy of any records maintained by DTC or any Direct or Indirect Participant regarding ownership interests in the 2017A Bonds; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal or redemption price of or interest on the 2017A Bonds; the delivery to any Direct or Indirect Participant or any Beneficial Owner of any notice which is permitted or required to be given to Holders under the Electric System Resolution or the Subordinated Electric System Resolution, as applicable, including any notice of redemption; the selection by DTC or any Direct or Indirect Participant of any person to receive payment in the event of a partial redemption of the 2017A Bonds or any consent given or other action taken by DTC as a Holder of the 2017A Bonds.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2017A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the "record date." The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts securities, such as the 2017A Bonds, are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Except as described below, neither DTC nor Cede & Co. nor any other nominee of DTC will take any action to enforce covenants with respect to any security registered in the name of Cede & Co. or any other nominee of DTC. Under its current procedures, on the written instructions of a Direct Participant given in accordance with DTC's Procedures, DTC will cause Cede & Co. to sign a demand to exercise certain bondholder rights. In accordance with DTC's current procedures, Cede & Co. will sign such document only as record holder of the quantity of securities referred to therein (which is to be specified in the Direct Participant's request to DTC for such document) and not as record holder of all the securities of that issue registered in the name of Cede & Co. Also, in accordance with DTC's current procedures, all factual representations to the issuer, the trustee or any other party to be made by Cede & Co. in such document must be made to DTC and Cede & Co. by the Direct Participant in its request to DTC.

For so long as the 2017A Bonds are issued in book-entry form through the facilities of DTC, any Beneficial Owner desiring to cause JEA to comply with any of its obligations with respect to the 2017A Bonds must make arrangements with the Direct Participant or Indirect Participant through whom such Beneficial Owner's ownership interest in the 2017A Bonds is recorded in order for the Direct Participant in whose DTC account such ownership interest is recorded to make the request of DTC described above.

NEITHER JEA NOR THE REGISTRAR AND PAYING AGENT NOR THE SUBORDINATED BOND REGISTRAR AND PAYING AGENT NOR THE UNDERWRITERS (OTHER THAN IN THEIR CAPACITY, IF ANY, AS DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND THE PERSONS FOR WHOM THEY ACT RELATING TO THE MAKING OF ANY DEMAND BY CEDE & CO. AS THE REGISTERED OWNER OF THE 2017A BONDS, THE ADHERENCE TO SUCH PROCEDURES OR ARRANGEMENTS OR THE EFFECTIVENESS OF ANY ACTION TAKEN PURSUANT TO SUCH PROCEDURES OR ARRANGEMENTS.

Principal or redemption price of and interest on the 2017A Bonds will be paid to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from JEA or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with

securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, JEA or the Paying Agent for the 2017A Bonds, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent for the 2017A Bonds, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

As long as the book-entry system is used for the 2017A Bonds, JEA or the Registrar or the Subordinated Bond Registrar, as the case may be, will give or cause to be given any notice of redemption or any other notices required to be given to Holders of 2017A Bonds only to DTC. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant, or of any Direct or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the 2017A Bonds called for such redemption, or of any other action premised on such notice.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2017A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2017A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Electric System Resolution or the Subordinated Electric System Resolution, as the case may be. For example, Beneficial Owners of 2017A Bonds may wish to ascertain that the nominee holding the 2017A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

As long as the book-entry system is used for the 2017A Bonds, redemption notices shall be sent only to DTC. If less than all of the 2017A Bonds of a particular series and maturity (and, if applicable, each interest rate within a maturity) are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such 2017A Bonds to be redeemed.

NEITHER JEA NOR THE REGISTRAR AND PAYING AGENT FOR THE SERIES THREE 2017A BONDS NOR THE SUBORDINATED BOND REGISTRAR AND PAYING AGENT FOR THE 2017 Series A SUBORDINATED BONDS NOR THE UNDERWRITERS (OTHER THAN IN THEIR CAPACITY, IF ANY, AS DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS) WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES, WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.

For every transfer and exchange of a beneficial ownership interest in the 2017A Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Discontinuation of the Book-Entry-Only System. DTC may discontinue providing its services as depository with respect to the 2017A Bonds, or either series thereof at any time by giving reasonable notice to JEA or the Registrar and Paying Agent or the Subordinated Bond Registrar and Paying Agent, as applicable. In addition, if JEA determines that (i) DTC is unable to discharge its responsibilities with respect to the 2017A Bonds, or either series thereof, or (ii) continuation of the system of book-entry-only transfers through DTC is not in the best interests of the Beneficial Owners of the 2017A Bonds, or either series thereof or of JEA, JEA may, upon satisfaction of the applicable procedures of DTC with respect thereto, terminate the services of DTC with respect to such 2017A Bonds. Upon the resignation of DTC or determination by JEA that DTC is unable to discharge its responsibilities, JEA may, within 90 days, appoint a successor depository. If no such successor is appointed or JEA determines to discontinue the book-entry-only system, 2017A Bond certificates for the applicable series will be printed and delivered. Transfers and exchanges of 2017A Bonds of the applicable series, shall thereafter be made as provided in the Electric System Resolution or the Subordinated Electric System Resolution, as applicable.

If the book-entry-only system is discontinued with respect to a series of the 2017A Bonds, the persons to whom 2017A Bonds are delivered will be treated as “Bondholders” for all purposes of the Electric System Resolution or the Subordinated Electric System Resolution, as the case may be, including giving by JEA, including without limitation the payment of principal, premium, if any, and interest on such 2017A Bonds, the redemption of such 2017A Bonds and the giving to JEA, the Registrar or Paying Agent or the Subordinated Registrar or Paying Agent, as applicable, for such 2017A Bonds of any notice, consent, request or demand pursuant to the Electric System Resolution or the Subordinated Electric System Resolution, as applicable, for any purpose whatsoever. In such event, interest on such 2017A Bonds will be payable by check or draft of the Paying Agent therefor mailed to such Bondholders at the addresses shown on the registration books maintained on behalf of JEA, and the principal and redemption price of such 2017A Bonds will be payable at the principal corporate trust office of the Paying Agent for such 2017A Bonds as described under the heading “DESCRIPTION OF THE SERIES THREE 2017A BONDS – Registration and Transfer” or the heading “DESCRIPTION OF THE 2017 Series A SUBORDINATED BONDS – Registration and Transfer” in the Official Statement to which this APPENDIX A is attached.

Portions of the foregoing concerning DTC and DTC’s book-entry system are based on information furnished by DTC to JEA. No representation is made herein by JEA or the Underwriters as to the accuracy, completeness or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date of the Official Statement to which this APPENDIX A is attached.

DEBT SERVICE REQUIREMENTS

**TABLE I
DEBT SERVICE REQUIREMENTS
FOR THE ELECTRIC SYSTEM BONDS⁽¹⁾⁽²⁾**

Fiscal Year Ending September 30,	Debt Service on Outstanding Electric System Bonds ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Less: Debt Service on Refunded Series Three Bonds			Plus: Debt Service on Series Three 2017A Bonds			Debt Service on Electric System Bonds to be Outstanding After Issuance of Series Three 2017A Bonds
		Principal	Interest	Total	Principal	Interest	Total	
2016								
2017								
2018								
2019								
2020								
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
2036								
2037								
2038								
2039								
2040								
2041								
2042								
2043								
2044								
Total	\$							

(footnotes on following page)

(footnotes from previous page)

(1) In addition to the Electric System Bonds, JEA also has outstanding (a) \$[255,020,000] aggregate principal amount of Power Park Issue Two Bonds, (b) \$[324,090,000] aggregate principal amount of Power Park Issue Three Bonds and (c) \$[116,920,000] aggregate principal amount of Additional Bulk Power Supply System Bonds. Payments with respect to (i) JEA's share of the debt service on the Power Park Issue Two Bonds and (ii) debt service on the Power Park Issue Three Bonds and the Additional Bulk Power Supply System Bonds constitute Contract Debts, payable as a Cost of Operation and Maintenance of the Electric System, and are payable prior to the payment of debt service on the Electric System Bonds.

(2) Row and column totals may not add due to rounding.

(3) Prior to refunding of the Refunded Series Three Bonds.

(4) Interest on the variable rate debt is calculated at an assumed rate of 4.00%.

(5) JEA's Electric System Revenue Bonds, Series Three 2009A (the "Series Three 2009A Bonds") maturing on October 1, 2020 in the principal amount of \$[23,445,000] initially constitute "Refundable Bonds," as such term is defined in the Electric System Resolution. As such, there is no scheduled amortization of the principal of such Series Three 2009A Bonds. However, for purposes of the "additional bonds" test contained in the Electric System Resolution, such Series Three 2009A Bonds are deemed to be payable in the manner provided in the definition of "Adjusted Debt Service Requirement" contained in the Electric System Resolution, calculated assuming that such Series Three 2009A Bonds bear interest at an estimated interest rate of 5.60 percent following its stated maturity date.

(6) JEA's Electric System Revenue Bonds, Series Three 2009D (Federally Taxable – Issuer Subsidy – Build America Bonds) (the "Series Three 2009D Bonds") and Electric System Revenue Bonds, Series Three 2010E (Federally Taxable – Issuer Subsidy – Build America Bonds) (the "Series Three 2010E Bonds") were issued as taxable Build America Bonds. Total Debt Service shown above includes interest on the Series Three 2009D Bond and Series Three 2010E Bonds net of the direct subsidy payments expected to be received on such Bonds.]

TABLE II
DEBT SERVICE REQUIREMENTS
FOR THE SUBORDINATED ELECTRIC SYSTEM BONDS⁽¹⁾

Fiscal Year Ending September 30,	Debt Service on Outstanding Subordinated Electric System Bonds ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Less: Debt Service on Refunded Subordinated Bonds			Plus: Debt Service on 2017 Series A Subordinated Bonds			Debt Service on Electric System Bonds to be Outstanding After Issuance of 2017 Series A Subordinated Bonds
		Principal	Interest	Total	Principal	Interest	Total	
2016								
2017								
2018								
2019								
2020								
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
2036								
2037								
2038								
2039								
2040								
Total	\$							

(footnotes on following page)

(footnotes from previous page)

(1) Row and column totals may not add due to rounding.

(2) Prior to refunding of Refunded Subordinated Bonds.

(3) Interest on the variable rate debt is calculated at an assumed rate of 4.00%.

(4) Projected principal amortization of the Commercial Paper Notes is based upon the assumptions set forth in JEA's current Commercial Paper Payment Plan for the Commercial Paper Notes of each Series.

(5) JEA's Electric System Subordinated Revenue Bonds, 2009 Series B (the "2009 Series B Bonds") maturing on October 1 in the years 2015 through 2019, inclusive, in the respective principal amounts of \$[14,415,000], \$[16,890,000], \$[16,890,000], \$[16,890,000], \$[16,890,000] and \$[12,005,000] and JEA's Electric System Subordinated Revenue Bonds, 2009 Series C (the "2009 Series C Bonds") maturing on October 1 in the years 2015 and 2020 (CUSIP Nos. 46613C UB9 and 46613C UD5 only), in the respective principal amounts of \$[15,400,000] and \$[19,400,000], initially constitute "Refundable Principal Installments," as such term is defined in the Subordinated Electric System Resolution. As such, there is no scheduled amortization of the principal of such 2008 Series C Bonds, such 2009 Series B bonds or such 2009 Series C Bonds. However, for purposes of the "additional bonds" test contained in the Subordinated Electric System Resolution, such 2008 Series C Bonds, such 2009 Series B Bonds and such 2009 Series C Bonds are deemed to be payable in the manner provided in the definition of "Adjusted Aggregate Subordinated Debt Service" contained in the Subordinated Electric System Resolution, calculated assuming that such 2008 Series C Bonds bear interest at an estimated interest rate of 5.55 percent following their respective maturity dates, such 2009 Series B Bonds bear interest at an estimated interest rate of 5.95 percent following their respective stated maturity dates and such 2009 Series C Bonds bear interest at an estimated interest rate of 6.05 percent following their respective stated maturity dates.

(6) JEA's Electric System Subordinated Revenue Bonds, 2009 Series F (Federally Taxable – Issuer Subsidy – Build America Bonds) (the "2009 Series F Subordinated Bonds") and Electric System Subordinated Revenue Bonds, 2010 Series D (Federally Taxable – Issuer Subsidy – Build America Bonds) (the "2010 Series D Subordinated Bonds") were issued as taxable Build America Bonds. Total Debt Service shown above includes interest on the 2009 Series F Subordinated Bonds and 2010 Series D Subordinated Bonds that is net of the direct subsidy payments expected to be received on such Bonds.

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APPENDIX C

**FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION, AND BOND
COMPLIANCE INFORMATION**

**FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012
(WITH INDEPENDENT AUDITOR'S REPORT THEREON)**

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

Upon the delivery of the 2017A Bonds, JEA proposes to enter into a Continuing Disclosure Agreement with respect to the 2017A Bonds in substantially the following form:

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement") dated _____, 20__, is made by JEA, an independent agency of the City of Jacksonville, Florida duly organized and existing under the Constitution and laws of the State of Florida ("JEA"), for the benefit of the holders and beneficial owners from time to time of JEA's Electric System Revenue Bonds, Series Three 2017A, dated the date hereof (the "Series Three 2017A Bonds") and JEA's Electric System Subordinated Revenue Bonds, 2017 Series A, dated the date hereof (the "2017 Series A Subordinated Bonds" and, together with the Series Three 2017A Bonds, the "Bonds"), under the circumstances summarized in the following recitals (with each capitalized term used but not defined in this Agreement having the meaning assigned to it in Resolution No. 2016-17 of JEA adopted on October 18, 2016 authorizing the Series Three 2017A Bonds and Resolution No. 2016-18, entitled the Fifty-Fourth Supplemental Subordinated Electric System Resolution, of JEA adopted on October 18, 2016 authorizing the issuance of the 2017 Series A Subordinated Bonds (collectively, the "Supplemental Resolution")):

- A. JEA, by passage of the Supplemental Resolution, has determined to issue the Bonds to provide funds for JEA purposes, and the Underwriters have agreed to provide those funds to JEA by purchasing the Bonds.
- B. JEA understands that the Underwriters will sell and deliver Bonds to other holders and beneficial owners; that the Underwriters would not purchase the Bonds from JEA, and JEA would not be assured of the availability of funds required for its purposes, if the Underwriters were not able to so sell and deliver the Bonds; and that the Bonds will be transferred from time to time from holders and beneficial owners to other holders and beneficial owners who may rely upon the continuing disclosure agreement made by JEA in the Supplemental Resolution and the Agreement.
- C. As a condition to the purchase of the Bonds from JEA and the sale of Bonds to holders and beneficial owners, the Underwriters are required to reasonably determine that JEA has made an agreement for the benefit of holders and beneficial owners of the Bonds in accordance with paragraph (b)(5)(i) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC").
- D. As provided in the Supplemental Resolution JEA agreed to provide or cause to be provided such financial information and operating data, financial statements

and notices, in such manner, as may be required for purposes of paragraph (b)(5)(i) of the Rule.

NOW, THEREFORE, in consideration of the purchase of the Bonds from JEA by the Underwriters and the contemplated sale of the Bonds to, and transfer of Bonds between, holders and beneficial owners from time to time, JEA hereby sets forth, pursuant to the Supplemental Resolution authorizing the Bonds, certain terms of its continuing disclosure agreement made for purposes of the Rule and formed, collectively, by the Supplemental Resolution and the Agreement for the benefit of the holders and beneficial owners from time to time of the Bonds, as follows:

Section 1. Provision of Annual Information; Audited Financial Statements; and Notices of Events. JEA shall provide or cause to be provided:

(a) to the Municipal Securities Rulemaking Board (the “MSRB”), (i) not later than the June 1 following the end of each JEA fiscal year ending on or after September 30, 2015, annual financial information and operating data for such fiscal year of the type described in Section 2 (“Annual Information”), and (ii) when and if available, audited JEA financial statements for each such fiscal year; and

(b) to the MSRB, notice of (i) any Specified Event described in Section 2 in a timely manner not in excess of 10 business days after the occurrence of such Specified Event, (ii) JEA’s failure to provide the Annual Information on or prior to the date specified above, and (iii) any change in the accounting principles applied in the preparation of its annual financial statements, any change in its fiscal year, and of the Agreement’s termination.

Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made in electronic format through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>, accompanied by such identifying information as is prescribed by the MSRB.

JEA expects that audited annual JEA financial statements will be prepared and that such statements will be available together with the Annual Information. Each of the financial statements will be prepared in accordance with generally accepted accounting principles described in note 1 to the financial statements included in the Official Statement of JEA, dated _____, 20__ relating to the Bonds.

Section 2. Annual Information and Specified Events.

(a) “Annual Information” to be provided by JEA shall consist of the following information and data of the type included in the JEA’s Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2015 dated April 19, 2016 (the “Annual Disclosure Report”):

(1) The table under the caption “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – Electric System Generating Facilities – *General*”;

(2) The table under the caption “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – *Fuel Mix*”;

(3) The table under the caption “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Electric System – *Largest Customers*”;

(4) The table under the caption “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – St. Johns River Power Park – *Operation*”;

(5) The table under the caption “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – The Scherer 4 Project – *Operation*”;

(6) The table under the caption “ELECTRIC UTILITY SYSTEM – *ELECTRIC UTILITY FUNCTIONS* – Resource Requirements – *System Load*”;
and

(7) The financial information and operating data referred to under the caption “ELECTRIC UTILITY SYSTEM – *FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS.*”

If the audited financial statements of JEA for the fiscal year are provided contemporaneously with the Annual Information, information and data set forth in such audited financial statements may be incorporated by reference.

(b) “Specified Events” shall include the occurrence of the following events, within the meaning of the Rule, with respect to the Bonds, as applicable: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of holders or beneficial owners, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of JEA; (xiii) the consummation of a merger, consolidation, or acquisition involving JEA or the sale of all or substantially all of the assets of JEA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other

than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the Specified Event identified in Section 2(b)(xii) above, the Specified Event is considered to occur when any of the following occur: (A) the appointment of a receiver, fiscal agent or similar officer for JEA in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of JEA or (B) if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority or (C) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of JEA.

Except for certain debt service reserve account surety bonds previously obtained by JEA which apply to the Series Three 2017A Bonds, JEA has not obtained or provided, and does not expect to obtain or provide, any credit enhancements or credit or liquidity providers for any of the Bonds.

Section 3. Amendments. JEA reserves the right to amend the Agreement, and noncompliance with any provision of the Agreement may be waived, as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of JEA, or type of business conducted by JEA. Any such amendment or waiver shall not be effective unless the Agreement (as amended or taking into account such waiver) would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until JEA shall have received either (a) a written opinion of bond or other qualified independent special counsel selected by JEA that the amendment or waiver would not materially impair the interests of holders or beneficial owners, or (b) in the case of an amendment or waiver affecting (i) the Series Three 2017A Bonds, the written consent to the amendment or waiver of the holders of the same percentage in principal amount of the Series Three 2017A Bonds then outstanding that is required with respect to the approval of any material modification or amendment of the Electric System Resolution at such time, or (ii) the 2017 Series A Subordinated Bonds, the written consent to the amendment or waiver of the holders of the same percentage in principal amount of the 2017 Series A Subordinated Bonds then outstanding that is required with respect to the approval of any material modification or amendment of the Subordinated Electric System Resolution at such time. Annual Information containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided.

Section 4. Remedy for Breach. The Agreement shall be solely for the benefit of the holders and beneficial owners from time to time of the Bonds. A failure by JEA to comply with the provisions hereof does not constitute a default under the Electric System Resolution or the Subordinated Electric System Resolution. The exclusive remedy for any breach of the Agreement by JEA shall be limited, to the extent permitted by law, to a right of holders and beneficial owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by JEA of its obligations under the Agreement. Any individual holder or beneficial owner may institute and maintain, or cause to be instituted and maintained, such proceedings to require JEA to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any such proceedings to require JEA to perform any other obligation under the Agreement (including any proceedings that contest the sufficiency of any pertinent filing) shall be instituted and maintained only by a trustee appointed by the holders or beneficial owners of not less than 25 percent in principal amount of (i) the Series Three 2017A Bonds then outstanding, in the case of proceedings relating to the Series Three 2017A Bonds or (ii) the 2017 Series A Subordinated Bonds then outstanding, in the case of proceedings relating to the 2017 Series A Subordinated Bonds or by holders or beneficial owners of not less than 10 percent in principal amount of (x) the Series Three 2017A Bonds then outstanding, in the case of proceedings relating to the Series Three 2017A Bonds or (y) the 2017 Series A Subordinated Bonds then outstanding, in the case of proceedings relating to the 2017 Series A Subordinated Bonds.

Section 5. Termination. The obligations of JEA under the Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and JEA remains an obligated person with respect to the Bonds within the meaning of the Rule. The obligation of JEA to provide the Annual Information and notices of the events described above shall terminate, if and when JEA no longer remains such an obligated person.

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IN WITNESS WHEREOF, JEA has caused the Agreement to be duly signed and delivered to the Underwriters, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Underwriters, on its behalf by its official signing below, all as of the date set forth above, and the holders and beneficial owners from time to time of the Bonds shall be deemed to have accepted JEA's continuing disclosure undertaking, as contained in the Supplemental Resolution authorizing the Bonds and further described and specified herein, made in accordance with the Rule.

JEA

By: _____
Managing Director and Chief Executive
Officer

**PROPOSED FORM OF OPINION OF BOND COUNSEL
RELATING TO THE SERIES THREE 2017A BONDS**

**PROPOSED FORM OF OPINION OF BOND COUNSEL
RELATING TO THE 2017 Series A SUBORDINATED BONDS**

ESCROW DEPOSIT AGREEMENT

relating to

JEA
ELECTRIC SYSTEM REVENUE BONDS,
SERIES THREE 2017A

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 20__ by and between JEA, a public body corporate and politic organized under the laws of the State of Florida and _____, as Escrow Agent;

WITNESSETH:

WHEREAS, JEA has previously authorized and issued obligations of JEA as hereinafter set forth and defined as the "Refunded Obligations," as to which the Aggregate Debt Service (as hereinafter defined) is set forth on Schedule A attached hereto; and

WHEREAS, JEA has determined to provide for refunding of the Aggregate Debt Service of the Refunded Obligations by depositing with the Escrow Agent cash, which will be sufficient to pay the Aggregate Debt Service on the Refunded Obligations; and

WHEREAS, in order to obtain a portion of the funds needed for such purpose JEA has authorized and is, concurrently with the delivery of this Agreement, issuing its Electric System Revenue Bonds, Series Three 2017A; and

WHEREAS, JEA has determined that the amount to be on deposit, from time to time, in the Escrow Account, as defined herein, will be sufficient to pay the Aggregate Debt Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, JEA and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

(a) "Aggregate Debt Service" means the sum of all present and future Annual Debt Service payments then remaining unpaid with respect to the Refunded Obligations through the Redemption Date, as set forth on Schedule A attached hereto.

(b) "Agreement" means this Escrow Deposit Agreement.

(c) "Annual Debt Service" means, in any year, the redemption price of, and interest on, the Refunded Obligations coming due or being redeemed on the respective Redemption Date, as set forth on Schedule A attached hereto.

(d) "Defeasance Securities" means securities permitted by Section 17 of the Resolution.

(e) "Escrow Account" means the Escrow Account identified in Section 2 herein and established and held by the Escrow Agent pursuant to this Agreement in which a portion of the proceeds from the sale of the Bonds and certain other funds will be held for payment of the Refunded Obligations.

(f) "Escrow Agent" means The Bank of New York Mellon Trust Company, N.A. with the power to accept trusts in the State of Florida.

(g) "Escrow Deposit Requirement" means, as of any date of calculation, the principal amount of cash and any Defeasance Securities in the Escrow Account which will be sufficient to pay, as the installments thereof become due, the Aggregate Debt Service.

(h) "Paying Agent" means _____ in its capacity as the paying agent for the Refunded Obligations.

(i) "Redemption Date" means the redemption date for the Refunded Obligations, as set forth in Schedule B hereto.

(j) "Refunded Obligations" means the Electric System Revenue Bonds, Series Three listed in Schedule B hereto.

(k) "Resolution" means the resolution duly adopted by JEA on March 30, 1982, as amended and supplemented, and particularly as supplemented by resolutions adopted by JEA authorizing the issuance of the Refunded Obligations.

(l) "2017A Bonds" means the Electric System Revenue Bonds, Series Three 2017A of JEA.

SECTION 2. Deposit of Funds. With respect to the Refunded Obligations, JEA hereby deposits \$_____ with the Escrow Agent in immediately available funds (the "Escrow Deposit Amount"), to be held in irrevocable escrow by the Escrow Agent in a separate escrow trust fund (the "Escrow Account") and applied solely as provided in this Agreement. JEA represents that (i) \$_____ of such funds are derived by JEA from a portion of the proceeds of the 2017A Bonds and (ii) \$_____ of such funds are derived by JEA from amounts on deposit in the Debt Service Account established pursuant to the Resolution.

JEA represents, that such funds, when applied pursuant to Section 3 below, will at least equal the Escrow Deposit Requirement as of the date hereof.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sum described in Section 2 and agrees:

(a) hold such sum uninvested in cash unless it receives from JEA written directions to effect settlement of the purchase of Defeasance Securities which mature no later than the Redemption Date or such earlier time as amounts will be needed as described in Schedule A hereto and which are in the aggregate amount of no more than the balance in the Escrow Account;

(b) there will be no investment of funds except as set forth in this Section 3;

(c) to hold the proceeds of all investments in the Escrow Account in such Account in trust (separate from all other funds of the Escrow Agent) for the benefit of the owners of the Refunded Obligations from the date of receipt thereof to the date on which such proceeds are scheduled to be paid out of the Escrow Account and applied only for the purposes thereof, as set forth on Schedule A attached hereto; and

(d) to hold the funds and securities in the Escrow Account in irrevocable escrow during the term of this Agreement;

SECTION 4. Payment of Refunded Obligations.

(a) *Payment of Refunded Obligations.* The Escrow Agent shall pay the Paying Agent for the Refunded Obligations, from the cash on hand in the Escrow Account, a sum sufficient to pay the Annual Debt Service coming due on such date with respect to the Refunded Obligations, as shown on Schedule A attached hereto.

(b) *Surplus.* On the Redemption Date, after making the payment from the Escrow Account described in Subsection 4(a), the Escrow Agent shall pay to JEA the remaining cash, if any, in the Escrow Account. JEA shall apply the payment made to it hereunder to the payment of the principal of and interest on the 2017A Bonds or for other uses permitted under the Resolution, but the Escrow Agent shall have no duty or responsibility to ensure that JEA does so.

(c) *Payments Due on Saturdays, Sundays and Holidays.* If any payment date shall be a legal holiday or a day on which banking institutions in the city in which is located the designated office of the Paying Agent are authorized by law to remain closed, then the Escrow Agent may make the payments required by Subsections 4(a) and 4(b) to the Paying Agent or JEA, as the case may be, on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed.

SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Defeasance Securities held hereunder.

(b) At the written request of JEA and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Defeasance Securities acquired hereunder and shall substitute other Defeasance Securities and reinvest any excess receipts in Defeasance Securities. JEA will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which, will cause interest on the 2017A Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation. Such substitutions and reinvestments may be effected only if (i) an independent certified public accountant selected by JEA shall certify or opine in writing to JEA and the Escrow Agent that the cash and principal amount of Defeasance Securities remaining on hand after the transactions are completed will be not less than the Escrow Deposit Requirement, and (ii) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to JEA to the effect that the transactions, in and by themselves, will not cause interest on the 2017A Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation and such substitution is in compliance with this Agreement. Subsection 4(b) above notwithstanding, cash in excess of the Escrow Deposit Requirement caused by substitution of Defeasance Securities shall, as soon as practicable, be paid to JEA.

SECTION 6. Redemption of Refunded Obligations. JEA has exercised its option to redeem the Refunded Obligations prior to the maturity thereof on the Redemption Date as shown on Schedule B attached hereto.

SECTION 7. Redemption Notice. The Bond Registrar for the Refunded Obligations has given notice of redemption of the Refunded Obligations to be redeemed on the Redemption Date, as provided in Section 9 of the Resolution as supplemented by the applicable supplemental resolutions relating to the respective Refunded Obligations on behalf of JEA and the Escrow Agent.

SECTION 8. Indemnity. To the extent permitted by applicable law, including but not limited to Section 768.28, Florida Statutes, JEA hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and attorneys' disbursements and expenses) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by JEA or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds and securities deposited therein, the purchase of the Defeasance Securities, the retention of the Defeasance Securities or the proceeds thereof and any payment, transfer or other application of funds or

securities by the Escrow Agent in accordance with the provisions of this Agreement; *provided, however,* that JEA shall not be required to indemnify the Escrow Agent, its successors, assigns, agents and servants against the negligence or willful misconduct of the Escrow Agent or its successors, assigns, agents and servants. In no event shall JEA or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement. Nothing in this Section contained shall give rise to any liability on the part of JEA in favor or any person other than the Escrow Agent.

SECTION 9. Responsibilities of Escrow Agent; Fees. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the retention of the Defeasance Securities or the proceeds thereof or any investment, payment, transfer, or other application of money or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties or non-willful misconduct. The Escrow Agent shall, however, be liable to JEA for its negligent acts, omissions or errors or willful misconduct which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of JEA. The fees of the Escrow Agent shall be paid by JEA at the time this Agreement is executed and delivered, such fees to be as set forth on Schedule C attached hereto. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Obligations have been paid and discharged in accordance with the proceedings authorizing the Refunded Obligations.

SECTION 11. Amendments. This Agreement is made for the benefit of JEA and the holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and JEA; *provided, however,* that JEA and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;

(b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Obligations, any additional rights, remedies, power or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject additional funds, securities or properties to this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of JEA or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement herein contained shall be null and void and shall be severed from the remaining covenants and agreements and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be one and the same instrument.

SECTION 14. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Deposit Agreement to be executed by their duly authorized officers and JEA's official seal to be hereunto affixed and attested as of the date first above written.



JEA

By: _____
Managing Director and
Chief Executive Officer

Form Approved:

Office of General Counsel

as Escrow Agent

By: _____
Its: _____

**SCHEDULE A
REFUNDED OBLIGATIONS**

The Aggregate Debt Service for the Refunded Obligations is shown in the following table:

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total</u>
	\$	\$		\$

SCHEDULE B
LIST OF REFUNDED OBLIGATIONS

The Refunded Bonds will consist of the Electric System Revenue Bonds, Series Three listed in the following table.

<u>Series Three</u>	<u>Maturity Date (October 1)</u>	<u>Amount to be Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price (expressed as a percentage of principal amount)</u>	<u>CUSIP*</u>
		\$		%	

Total.....

* The CUSIP numbers listed here are provided for the convenience of readers. JEA is not responsible for the accuracy or completeness of such numbers.

**SCHEDULE C
FEES OF ESCROW AGENT**

The fee of the Escrow Agent for its services hereunder shall be \$____; provided, JEA agrees to reimburse the Escrow Agent for its reasonable out-of-pocket expenses at cost.

ESCROW DEPOSIT AGREEMENT

relating to

**JEA
ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS,
2017 SERIES A**

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 20__ by and between JEA, a public body corporate and politic organized under the laws of the State of Florida and _____, as Escrow Agent;

WITNESSETH:

WHEREAS, JEA has previously authorized and issued obligations of JEA as hereinafter set forth and defined as the "Refunded Obligations," as to which the Aggregate Debt Service (as hereinafter defined) is set forth on Schedule A attached hereto; and

WHEREAS, JEA has determined to provide for refunding of the Aggregate Debt Service of the Refunded Obligations by depositing with the Escrow Agent cash, which will be sufficient to pay the Aggregate Debt Service on the Refunded Obligations; and

WHEREAS, in order to obtain a portion of the funds needed for such purpose JEA has authorized and is, concurrently with the delivery of this Agreement, issuing its Electric System Subordinated Revenue Bonds, 2017 Series A; and

WHEREAS, JEA has determined that the amount to be on deposit, from time to time, in the Escrow Account, as defined herein, will be sufficient to pay the Aggregate Debt Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, JEA and the Escrow Agent agree as follows:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings:

(a) "Aggregate Debt Service" means the sum of all present and future Annual Debt Service payments then remaining unpaid with respect to the Refunded Obligations through the Redemption Date, as set forth on Schedule A attached hereto.

(b) "Agreement" means this Escrow Deposit Agreement.

(c) "Annual Debt Service" means, in any year, the redemption price of, and interest on, the Refunded Obligations coming due or being redeemed on the respective Redemption Date, as set forth on Schedule A attached hereto.

(d) "Defeasance Securities" has the meaning ascribed to such term in the Resolution.

(e) "Escrow Account" means the Escrow Account identified in Section 2 herein and established and held by the Escrow Agent pursuant to this Agreement in which a portion of the proceeds from the sale of the Bonds and certain other funds will be held for payment of the Refunded Obligations.

(f) "Escrow Agent" means _____ with the power to accept trusts in the State of Florida.

(g) "Escrow Deposit Requirement" means, as of any date of calculation, the principal amount of cash and any Defeasance Securities in the Escrow Account which will be sufficient to pay, as the installments thereof become due, the Aggregate Debt Service.

(h) "Paying Agent" means _____ in its capacity as the paying agent for the Refunded Obligations.

(i) "Redemption Date" means the redemption date for the Refunded Obligations, as set forth in Schedule B hereto.

(j) "Refunded Obligations" means the Electric System Subordinated Revenue Bonds listed in Schedule B hereto.

(k) "Resolution" means the resolution duly adopted by JEA on August 16, 1988, as amended, restated and supplemented, and particularly as supplemented by resolutions adopted by JEA authorizing the issuance of the Refunded Obligations.

(l) "2017 Subordinated Bonds" means the Electric System Subordinated Revenue Bonds, 2017 Series A of JEA.

SECTION 2. Deposit of Funds. With respect to the Refunded Obligations, JEA hereby deposits \$_____ with the Escrow Agent in immediately available funds (the "Escrow Deposit Amount"), to be held in irrevocable escrow by the Escrow Agent in a separate escrow trust fund (the "Escrow Account") and applied solely as provided in this Agreement. JEA represents that (i) \$_____ of such funds are derived by JEA

from a portion of the proceeds of the 2017 Subordinated Bonds and (ii) \$_____ of such funds are derived by JEA from amounts on deposit in the Subordinated Bond Fund established pursuant to the Resolution.

JEA represents, that such funds, when applied pursuant to Section 3 below, will at least equal the Escrow Deposit Requirement as of the date hereof.

SECTION 3. Use and Investment of Funds. The Escrow Agent acknowledges receipt of the sum described in Section 2 and agrees:

(a) hold such sum uninvested in cash unless it receives from JEA written directions to effect settlement of the purchase of Defeasance Securities which mature no later than the Redemption Date or such earlier time as amounts will be needed as described in Schedule A hereto and which are in the aggregate amount of no more than the balance in the Escrow Account;

(b) there will be no investment of funds except as set forth in this Section 3;

(c) to hold the proceeds of all investments in the Escrow Account in such Account in trust (separate from all other funds of the Escrow Agent) for the benefit of the owners of the Refunded Obligations from the date of receipt thereof to the date on which such proceeds are scheduled to be paid out of the Escrow Account and applied only for the purposes thereof, as set forth on Schedule A attached hereto; and

(d) to hold the funds and securities in the Escrow Account in irrevocable escrow during the term of this Agreement;

SECTION 4. Payment of Refunded Obligations.

(a) *Payment of Refunded Obligations.* The Escrow Agent shall pay the Paying Agent for the Refunded Obligations, from the cash on hand in the Escrow Account, a sum sufficient to pay the Annual Debt Service coming due on such date with respect to the Refunded Obligations, as shown on Schedule A attached hereto.

(b) *Surplus.* On the Redemption Date, after making the payment from the Escrow Account described in Subsection 4(a), the Escrow Agent shall pay to JEA the remaining cash, if any, in the Escrow Account. JEA shall apply the payment made to it hereunder to the payment of the principal of and interest on the 2017 Subordinated

Bonds or for other uses permitted under the Resolution, but the Escrow Agent shall have no duty or responsibility to ensure that JEA does so.

(c) *Payments Due on Saturdays, Sundays and Holidays.* If any payment date shall be a legal holiday or a day on which banking institutions in the city in which is located the designated office of the Paying Agent are authorized by law to remain closed, then the Escrow Agent may make the payments required by Subsections 4(a) and 4(b) to the Paying Agent or JEA, as the case may be, on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed.

SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Defeasance Securities held hereunder.

(b) At the written request of JEA and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of any of the Defeasance Securities acquired hereunder and shall substitute other Defeasance Securities and reinvest any excess receipts in Defeasance Securities. JEA will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which, will cause interest on the 2017 Subordinated Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation. Such substitutions and reinvestments may be effected only if (i) an independent certified public accountant selected by JEA shall certify or opine in writing to JEA and the Escrow Agent that the cash and principal amount of Defeasance Securities remaining on hand after the transactions are completed will be not less than the Escrow Deposit Requirement, and (ii) the Escrow Agent shall receive an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds acceptable to JEA to the effect that the transactions, in and by themselves, will not cause interest on the 2017 Subordinated Bonds to be included in the gross income of the registered owners thereof for purposes of federal income taxation and such substitution is in compliance with this Agreement. Subsection 4(b) above notwithstanding, cash in excess of the Escrow Deposit Requirement caused by substitution of Defeasance Securities shall, as soon as practicable, be paid to JEA.

SECTION 6. Redemption of Refunded Obligations. JEA has exercised its option to redeem the Refunded Obligations prior to the maturity thereof on the Redemption Date as shown on Schedule B attached hereto.

SECTION 7. Redemption Notice. The Subordinated Bond Registrar for the Refunded Obligations has given notice of redemption of the Refunded Obligations to be redeemed on the Redemption Date, as provided in Section 4.04 of the Resolution as supplemented by the applicable supplemental resolutions relating to the respective Refunded Obligations on behalf of JEA and the Escrow Agent.

SECTION 8. Indemnity. To the extent permitted by applicable law, including but not limited to Section 768.28, Florida Statutes, JEA hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and attorneys' disbursements and expenses) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against the same by JEA or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds and securities deposited therein, the purchase of the Defeasance Securities, the retention of the Defeasance Securities or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement; *provided, however,* that JEA shall not be required to indemnify the Escrow Agent, its successors, assigns, agents and servants against the negligence or willful misconduct of the Escrow Agent or its successors, assigns, agents and servants. In no event shall JEA or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement. Nothing in this Section contained shall give rise to any liability on the part of JEA in favor of any person other than the Escrow Agent.

SECTION 9. Responsibilities of Escrow Agent; Fees. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the retention of the Defeasance Securities or the proceeds thereof or any investment, payment, transfer, or other application of money or securities by the Escrow Agent in accordance with the

provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties or non-willful misconduct. The Escrow Agent shall, however, be liable to JEA for its negligent acts, omissions or errors or willful misconduct which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of JEA. The fees of the Escrow Agent shall be paid by JEA at the time this Agreement is executed and delivered, such fees to be as set forth on Schedule C attached hereto. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 10. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Obligations have been paid and discharged in accordance with the proceedings authorizing the Refunded Obligations.

SECTION 11. Amendments. This Agreement is made for the benefit of JEA and the holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and JEA; *provided, however,* that JEA and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Obligations, any additional rights, remedies, power or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject additional funds, securities or properties to this Agreement.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with

respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 12. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of JEA or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement herein contained shall be null and void and shall be severed from the remaining covenants and agreements and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be one and the same instrument.

SECTION 14. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Deposit Agreement to be executed by their duly authorized officers and JEA's official seal to be hereunto affixed and attested as of the date first above written.



JEA

ATTEST:

By: _____
Title:

By: _____
Secretary

Form Approved:

Office of General Counsel

as Escrow Agent

By: _____
Its: _____

*[Signature page to Escrow Deposit Agreement relating to
JEA Electric System Subordinated Revenue Bonds, 2017 Series A]*

**SCHEDULE A
REFUNDED OBLIGATIONS**

The Aggregate Debt Service for the Refunded Obligations is shown in the following table:

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Redemption Premium</u>	<u>Total</u>
	\$	\$		\$

**SCHEDULE B
LIST OF REFUNDED OBLIGATIONS**

The Refunded Bonds will consist of the Electric System Subordinated Revenue Bonds listed in the following table.

Series Three	Maturity Date (October 1)	Amount to be Refunded	Redemption Date	Redemption Price (expressed as a percentage of principal amount)	CUSIP*
		\$		%	

Total

* The CUSIP numbers listed here are provided for the convenience of readers. JEA is not responsible for the accuracy or completeness of such numbers.

**SCHEDULE C
FEES OF ESCROW AGENT**

The fee of the Escrow Agent for its services hereunder shall be \$____; provided, JEA agrees to reimburse the Escrow Agent for its reasonable out-of-pocket expenses at cost.

V. B. 4.

JEA Five-Year Financial Assumptions and Projections
FY2017-FY2021



AGENDA ITEM SUMMARY

September 30, 2016

SUBJECT:	JEA FIVE-YEAR FINANCIAL ASSUMPTIONS AND PROJECTIONS FY2017 - FY2021
-----------------	--

Purpose:	<input type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input checked="" type="checkbox"/> Advice/Direction
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Issue: Present the FY2017 - FY2021 Financial Assumptions including unit sales, base rates, internal funding, and debt. The Five-Year Financial Projections are an essential component for the annual presentation to the Rating Agencies.

Significance: High. Credibility in the credit markets and long-term financial planning for JEA customer rates.

Effect: Bond ratings and efficient access to capital markets and JEA customer rates.

Cost or Benefit: N/A

Recommended Board action: Staff recommends that the Board receive the presentation for consideration and provide staff feedback and direction regarding the FY2017 - FY2021 Financial Assumptions and Projections.

For additional information, contact: Melissa Dykes

Submitted by: PEM/MHD/RFW/

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES <ul style="list-style-type: none">• Safety• Service• Growth?• Accountability• Integrity
---	--	--

Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



Building Communitysm

Five-Year Financial Assumptions

JEA Board of Directors Meeting
October 18, 2016

Assumptions/Projections

1. Unit Sales Growth
2. Residential Rates
3. Total Debt and Variable Debt
4. Summary

Key Objectives

For Annual Rating Agency Meeting

- Review FY16 Financial and Operating Results
 - FY16 Financial audit report typically available immediately prior to the meetings
- Relay key messages about financial strategic planning, pension referendum, and other FY16 developments
- Demonstrate relationships between JEA, the Mayor & his administration, and the City Council President & Jacksonville City Council
- Provide firsthand interaction with JEA's Board leadership
- Illustrate strength of management team in strategically and responsibly managing the utility
- Discuss future performance and risks

Electric System

- Trends: 3.6%, 2.0%, (0.8%)
- FY17: 12,000,000 MWh
- FY17-21: 0% annual growth

Unit Sales Driver

	FY14	FY15	FY16	Avg ¹
Growth	2.0%	2.2%	1.1%	
Deg Days	3,998	4,259	4,096	4,014

Water and Sewer System

- Trends: 3.4%, 5.0%, (1.5%)
- FY17: 35,000,000 kgal
- FY17-21: 0% Water and Sewer annual growth
- FY17 - 21: 7.5% Reuse annual growth

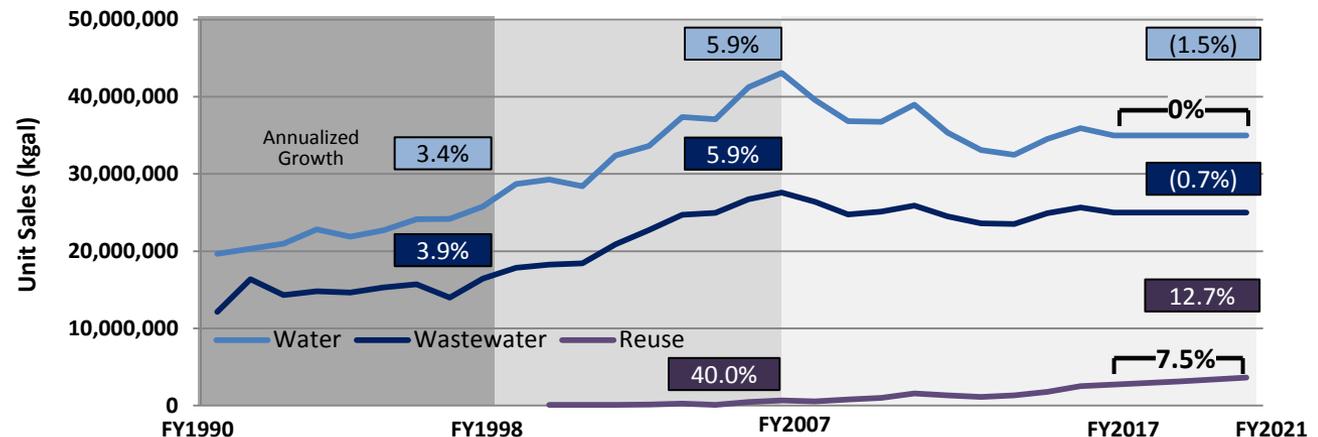
Unit Sales Driver

	FY14	FY15	FY16	Avg ¹
Growth	(1.9%)	6.7%	4.0%	
Rainfall "	51.2	49.4	31.4	52.4
Rain Days	114	114	98	115

Energy Unit Sales



Water & Sewer System Unit Sales



¹ 30 Year Average

Electric System

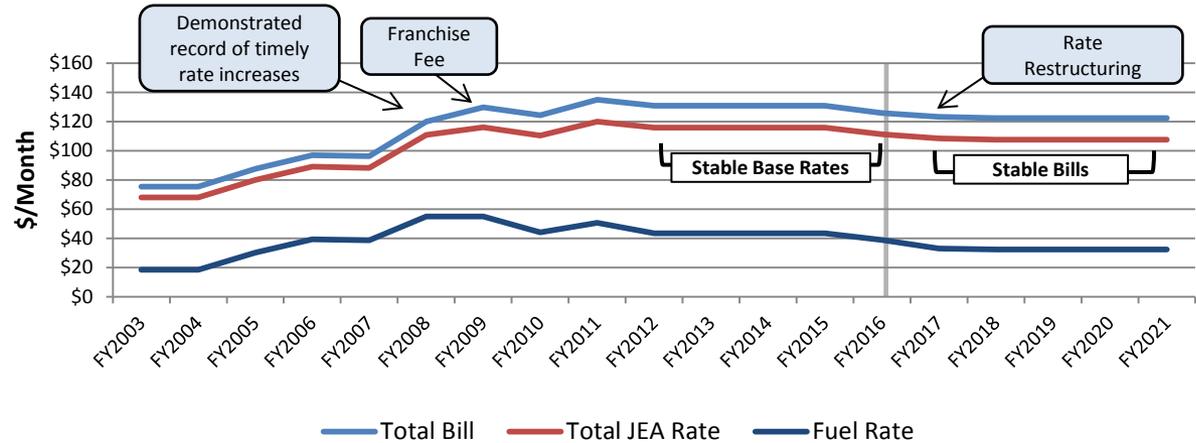
- Demonstrated record of timely rate increases
- Stable base rates in FY12 – FY16
- Fuel Reserve FY16 balance higher than 15% target
- Fuel Rate adjusts up or down according to fuel expenses
- Environmental regulations, if material, will be recovered via the Environmental Charge

Water and Sewer System

- Demonstrated record of timely rate increases
- Stable rates in FY12 – FY21
- Environmental regulations, if material, will be recovered via the Environmental Charge

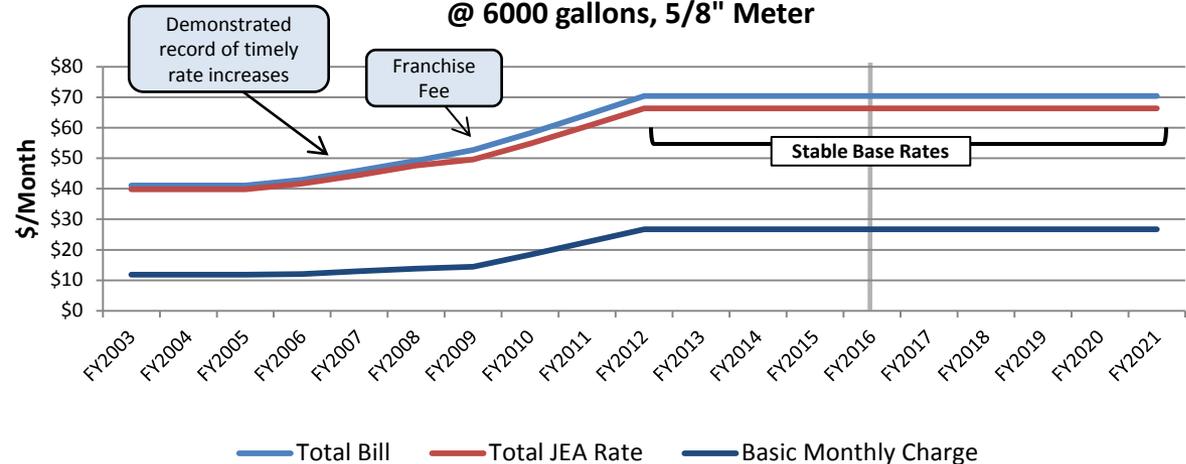
Electric Residential Rates

@ 1,000 kWh



Water & Sewer Residential Rates

@ 6000 gallons, 5/8" Meter



Total Debt and Variable Debt

FY2017 – FY2021 Financial Assumptions

Electric System

- Advanced Refunding
- FY2016-FY2021: Projected \$814M in debt reduction
- Variable Debt exposure reduced by \$995M, current balance of \$601M

Water and Sewer System

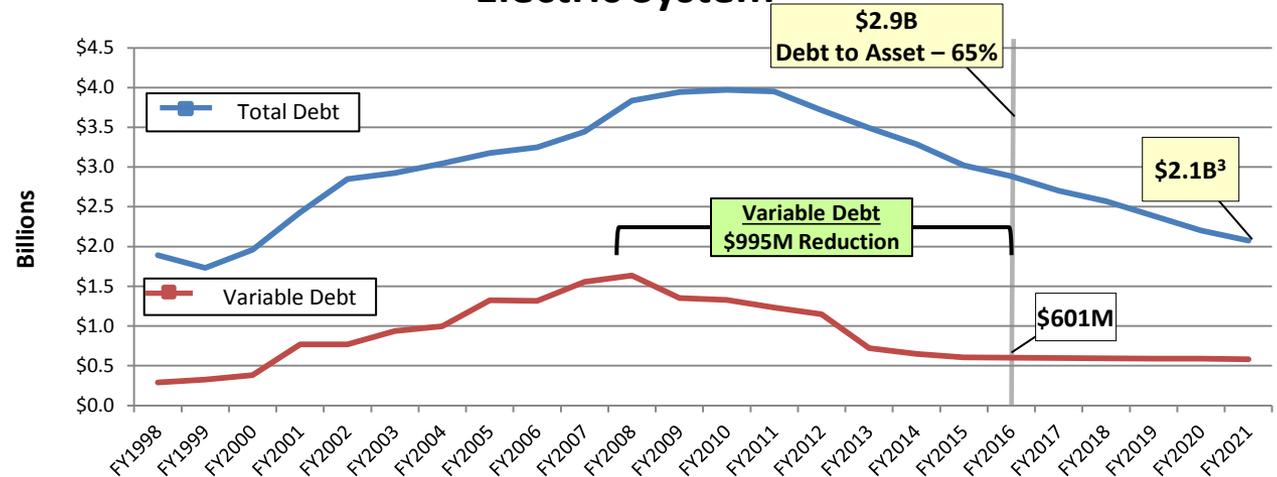
- No New Debt!
- FY2016-FY2021: Projected \$252M in debt reduction
- Variable Debt exposure reduced by \$261M, current balance of \$289M

Variable Interest Rates²

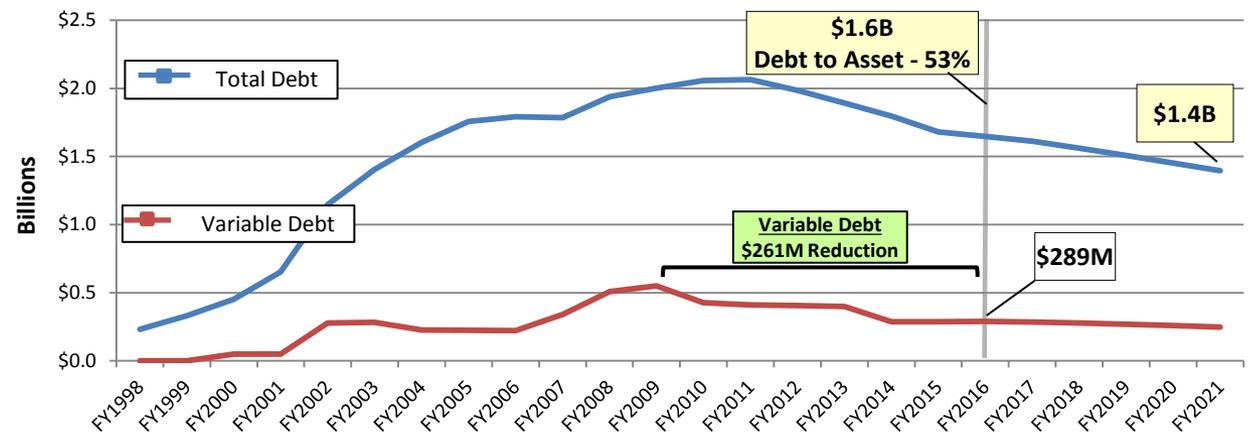
FY16	FY17	FY18	FY19
0.85%	2.00%	3.00%	4.00%

¹ Includes JEA's portion of SJRPP and Plant Scherer Debt.
² All-in interest cost; Debt Management Reserve will mitigate possible "spikes"
³ Assumes FY17 rate restructuring completed

Electric System¹



Water/Wastewater System



Summary

FY2017 – FY2021 Financial Assumptions

Assumptions and Projections

1. Unit Sales Growth
2. Lower Residential Bills
3. Capital Expenditures and Internal Funding
4. Total Debt and Variable Debt
5. Other – O&M, Debt Service, and City Contribution
6. Financial Metrics – Coverage, Liquidity, and Debt

Projected Results

- | | |
|------------------------------------|---|
| Electric 0%, Water 0% |  |
| Higher Base, with Lower Fuel |  |
| PAY-GO with Debt Restructuring |  |
| \$0.9 Billion Reduction |  |
| Stable with Year-to-Year Variances |  |
| Stable Liquidity and Coverage |  |

- JEA's Five Year Financial Plan includes realigning rates, accelerating debt retirement, scheduled principal repayments of \$0.9 billion, stable year-to-year variances in O&M, Debt Service and City Contribution expenditures, and stable Liquidity and Debt financial metrics to support JEA's strong credit ratings.
- The resulting objectives are to maintain long-term competitive rates, operational excellence, and environmental stewardship, while improving the overall customer experience.

V. B. 5.

Approval of Resolution: FY2017 Budgetary Transfers



AGENDA ITEM SUMMARY

September 21, 2016

SUBJECT:	APPROVAL OF RESOLUTION: FY2017 BUDGETARY TRANSFERS
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Consistent with past practices and Board delegation of authority, authorize the Managing Director to approve FY2017 budget transfers up to \$5.0 million. In the past, the Board has delegated to the Managing Director the authority to make transfers during the fiscal year (FY) between budget line items, where in December 2008 a modification was made to notify the Board of line item transfers greater than \$5.0 million.

Significance: High. Delegates authority to Managing Director to approve budget transfers for FY2017.

Effect: Transfers occurring within FY2017 Operating and Capital Budgets.

Cost or Benefit: Business continuity, administrative efficiency and budget effectiveness.

Recommended Board action: Staff recommends that the Board approve the attached Resolution 2016-14, which allows the Managing Director to process budget transfers within JEA budget for FY2017. This authorization is limited to \$5.0 million per transfer, except in the event of an emergency or year-end adjustments, where transfers over \$5.0 million will be brought to the Board for ratification.

For additional information, contact: Melissa Dykes

Submitted by: PEM/ MHD/ DRJ

MISSION	VISION	VALUES
		
Energizing our community through high-value energy and water solutions.	JEA is a premier service provider, valued asset and vital partner in advancing our community.	<ul style="list-style-type: none"> • Safety • Service • Growth? • Accountability • Integrity

Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

September 21, 2016

SUBJECT: APPROVAL OF RESOLUTION: FY2017 BUDGETARY TRANSFERS

FROM: Paul McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND

The budget ordinance includes the authority for JEA to transfer from time to time, without Council approval, appropriated funds from one of the purposes for which funds are appropriated to another such purpose during the fiscal year. The ordinance requires that the City Council Auditor be provided, at the end of each quarter, a copy or a written summary of the documentation of all transfers made between approved budget line items. In the past, the Board has delegated to the Managing Director the authority to make transfers during the fiscal year within the budget line items.

DISCUSSION

The proposed Resolution authorizes the Managing Director to approve transfers between approved budget line items within the JEA budget for Fiscal Year 2017. Authorization is limited to \$5.0 million per transfer; however, in the event of an emergency or for year-end adjustments, the Managing Director is authorized to approve budget transfers exceeding \$5.0 million. Emergency and year-end transfers exceeding \$5.0 million will be brought to the Board for ratification. The Resolution states that the JEA staff will provide to the City Council Auditor at the end of each quarter a copy or written summary of the documentation of all transfers made between approved budget line items.

RECOMMENDATION

Staff recommends that the Board approve the attached Resolution 2016-14, which allows the Managing Director to process budget transfers within JEA budget for FY2017. This authorization is limited to \$5.0 million per transfer, except in the event of an emergency or year-end adjustments, where transfers over \$5.0 million will be brought to the Board for ratification.

Paul McElroy, Managing Director/CEO

PEM/MHD/DRJ

Resolution No. 2016-14

A RESOLUTION AUTHORIZING THE MANAGING DIRECTOR TO AFFECT TRANSFERS WITHIN THE ACCOUNTS OF THE FISCAL YEAR 2017 OPERATING AND CAPITAL BUDGETS FOR JEA, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, each year, the City Council approves the JEA Budget, and authorizes the Board to make allocations, allotments, and transfers within the approved budget for JEA; and

WHEREAS, each year, the Board of Directors authorizes the Managing Director to make allocations, allotments, and transfers within the approved budget for JEA, within a limit set by Resolution; now therefore

BE IT RESOLVED by the JEA Board of Directors that:

1. The Managing Director is authorized to approve transfers between line items within the JEA budget for Fiscal Year 2017, providing the transfers are within the total budget as approved by the City Council.
2. This Authorization is limited to \$5.0 million per transfer except in the event of an emergency or year-end adjustments, where the Managing Director is authorized to approve budget transfers exceeding \$5.0 million. Emergency and year-end transfers exceeding \$5.0 million will be brought to the Board of Directors for ratification.
3. There shall be a copy or a summary of the written documentation of all transfers made between approved budget line items provided to the Council Auditor at the end of each quarter.
4. This Resolution shall be effective immediately upon passage.

Dated this _____ day of _____ 2016.

JEA

By: _____
Chair

Form Approved:



Jody L. Brooks
JEA Chief Legal Officer

V. B. 6.

Real Estate Purchase & Sale Agreement for Southside
Generating Station (SGS) Property - Update & Second Time
Extension Request



Building Community

AGENDA ITEM SUMMARY

October 4, 2016

SUBJECT:	REAL ESTATE PURCHASE & SALE AGREEMENT FOR SOUTHSIDE GENERATING STATION (SGS) PROPERTY - UPDATE & SECOND TIME EXTENSION REQUEST
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: JEA entered into a Purchase and Sale Agreement for the Southside Generating Station site in February 2015 with Elements Development of Jacksonville, LLC. At its February 16, 2016 meeting, the Board approved an extension of the Inspection Period to November 30, 2016. Elements has asked to extend the contract length to provide time to resolve the division of responsibilities between JEA and Elements under the Brownfield Agreement with the Florida Department of Environmental Protection (FDEP) and to complete City approvals which include approval of a development agreement for the site with the Downtown Investment Authority (DIA) and the City Council.

Significance: The additional time extension will allow JEA and the Purchaser to seek resolution of the Brownfield Agreement responsibilities and provide for the development agreement to be considered by the DIA and City.

Effect: The extension would allow the opportunity for the purchaser and JEA to complete the sale. The purchaser needs to complete the remaining entitlements, including a development agreement with the City for the overall development. The Brownfield Agreement resolution is key to the Purchaser to have assurances to move forward with the development.

Cost or Benefit: Approval of the extension would maintain the existing contract and allow the purchaser to complete approvals needed, supporting the likelihood of closing.

Recommended Board action: JEA staff recommends that the contract be extended up to twelve months to allow for City review and approval of the development agreement and resolution of the Brownfield Agreement. The latest closing is projected to occur no later than mid-January 2018 if the extension is approved.

For additional information, contact: Nancy Kilgo Veasey 904-509-5021

Submitted by: PEM/MRH/NKV

 MISSION Energizing our community through high-value energy and water solutions.	 VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	 VALUES <ul style="list-style-type: none"> • Safety • Service • Growth² • Accountability • Integrity
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Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

October 4, 2016

SUBJECT: REAL ESTATE PURCHASE & SALE AGREEMENT FOR SOUTHSIDE
GENERATING STATION (SGS) PROPERTY - UPDATE & SECOND TIME
EXTENSION REQUEST

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA entered into a Purchase and Sale Agreement for the Southside Generating Station site in February 2015 with Elements Development of Jacksonville, LLC. The original contract included an Inspection Period of 365 days with one 45-day extension. At its February 16, 2016 meeting, the Board approved an extension of the Inspection Period to November 30, 2016. Elements has asked to extend the contract length to provide time to resolve the division of responsibilities between JEA and Elements under the Brownfield Agreement with the Florida Department of Environmental Protection (FDEP) and to complete City approvals which include approval of a development agreement for the site with the Downtown Investment Authority (DIA) and the City Council. Elements has indicated that the Brownfield Agreement resolution is important going forward to provide more certainty for site development. City approvals for the development agreement are essential to closing.

DISCUSSION:

Approval of the extension would maintain the existing contract and allow JEA and the purchaser to complete approvals needed, supporting the likelihood of closing. The extension would also allow more time for JEA and the purchaser to get final clarity with the Florida Department of Environmental Protection (FDEP) on the treatment of the Brownfield Agreement and associated responsibilities for both JEA and the Purchaser. The purchaser has asked to extend the Inspection Period; staff is recommending up to twelve months. With the extension, closing would occur 45 days after the later of the final approval of the development agreement by City Council or the resolution of the Brownfield Agreement with FDEP (provided, however, neither shall extend beyond such extension period). The purchaser requests no additional deposit be required. The current deposit in escrow is \$200,000. An extension fee of \$50,000 paid in February may be applied to the purchase price upon closing but is otherwise non-refundable, with the primary exception being the inability to get to resolution on the Brownfield Agreement.

RECOMMENDATION:

JEA staff recommends that the contract be extended up to twelve months to allow for City review and approval of the development agreement and resolution of the Brownfield Agreement. The latest closing is projected to occur no later than mid-January 2018 if the extension is approved.

Paul E. McElroy, Managing Director/CEO

PEM/MRH/NKV

V. B. 7.

Resolution 2016-19 Increasing Delegated Authority for
Managing Director/CEO or CFO to Settle Disputed Claims



Building Community

AGENDA ITEM SUMMARY

October 4, 2016

SUBJECT: RESOLUTION 2016-19 INCREASING DELEGATED AUTHORITY FOR MANAGING DIRECTOR/CEO OR CFO TO SETTLE DISPUTED CLAIMS

Purpose: Information Only Action Required Advice/Direction

Issue: Current settlement authority delegated to the Managing Director/CEO to resolve disputes, claims for monetary damages, fines, penalties or other financial relief mechanisms was recently reviewed by staff, the Office of General Counsel (OGC) and the Chief Legal Officer (CLO).

Significance: A Board Resolution is recommended to authorize the Managing Director/CEO or Chief Financial Officer (CFO) to settle such disputes on the advice of OGC and the CLO, if the settlement costs do not exceed \$500,000. Settlements which exceed this authority would require JEA Board engagement and subsequent action by the Board.

Effect: Increased settlement authority delegated to the Managing Director/CEO and CFO.

Cost or Benefit: The benefit of increased settlement authority will provide the Managing Director/CEO and CFO to have a better negotiation position in disputes that could be settled on the advice of counsel that are in the best interest of JEA. Disputes can be handled more effectively and efficiently with the increased authority.

Recommended Board action: It is recommended that Resolution 2016-19 be adopted to provide the Managing Director/CEO and the CFO the authority to settle disputed claims in an amount not to exceed \$500,000.

For additional information, contact: Jody Brooks, Chief Legal Officer, 904/665-6383

Submitted by: PEM/JLB/

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES <ul style="list-style-type: none">• Safety• Service• Growth²• Accountability• Integrity
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Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

October 4, 2016

**SUBJECT: RESOLUTION 2016-19 INCREASING DELEGATED AUTHORITY FOR
MANAGING DIRECTOR/CEO OR CFO TO SETTLE DISPUTED
CLAIMS**

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA Management Directive 127, entitled Resolution of Certain Disputes and Claims, was approved by the Board of Directors on September 21, 2010 (Resolution 2010-28), and authorizes the Managing Director/CEO to settle any dispute, claim for monetary damages, fines, penalties or other financial relief (hereinafter "Disputed Claims") which does not exceed one hundred fifty thousand dollars (\$150,000)

DISCUSSION:

OGC and JEA's Chief Legal Officer (CLO) are integrally involved in JEA matters involving disputes, lawsuits, claims for monetary damages, fines, penalties or other request for financial relief. Some of the JEA legal matters involve million dollar demands and a settlement authority of \$150,000 is not adequate to lead to meaningful settlement opportunities in these matters. A maximum settlement authority of \$500,000 would provide the Managing Director/CEO and CFO with additional delegated authority to settle certain disputes and claims when deemed legally prudent and in the best interest of JEA to do so. A written determination by OGC and the CLO to settle any matter using this delegated authority will be required in each matter.

The CLO and the Chair of the Government and Legal Affairs Committee reviewed and support this request to increase the settlement authority to \$500,000.

RECOMMENDATION:

It is recommended that Resolution 2016-19 be adopted to provide the Managing Director/CEO and the CFO the authority to settle disputed claims in an amount not to exceed \$500,000.

Paul E. McElroy, Managing Director/CEO

PEM/JLB

Resolution 2016-19

A RESOLUTION OF THE JEA BOARD OF DIRECTORS
DELEGATING SETTLEMENT AUTHORITY TO THE MANAGING
DIRECTOR/CEO AND CHIEF FINANCIAL OFFICER TO SETTLE
DISPUTED CLAIMS, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, JEA Management Directive 127, entitled Resolution of Certain Disputes and Claims, was approved by the Board of Directors on September 21, 2010, (Resolution 2010-28) and authorizes the Managing Director/CEO to settle any dispute, claim for monetary damages, fines, penalties or other financial relief (hereinafter "Disputed Claims") which does not exceed one hundred fifty thousand dollars (\$150,000); and

WHEREAS, the Management Directive policy and the amount of the delegated settlement authority limit has recently been reviewed by staff, the Government and Legal Affairs Committee, the Office of General Counsel and the Chief Legal Officer; and

WHEREAS, it is recommend that upon the written recommendation of the Office of General Counsel and the Chief Legal Officer that the authorized limit of the Managing Director/CEO's and Chief Financial Officer (CFO) authority to settle disputed claims be increased to five hundred thousand dollars (\$500,000); and

WHEREAS, JEA, in conjunction with the Office of General Counsel and the Chief Legal Officer, fully investigate all disputed claims made prior to recommending any settlement, to determine the validity of the claim, and that any proposed settlement is in the best interests of JEA.

NOW THEREFORE BE IT RESOLVED BY THE JEA BOARD OF DIRECTORS AS FOLLOWS:

1. That upon the written recommendations from the Office of General Counsel and Chief Legal Officer, the Managing Director/CEO or CFO has the Board's delegated authority to settle any disputed claims in an amount not to exceed five hundred thousand dollars (\$500,000).
2. This Resolution shall become effective immediately upon passage by the Board.

Adopted this 18th day of October, 2016.

JEA

Form Approved:

Tom Petway, Chair

Jody L. Brooks, Chief Legal Officer



MANAGEMENT DIRECTIVE:

127

TITLE: Resolution of Certain Disputes and Claims

ORIGINATION DATE: April 19, 1993

REVISED: October 18, 2016

POLICY STATEMENT: Upon favorable written recommendations from the Office of General Counsel (OGC) and JEA's Chief Legal Officer (CLO), JEA's Managing Director/Chief Executive Officer (MD/CEO) or Chief Financial Officer (CFO) is authorized by the JEA Board to settle any disputed claim for monetary damages, fines, penalties, or other financial relief which does not exceed \$500,000. Settlement may only be effected if funds are budgeted and available.

ASSIGNMENT OF RESPONSIBILITY: The MD/CEO or CFO, or designated representative of the MD/CEO, shall investigate and attempt a resolution of any legitimate claim/dispute brought by or against JEA. After consultation with and upon the advise by OGC and the CLO, a monetary resolution is \$500,000 or less, or a non-monetary resolution is achievable, the MD/CEO, CFO or designated representative may resolve the dispute or claim and complete the attached form.

The respective manager involved in each such resolution shall ensure that funds are available.

The Director, Audit Services, shall maintain the records for each claim or dispute.

SIGNED: _____
Managing Director/Chief Executive Officer

EFFECTIVE DATE: October 18, 2016

Revisions: 10/1/01
3/21/00
7/7/99
5/27/96
9/21/10
10/18/16

Resolution of Claims & Disputes

V. B. 7.
10/18/2016

(\$500,000 or less or non-monetary, brought by or against JEA)

Date: _____

Check one: Monetary Non-Monetary

Initiated by: (Check one) JEA _____
(Company/Individual Name, if against JEA)

Claim/Dispute Description

Summary of Proposed Resolution

JEA Official Responsible _____ (Signature) _____ (Date)

JEA Chief Legal Officer _____ (Signature) _____ (Date)

Asst. General Counsel _____ (Signature) _____ (Date)

Complete one (1) of the following two (2) sections:

1. Monetary Resolution \$500,000 or less): Proposed Amount _____

Funds Available? Yes No _____

Recommendations: Approval Disapproval _____
(Signature - CFO)
 Approval Disapproval _____
(Signature - Appropriate Chief VP)

Final Action: Approved Disapproved _____
(Signature - CEO)

2. Non-Monetary Resolution:

Recommendations: Approval Disapproval _____
(Signature - Director)

Approval Disapproval _____
(Signature - Appropriate Chief/ VP)

Approval Disapproval _____
(Signature - Appropriate Chief/VP)

Final Action: Approved Disapproved _____

CC: VP/Chief
Department Director
Director of Financial Planning, Budgets and Rates (only if a Monetary Resolution)

V. B. 8.

Resolution 2016-20 to Request that the City of Jacksonville
Amend JEA Charter to Amend the JEA Board Meeting
Requirements



AGENDA ITEM SUMMARY

October 5, 2016

SUBJECT:	RESOLUTION 2016-20 TO REQUEST THAT THE CITY OF JACKSONVILLE AMEND JEA CHARTER TO AMEND THE JEA BOARD MEETING REQUIREMENTS
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Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Chapter 21, Section 21.03(c), of the City of Jacksonville Charter requires regular meetings of the JEA Board to be conducted at least monthly. At a recent presentation to the City's Rules Committee, the JEA Chair suggested that it would be helpful to change the Charter requirement that the JEA Board meet monthly to perhaps not less than six times per year. This suggested change in the Board monthly meeting requirement would require an amendment to the JEA Charter.

Significance: The Board can more efficiently and effectively conduct Board business with a more flexible schedule and perhaps broaden the pool of potential JEA Board members.

Effect: More efficient and effective governance at a lower cost.

Recommended Board action: It is recommended that Resolution 2016-20 be adopted by the Board that formally requests that legislation be prepared and filed with the City to amend Section 21.03(c) of the JEA Charter to change the general meetings requirement for the Board to at least six times per year rather than monthly.

For additional information, contact: Jody Brooks, Chief Legal Officer, 904/665-6383

Submitted by: PEM/JLB/

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES <ul style="list-style-type: none">• Safety• Service• Growth?• Accountability• Integrity
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Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

October 5, 2016

SUBJECT: RESOLUTION 2016-20 TO REQUEST THAT THE CITY OF JACKSONVILLE AMEND JEA CHARTER TO AMEND THE JEA BOARD MEETING REQUIREMENTS

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Chapter 21, Section 21.03(c), of the City of Jacksonville Charter requires regular meetings of the JEA Board to be conducted at least monthly. At a recent presentation to the City's Rules Committee, the JEA Chair suggested that it would be helpful to change the Charter requirement that the JEA Board meet monthly to perhaps not less than six times per year. This suggested change in the Board monthly meeting requirement would require an amendment to the JEA Charter.

DISCUSSION:

The Board can more efficiently and effectively conduct Board business with a more flexible schedule and perhaps broaden the pool of potential JEA Board members.

RECOMMENDATION:

It is recommended that Resolution 2016-20 be adopted by the Board that formally requests that legislation be prepared and filed with the City to amend Section 21.03(c) of the JEA Charter to change the general meetings requirement for the Board to at least six times per year rather than monthly.

Paul E. McElroy, Managing Director/CEO

PEM/JLB

Resolution 2016-20

A RESOLUTION OF THE JEA BOARD OF DIRECTORS TO
REQUEST THAT THE CITY OF JACKSONVILLE AMEND THE JEA
CHARTER TO AMEND THE JEA BOARD MEETING
REQUIREMENTS

WHEREAS, Chapter 21, Section 21.03(c), of the City of Jacksonville Charter requires regular meetings of the Board to be conducted at least monthly; and

WHEREAS, conducting regular Board business on a monthly basis places a burden on JEA staff and Board members' time. The Board can more efficiently and effectively conduct Board business on an abbreviated schedule; and

WHEREAS, the Board requests that legislation be filed that would amend Section 21.03(c) of the JEA Charter to reduce the meetings of the Board to be conducted at least six times per year.

NOW THEREFORE BE IT RESOLVED BY THE JEA BOARD OF DIRECTORS AS FOLLOWS:

1. The Board formally requests that legislation be prepared and filed that would amend the JEA Charter, Section 21.03(c) as follows:

Section 21.03. - Composition; compensation; officers; meetings.

(c) JEA shall elect a chairperson, vice-chairperson and secretary and may elect one or more assistant secretaries, each of whom shall serve for one year or until such officer's successor is chosen. JEA shall hold regular meetings at least ~~monthly~~ six times per year at such times and places as it may designate and may hold more frequent regular meetings. Special meetings may be held upon the call of the chairperson or any 3 members of JEA. A majority of the membership shall constitute a quorum for the purpose of meeting and transacting business. Each member of JEA shall have one vote. JEA may adopt bylaws and make rules and regulations not inconsistent with this article or general law.

Adopted this 18th day of October, 2016.

JEA

Tom Petway, Chair

Form Approved:

Jody L. Brooks, Chief Legal Officer

V. B. 9.

Sole Source and Emergency Procurement/Procurement Appeals
Board Report



AGENDA ITEM SUMMARY

October 3, 2016

SUBJECT:	SOLE SOURCE & EMERGENCY PROCUREMENT/PROCUREMENT APPEALS BOARD REPORT
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Sections 1-113 and 1-114 of the JEA Purchasing Code require the Chief Purchasing Officer to submit a report on all Sole Source and Emergency procurements and all Procurement Appeals Board decisions to the JEA Board on a quarterly basis.

Significance: Full transparency of these procurement actions is necessary to maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest.

Effect: JEA's Procurement Department is responsible for maintaining these records and reporting to the JEA Board.

Cost or Benefit: To maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest.

Recommended Board action: Provided for information; no action required.

For additional information, contact: John McCarthy, Director Supply Chain Management, 665-5544

Submitted by: PEM/MHD/JPM/RMW

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES <ul style="list-style-type: none">• Safety• Service• Growth²• Accountability• Integrity
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Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

October 3, 2016

**SUBJECT: SOLE SOURCE & EMERGENCY PROCUREMENT/PROCUREMENT
APPEALS BOARD REPORT**

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Sections 1-113 and 1-114 of the JEA Purchasing Code require the Chief Procurement Officer to submit a report on all Sole Source and Emergency procurements and all Procurement Appeals Board decisions to the JEA Board on a quarterly basis.

DISCUSSION:

This report is submitted for the quarter ending September 30, 2016. Summary information for all awards is provided below. A detailed listing for the Formal Sole Source and Emergency Awards is attached. Detailed back-up information for all other awards is retained by the Chief Procurement Officer and is available upon request. There were no Procurement Appeals Board actions during this quarter.

Quarter Ending September 30, 2016

Formal Awards	Number	%	Dollar Amount	%
Total	49		\$ 158,173,030.17	
Sole Source Awards	1	2%	\$ 1,614,087.00	1.02%
Emergency Awards	0	0%	\$ 0	0%

Informal Awards	Number	%	Dollar Amount	%
Total	3,897		\$ 17,077,222.00	
Sole Source Awards	0	0%	\$ 0	0%
Emergency Awards	2	.05%	\$ 74,812.00	.44%

RECOMMENDATION:

This item is submitted for information. No action by the Board is required.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JPM/RMW

Total Sole Source & Emergency Procurement Actions

V. B. 9.
10/18/2016

	FY16 Q1	FY16 Q2	FY16 Q3	FY16 Q4
Total Awards	\$121.59M	\$163.4M	\$190.38M	\$175.25M
Sole Source (\$)	\$0M	\$2.4M	\$0M	\$1.6M
Sole Source (%)	0%	1.5%	0%	0.91%
Emergency (\$)	\$0.15M	\$0.40M	\$0.04M	\$0.07M
Emergency (%)	0.12%	0.24%	0.02%	0.04%

Formal Sole Source and Emergency Awards by Department - Summary

12 months ending September 30, 2016

Sole Source Awards (2 Items totaling \$3,943,537.00)

Requesting Dept	Number of Awards	Amount	Description
B. Roche (W/WW)	1	\$1,614,087.00	Wastewater Treatment "Package" Plant (WTPP)
P. Cosgrave (TS)	1	\$2,329,450.00	Customer Pre-Paid Account Management Software
Total	2	\$3,943,537.00	

Emergency Awards (0 Items totaling \$0.00)

Requesting Dept	Number of Awards	Amount	Description
Total	0	\$0.00	

Formal Sole Source Awards by Department -- Detail					
12 months ending September 30, 2016					
Sole Source Awards (2 Items totaling \$3,943,537.00)					
Award Date	Amount	Requesting Dept	Vendor	Description	Sourcing Basis
8/4/2016	\$1,614,087.00	B. Roche (W/WW)	Evoqua Water Technologies	Wastewater Treatment "Package" Plant	Sole Source - JEA had an opportunity to procure a used Water Treatment "Package" Plant to replace existing equipment in the Ponce De Leon wastewater service territory; the existing treatment plant is at the end of its useful life. The equipment cost of a used plant is approximately 25-30% of a new plant. The physical condition of the used plant had to be assessed prior to purchase, and with the limited number of these types of plants, there is no common ground for the bidding process.
1/14/2016	\$2,329,450.00	P. Cosgrave (TS)	Exceleron Software	Customer Pre-Paid Account Management Software	Sole Source - There continues to be a need for a customer pre-paid service for JEA's customers, and Exceleron's PAMS software, when integrated into JEA's metering, billing and payment systems, meets these needs. After market research was conducted through a RFI (Request for Information) process, it was determined that there wasn't enough advancements in this field to re-bid these services. It should be noted that it would cost JEA approximately \$2.7M to implement a new software system. It was determined that this was in JEA's best interest to pursue this sole source opportunity with Exceleron Software.
Total	\$3,943,537.00				



Sole Source & Emergency Procurement/Procurement Appeals Board Report

[Return to
Agenda](#)

V. B. 9.
10/18/2016

Board of Directors Meeting October 18, 2016

John McCarthy, Director Supply Chain Management

Procurement Actions Over Last 4 Quarters

	FY16 Q1	FY16 Q2	FY16 Q3	FY16 Q4
Total Awards	\$121.59M	\$163.4M	\$190.38M	\$175.25M
Sole Source (\$)	\$0M	\$2.4M	\$0M	\$1.6M
Sole Source (%)	0%	1.5%	0%	0.91%
Emergency (\$)	\$0.15M	\$0.40M	\$0.39M	\$0.07M
Emergency (%)	0.12%	0.24%	0.20%	0.04%
Combined SS/E (%)	0.12%	1.74%	0.02%	0.95%

JEA's ~ 2% Sole Source and Emergency Procurement award percentage compares very favorably to other public utilities

Formal Sole Source/Emergency Procurements during the past year

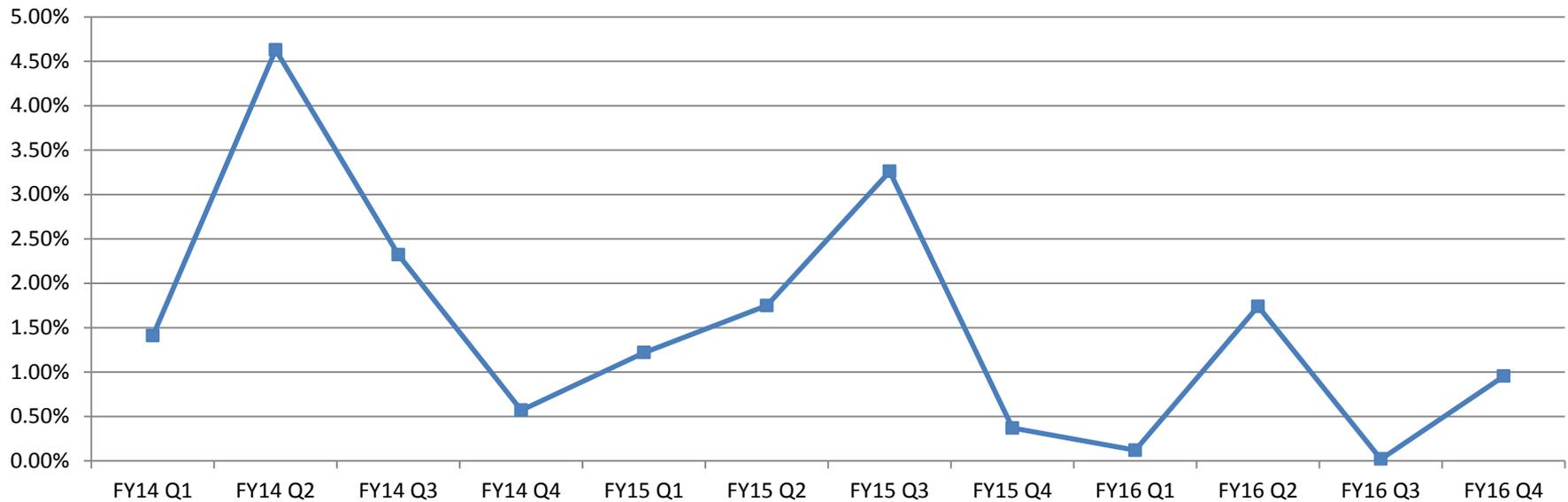
Current Quarter

- \$1.6M Sole Source to Evoqua Water Technologies, for a used Water Treatment “Package” Plant at the Ponce de Leon Wastewater Facility (Equipment savings is 25-30% on a reconditioned plant, stated life expectancy is 25 years versus 30 years) (Q4 2016)

Previous Quarters

- \$2.3M Sole Source to Exceleron Software, for Customer Pre-Paid Account Management Software (Avoids significant implementation costs for a new software system) (Q2 2016)

Combined Sole Source & Emergency Awards (prior three years)



Procurement Appeals Board Actions during the past year

Current Quarter

- None

Previous Quarters

- None

Return to
Agenda

V. B. 10.
Monthly Operational and Financial Presentation

Return to
Agenda

V. B. 10.
Monthly Operational and Financial Presentation

Will be provided in a supplemental package later in the
week.

VI. A. 1.
Finance and Audit Committee
Committee Recommendation Regarding External Audit
Services Contract

JEA
FINANCE & AUDIT COMMITTEE AGENDA

DATE: October 18, 2016
TIME: 10:30 – 11:15 AM
PLACE: 21 W. Church Street
8th Floor

Committee Members will meet on the 8th Floor
Other Board Members may join via conference call by dialing:
904-665-7100

	Responsible Person	Action (A) Info (I)	Total Time
I. OPENING CONSIDERATIONS	Kelly Flanagan		
A. Call to Order			
B. Adoption of Agenda		A	
II. NEW BUSINESS			
A. External Audit Services Contract	John McCarthy	A	20 mins.
B. Announcements	Kelly Flanagan		
1. Next Meeting, December 2016, 9:00 – 10:30 AM			
C. Adjournment			