

JEA
BOARD AGENDA

DATE: May 16, 2017

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
- G. Nominating Committee Report – Tom Petway, Committee Chair
 - 1. Approval of Nominating Committee Minutes April 20, 2017 – action
 - 2. Slate of Officers – action

II. PRESENTATIONS AND COMMENTS

- A. Comments from the Public
- 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
- E. Arbor Day Foundation Tree Line USA Award – Kim Wheeler, Manager T&D Preventative Maintenance and Joe Anderson, Arborist – 5 minutes – information
- F. 2017 J. D. Power Electric Utility Residential Customer Satisfaction Results for Wave 3 – Richard Vento, Interim Chief Customer Officer – 5 minutes – information

III. 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 April 18, 2017 – action
 - 2. Approval of Amended Board Meeting Minutes March 21, 2017 – action
 - 3. Appointment of Teala Johnson to Civil Service Board – Angie Hiers, Chief Human Resources Officer – action
 - 4. Monthly JEA Financial Review & Statements – information
 - 5. Monthly JEA Operations Report – information
 - 6. Monthly FY17 Communications & Engagement Calendar and Plan Update – information
- B. Strategic Discussions/Action
 - 1. St. Johns River Power Park (SJRPP) Shutdown and Termination Agreement – Melissa Dykes, Chief Financial Officer and Mike Brost, Vice President/General Manager Electric Systems – 10 minutes – presentation/information
 - 2. Valuation Opinion on St. Johns River Power Park (SJRPP) Shutdown and Termination Agreement – Melissa Dykes, Chief Financial Officer – 10 minutes – presentation/information
 - 3. Monthly Operational and Financial Review – Paul McElroy, Managing Director/Chief Executive Officer – 10 minutes – presentation/information
- C. Open Discussion
- D. Other New Business
- E. Old Business – none

IV. REPORTS

- A. Finance and Audit Committee Report – Kelly Flanagan, Committee Chair
 - 1. Approval of Minutes – March 13, 2017 – information
 - 2. FY2018 Budget Presentation – information
 - 3. Quarterly Audit Services Update – information
 - 4. Identity Theft Protection Program Fair and Accurate Credit Transactions Act (FACTA) Annual Risk Assessment – information
 - 5. Ethics Officer Quarterly Report – information

6. Treasury –
 - a. Electric System and Water and Sewer System Reserve Fund Quarterly Report – information
 - b. JEA Investment Policy – Revision to Investment Limitations – **action**
7. JEA Energy Market Risk Management Policy Report – information
8. Announcements
 - a. Next Meeting, August 7, 2017, 8:00-10:00 AM
9. Committee Discussion Sessions
 - a. Ernst & Young – information
 - b. Director, Audit Services – information
 - c. Council Auditor's Office – information
- B. Government and Legal Affairs Committee Report – Alan Howard, Committee Chair
 1. Approval of Minutes – December 13, 2016 – information
 2. Adoption of Recommended Government & Legal Affairs Committee Charter Changes – **action**
 3. 2016 Real Estate Purchases and Sales Summary – information
 4. Government Relations Local, State and Federal Update – information
 5. Litigation Update – information
 6. Other New Business
 7. Announcements –
 - a. Schedule Next Meeting as Appropriate
- C. Managing Director/CEO's Report
- D. Chair's Report

V. **CLOSING CONSIDERATIONS**

- A. Announcements – Next Board Meeting – June 20, 2017
- B. Adjournment

Board Calendar

Board Meetings: 12:00 PM – Third Tuesday of Every Month

Committees

Finance & Audit Committee: August 7, 2017 – 8:00 AM
December 5, 2017 – 12:00 PM

Compensation Committee: TBD

Government Affairs Committee: TBD

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.



INTER-OFFICE CORRESPONDENCE

May 1, 2017

SUBJECT: BOARD MEETING AGENDA

FROM: Melissa Charleroy and Cheryl Mock, JEA Executive Assistants

TO: All Members, JEA Board of Directors

Scheduled times and locations for JEA meetings to be held ***Tuesday, May 16, 2017***, are as follows:

12:00 PM Board Meeting 19th Floor, JEA Tower

We are looking forward to seeing you on the 16th. Please call Melissa Charleroy at 665-7313 or Cheryl Mock at 665-4202 if you require additional information.

/mmc

cc:

P. McElroy
J. Brooks
M. Brost
P. Cosgrave
M. Dykes
A. Hiers

M. Hightower
T. Hobson
B. Roche
R. Vento
J. Upton
G. Boyce

S. Tuten
M. Charleroy
C. Mock
B. Taylor
M. Ruiz-Adams
D. Swain

W. Stanford
M. Evans
J. Gutos
L. Bartley
S. Datz
J. Bryant

J. Gabriel, OGC

e-copy:

Brandon Edwards
Security Desk
Security Office
Brandi Sneed
Russell Park
Ted Delay
Timothy Chrisp

I. F.

Sunshine Law/Public Records Statement

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.

I. G. 1.

Approval of Nominating Committee Minutes April 20, 2017

The Nominating Committee of JEA met on Thursday, April 20, 2017, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Committee Chair Petway called the meeting to order at 12:24 PM with Members Alan Howard and Delores Kesler in attendance. Also present were Paul McElroy, Mike Hightower, Jody Brooks, Jordan Pope, Gerri Boyce and Raymond Olan Diaz.
- B. Adoption of Agenda – The Agenda was adopted on **motion** by Ms. Kesler and second by Mr. Howard.

Agenda Item II – New Business

- A. JEA Board of Directors – Slate of Officers – Jody Brooks, Chief Legal Officer, advised the Committee of the terms officers may hold as defined by the JEA By-Laws. Ms. Brooks further advised that new officers would be voted in during the May 16, 2017 JEA Board of Directors meeting.

Committee Members held discussions regarding the slate of officers.

Upon **motion** by Committee Chair Petway and second by Ms. Kesler, the Committee voted to recommend Alan Howard as the new Board Chair. Mr. Howard abstained.

Upon **motion** by Mr. Howard and second by Committee Chair Petway, the Committee voted to recommend Delores Kesler as the new Board Vice Chair. Ms. Kesler abstained.

Upon **motion** by Ms. Kesler and second by Mr. Howard, the Committee unanimously voted to recommend Frederick Newbill as the new Board Secretary.

The meeting was suspended at 12:40 PM for Mr. McElroy to contact Mr. Newbill to determine his availability to serve as Board Secretary. The meeting was called back to order at 12:42 PM at which time Mr. McElroy advised the Committee that he was unable to speak with Mr. Newbill.

- B. Other New Business – Committee Members held discussions regarding the current vacancy on the JEA Board and the Board Committees. Mr. McElroy will contact Mr. Newbill to inform him of the nomination and to discuss his availability, as well as the remaining Board Members to advise them of the nominations today.
- C. Announcements –
 - 1. There are no additional meetings needed at this time.
- D. Adjournment – With no further business claiming the attention of this Committee, the meeting was adjourned at 12:51 PM.

APPROVED BY:

Tom Petway, Board Chair Pro Tem

Date: _____

Submitted by:

Melissa Charleroy
Executive Assistant

II. E.

Arbor Day Foundation Tree Line USA
Award

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Agenda



TREE LINE USA.®

www.arborday.org/programs/TreeLineUSA/

Arbor Day Foundation + National Association of State Foresters

Trail of Trees with Tim Womack



“I want to express my gratitude and appreciation for Robert on John Felker’s crew. I was concerned about the upcoming tree trimming that was going to be done at first, but when he spoke with me, I was very impressed! I appreciated the time that was taken in speaking with me about my concerns and explaining everything that I asked. I have spoken with Robert a couple of times and both times were two thumbs up!!!!”

– Mr. Jorgensen, Ortega

Dear Joe,

We would like to thank you for all the information about the purpose and importance of trees for the water cycle.

We loved all the old stories you told us and wish you all the best.

Brigitte *fel*

Pamela
Ecuador

uph
(staff)

Morgonide
- Portugal ;)

Matilde
Portugal

Caroline
ten

LARA
int

Blanche
France

David
Spain

Sissel
(Denmark)

Vanessa
Ecuador



“Thank you so much and we also thank you guys for restoring power so quickly!!!! You guys *ROCK!!!* Thanks for opening a ticket as well, that is very reasonable that this is second to getting the power restored to all. We know that all are busy to get our city back up!!!

--- Celeste & Roger Luce

Wilson Center



“Thank you, Scott, for coming out to check on the dead pine trees. It was a pleasure to see you and to know that you are always THERE to help me. The crew came this afternoon an they are in the process of finishing up ... the two trees are DOWN. Thank you so much!!!.”

---Nelda Young

Tree Planting Tools



Dear Mr. Joe Anderson

Thank you for teaching
us about trees. Now I
want to plant a tree
in my back yard. You told us
many things about trees.
Now when I grow up I
want to work with
the J E A. You guys are
awesome!!!



Unbeatable Team

“Wow, Thanks to JEA, Southern Tree and you personally for all that you do for Greenscape. We couldn’t do half the things we do without your help.”

--- M. Robinson, President, Board of Directors, Greenscape Jacksonville



Celebrate Jacksonville's
Arbor Day
Greenscape Tree Festival
APRIL 1, 2017
10AM - 4PM METROPOLITAN PARK
FAMILY FUN, FOOD, AND FREE TREES!
Children's arts & crafts and petting zoo, continuous entertainment, including Smokey The Bear, Humane Society dog adoption, specially selected vendors, and more!

      
[CSX] JEA FOR GREENSCAPE THE FLORIDA TIMES-UNION BAKER FAMILY FUND
www.greenscapeofjacksonville.com



“..I want to let you know that the crews down my road are doing a great job. I was nervous when I saw the tree trimmers coming, but the crew leader, Mr. Phipps, was wonderful to talk to. I appreciated how he listened to my concerns. Thank you to the crew for the beautiful job they did. They were able to work with my concerns and get their job completed as well!!”

– Ms. Thompson, Reggie Road , Mandarin

Raymond Davis Park



“Dear Joe, .. Please accept my warm thanks for your wonderful presentation to our church on trees!! Everyone was just delighted. It was beautifully crafted and beautifully executed – so please tell your daughter I said so!!..... Thank you again for your special presentation of story and harmonica song, and celebration of trees. We are all better for it! ”

--- Jennifer Wolfe



Riverside Presbyterian

“This is the first time I have been back to my email since I contacted you. I sent my concerns last Sunday and the man was here the very next day. I was surprised as I thought it would be weeks or months. So I wanted to convey my thanks to you for your kindness and consideration.

And I do assume that you treat all JEA customers the same way. JEA catches a lot of criticism sometimes but from what I have observed over *more than forty years*, there should be a lot more praise for doing such hazardous work 24/7 for 365 days a year in all kinds of weather.

And I believe that there are many more appreciative people than gripers but, unfortunately, you never hear them. *Thanks again and I hope the week goes your way.*”

Sincerely,
Louise Tyson



“... the crew (working in our neighborhood) is doing a great job. The crew took the time to talk with me and explain their goals and the methods to the job they were doing. They (the crew) are very knowledgeable about what they were doing and why. I really appreciated the time they took with me in explaining things and the time they were taking to do the job *right*. I’m glad JEA is using folks like these guys to do the work they do. I want you (JEA) to know that Bobby Brooks and his crew-D. Blackman, M. Carson, and T. Killmeyer are doing a great job and tell them thank you!”

--- *Mr. VonKurzbach of Chapeau Road*

Earth Week Celebration



Twin Lakes Academy

“ Steve Ferrell, our President of the Board of Directors, and I wanted to thank you for all your efforts in helping us to beautify Oak Park Villa. You have gone beyond the call of duty in obtaining for us trees that will be around for generations of “villians” to come. Your work is not only helping turnaround the City, but also beautify Oak Park Villa. Again, many thanks!!”

----- Alan B. Vlcek – Board Member

Tree Line USA- Core Standards

- *Quality Tree Care*
- *Worker Training*
- *Tree Planting and Public Education*
- *Tree-Based Energy Conservation Program*
- *Arbor Day Celebration*

II. F.

2017 J. D. Power Electric Utility Residential Customer Satisfaction Results
for Wave 3

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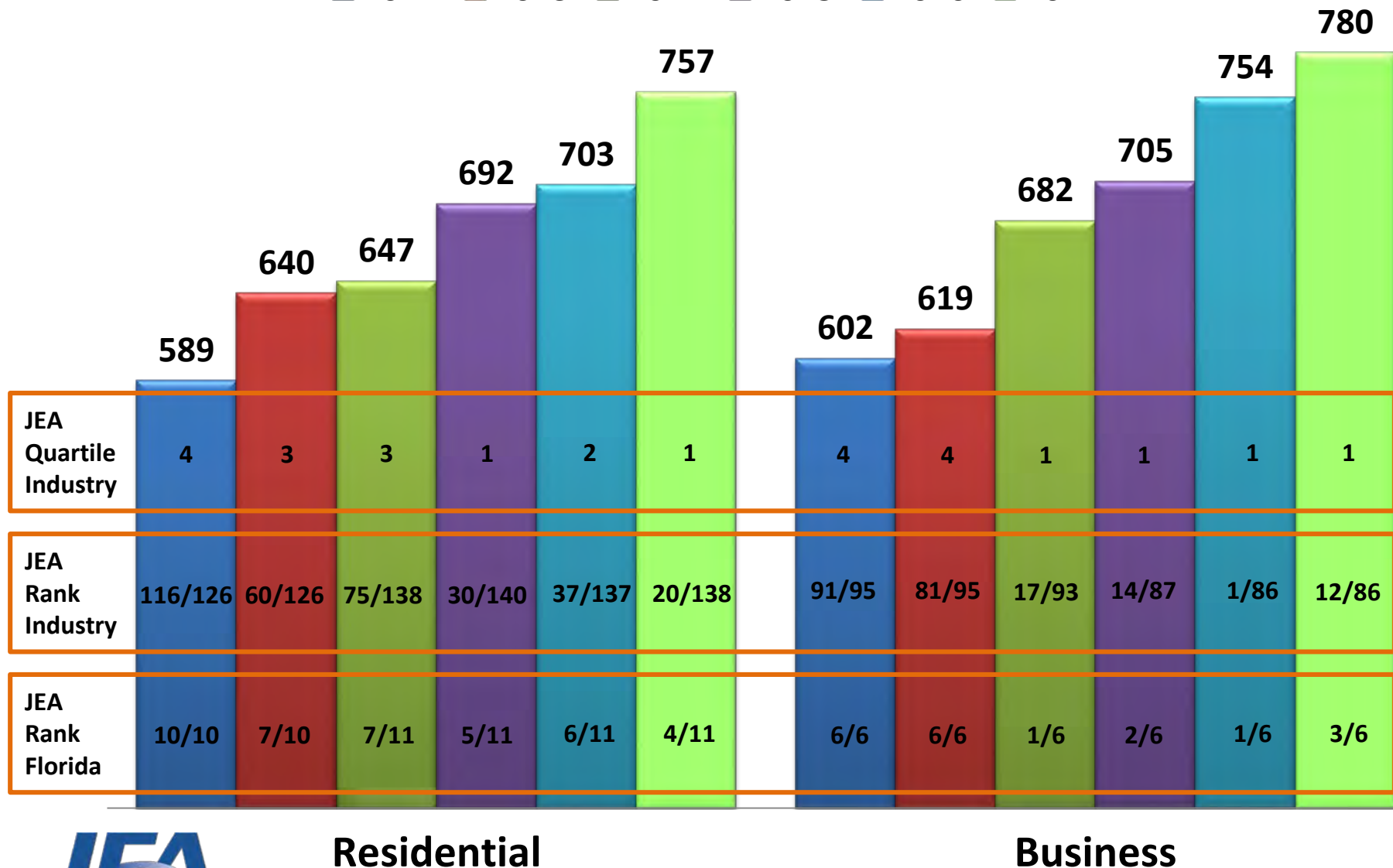
J.D. Power 2017 Electric Residential Customer Satisfaction Study

**Board of Directors Meeting
May 16, 2017**



Customer Satisfaction Index Scores

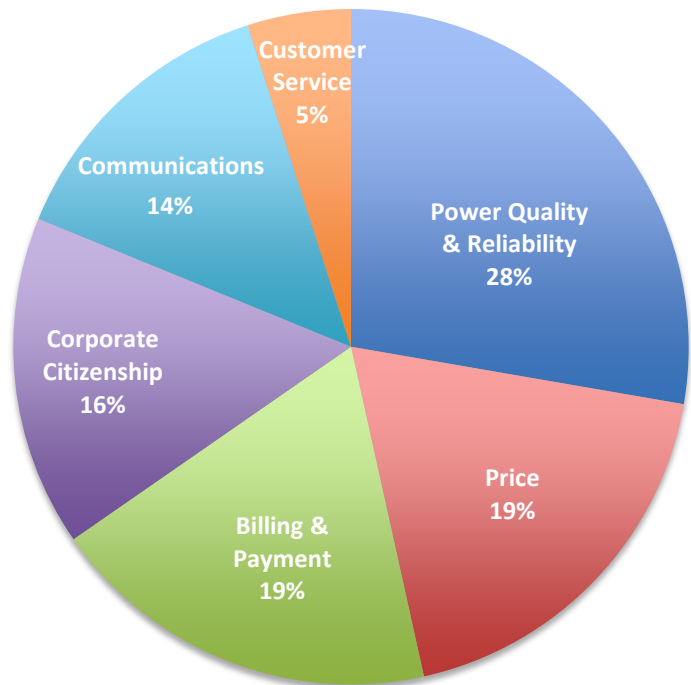
■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017*



* Note: 2017 Wave 3 Residential and 2017 Final Business (now named CY2016)

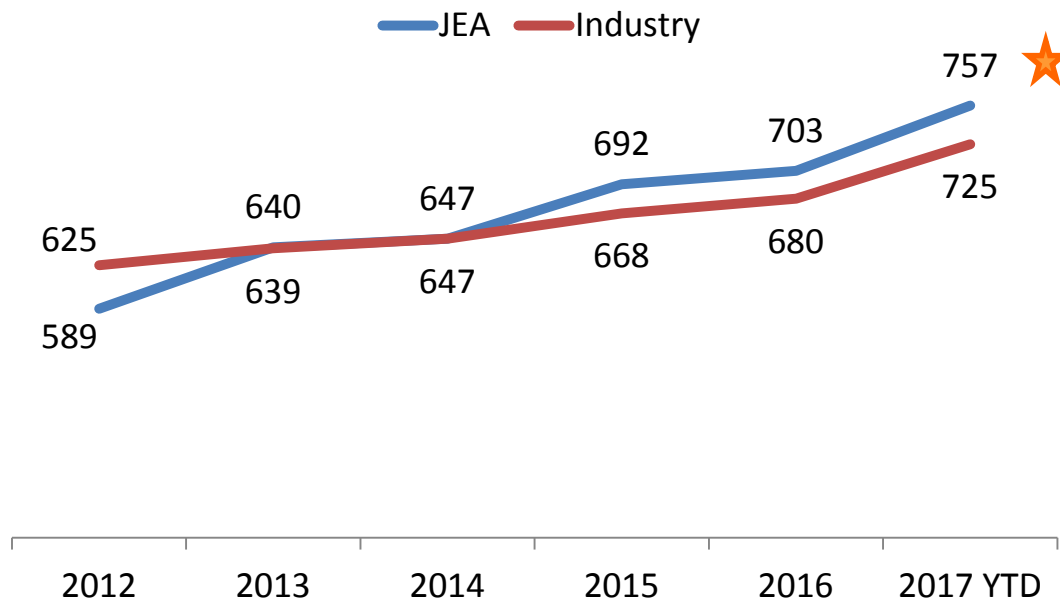
Overall Residential Electric Customer Satisfaction

Residential Drivers of Customer Satisfaction



JEA Overall Customer Satisfaction score up

- 54 points above 2016 Final
- Continue to set new performance peaks
- JEA's third highest ranking, #20 nationally



2017 YTD W3 Residential: JD Power Customer Satisfaction Index											
Top Quartile (1st)	Mean	Rank	2nd Quartile	Mean	Rank	3rd Quartile	Mean	Rank	Bottom Quartile (4th)	Mean	Rank
NOVEC	811	1	Louisville Gas & Electric	739	36	Ameren Illinois	720	69	Delmarva Power	706	101
Walton EMC	793	2	Otter Tail Power Company	739	36	Madison Gas & Electric	720	69	Alliant Energy	706	101
SECO Energy	792	3	Great Lakes Energy	739	36	Duke Energy-Carolinas	719	71	Duke Energy-Florida	706	101
Southern Maryland Electric Cooperative	790	4	Rappahannock Electric Cooperative	739	36	BGE	718	72	Huntsville Utilities	706	101
Sawnee EMC	781	5	Santee Cooper	738	40	We Energies	718	72	Ameren Missouri	705	105
SRP	776	6	Tacoma Power	738	40	Puget Sound Energy	718	72	Indiana Michigan Power	705	105
Clark Public Utilities	775	7	PPL Electric Utilities	737	42	Southwestern Electric Power	717	75	Avista	703	107
CoServ	774	8	Pacific Power	737	42	Cleco Power	716	76	Withlacoochee River Electric Cooperative	702	108
Jackson EMC	771	9	Colorado Springs Utilities	737	42	San Diego Gas & Electric	716	76	Intermountain Rural Electric Assoc.	701	109
Florida Power & Light	770	10	Lincoln Electric System	733	45	Indianapolis Power & Light	715	78	South Carolina Electric & Gas	700	110
EPB	767	11	Pacific Gas and Electric	733	45	NV Energy	715	78	Austin Energy	699	111
Georgia Power	766	12	Southern California Edison	733	45	NYSEG	714	80	NES	699	111
Seattle City Light	764	13	GreyStone Power	733	45	Westar Energy	713	81	Lakeland Electric	697	113
Kentucky Utilities	761	14	ComEd	729	49	Tampa Electric	713	81	Met-Ed	696	114
Gulf Power	761	14	DTE Energy	728	50	Snohomish County PUD	713	81	Knoxville Utilities Board	696	114
Portland General Electric	760	16	CPS Energy	727	51	Minnesota Power	712	84	National Grid	695	116
Con Edison	759	17	Public Service Co. of Oklahoma	727	51	APS	712	84	Central Hudson Gas & Electric	695	116
EnergyUnited	759	17	Rocky Mountain Power	727	51	Duquesne Light	711	86	NorthWestern Energy	694	118
Dominion Virginia Power	758	19	Xcel Energy-Midwest	725	54	KCP&L	711	86	Penelec	693	119
Entergy Mississippi	757	20	Wisconsin Public Service	725	54	Tucson Electric Power	711	86	Montana-Dakota Utilities	692	120
IEA	757	20	PSE&G	724	56	Pepco	710	89	Lee County Electric Cooperative	692	120
SMUD	754	22	Ohio Edison	724	56	Green Mountain Power	710	89	Empire District Electric	691	122
Entergy Louisiana	750	23	L. A. Dept. of Water & Power	724	56	Penn Power	710	89	Jersey Central Power & Light	688	123
OUC	750	23	South Central Power	724	56	NIPSCO	710	89	Appalachian Power	687	124
Cobb EMC	749	25	Central Maine Power	723	60	Toledo Edison	710	89	Atlantic City Electric	686	125
Alabama Power	748	26	Duke Energy-Progress	723	60	Entergy New Orleans	710	89	El Paso Electric	685	126
Clay Electric Cooperative	748	26	Duke Energy-Midwest	722	62	Imperial Irrigation District	710	89	Eversource Energy	684	127
Pedernales Electric	748	26	Omaha Public Power District	722	62	AEP Ohio	709	96	Orange & Rockland	684	127
Entergy Texas	747	29	Xcel Energy-South	722	62	The Illuminating Company	709	96	Black Hills Energy	684	127
Idaho Power	747	29	Xcel Energy-West	722	62	Potomac Edison	708	98	West Penn Power	681	130
MidAmerican Energy	745	31	PECO	721	66	Dayton Power & Light	707	99	Emera Maine	680	131
OG&E	745	31	Rochester Gas & Electric	721	66	Mississippi Power	707	99	PNM	678	132
Connexus Energy	744	33	Consumers Energy	721	66				Vectren	677	133
Entergy Arkansas	740	34							PSEG Long Island	674	134
Middle Tennessee EMC	740	34							United Illuminating	670	135
									MLGW	670	135
									Kentucky Power	646	137
									Mon Power	645	138

JEA JD Power 2017 YTD W3 Overall Results

Power Quality
and Reliability
800 (+47)



Price
689 (+61)



Billing and
Payment
814 (+47)



Corporate
Citizenship
697 (+45)



Communications
723 (+56)



Customer
Service
818 (+34)



Overall CSI
757 (+51)



20
National
rank
out of
138
brands

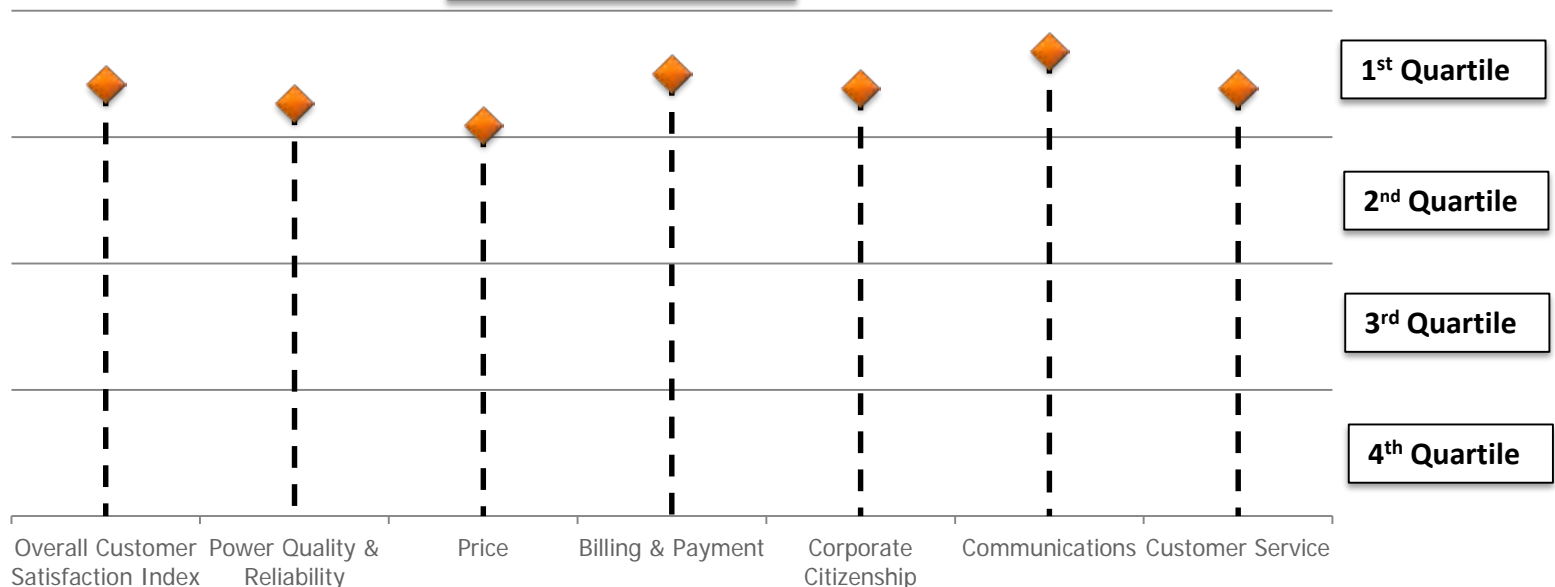
Note: Based off 2017 (W1-W3) versus 2016 (W1-W3)

Industry Quartile Chart



Industry OSAT
725

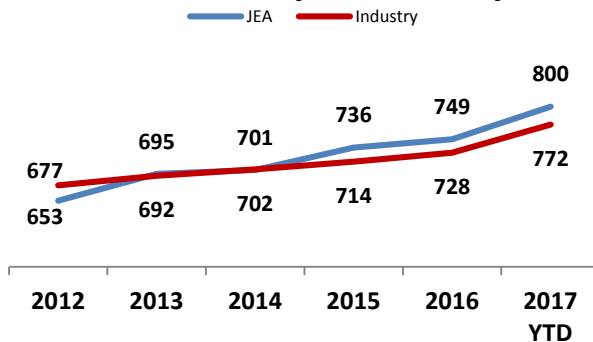
South Midsize
OSAT
725



Note: Quartiles and Rank are based on National

Top Movers YTD

Power Quality & Reliability

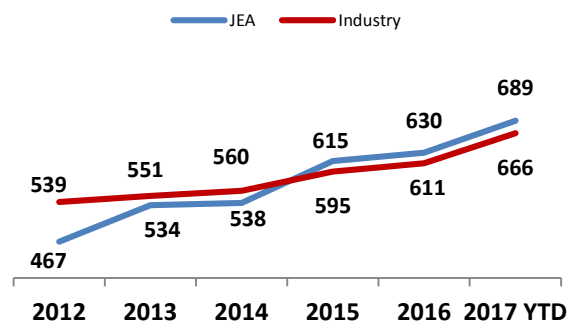


PQ&R up 51 points YTD

Areas of Improvement

- Keeping you informed about outages is up dramatically YTD
- Avoiding Brief Outages

Price

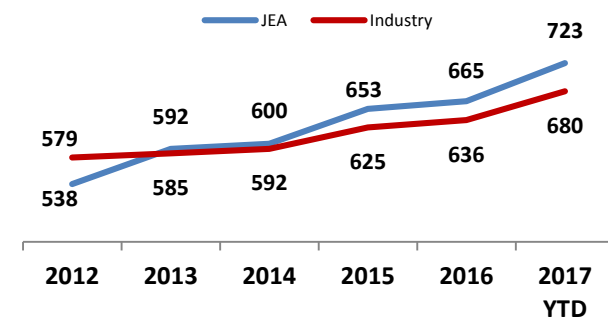


Price up 59 points YTD

Areas of Improvement

- Ease of understanding pricing
- Total monthly cost of electric service

Communications



CC up 58 points YTD

Areas of Improvement

- Ranked 4th nationally in Utility Communication Recall
- On average, customers recall 3 unique communications from JEA



III. A. 1.

Approval of Board Meeting Minutes April 18, 2017

JEA
BOARD MINUTES
April 18, 2017

The JEA Board met in regular session on Tuesday, April 18, 2017, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Alan Howard, Delores Kesler, Husein Cumber, Kelly Flanagan, and Frederick Newbill.

At 12:03 PM, Immediate Past Chair Tom Petway informed the Board that Chair Ed Burr submitted his resignation effective April 18, 2017. Mr. Petway distributed and read a statement released by JEA on April 18, 2017 regarding Mr. Burr's resignation. A copy of the statement is located in the Board file. Mr. Petway extended his gratitude for Mr. Burr's service as a Board Member and as Board Chair.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 12:07 PM by Vice Chair Howard.
Vice Chair Howard noted former Chair Tom Petway announced the resignation of Board Chair Burr. Vice Chair Howard called on Secretary Kesler for a motion to select a Board Chair Pro Tem.

*Upon **motion** by Secretary Kesler and second by Mr. Newbill, the Board unanimously voted Tom Petway as Board Chair Pro Tem until a new slate of officers can be nominated and voted upon. Vice Chair Howard turned the meeting over to Chair Pro Tem Petway, at which time, Chair Pro Tem Petway called the meeting to order at 12:09 PM.*

- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Chair Pro Tem Petway.
- D. **Adoption of Agenda** – The agenda was approved on **motion** by Mr. Cumber and second by Secretary Kesler.
Chair Pro Tem Petway provided a revision to the March 21, 2017 Board Meeting minutes during II. C. Open Discussion; however, the minutes reflect the original order of the agenda. A redlined version of the March 21, 2017 minutes are attached to the original Board Meeting minutes.
- E. The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Chief Legal Officer, 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. Kathryn A. Schlofman, address is on file, addressed the Board regarding a claim with the City of Jacksonville.
 2. Michael J. Rotes, address is on file, addressed the Board regarding the closure of the St. Johns River Power Park.

- B. Council Liaison's Comments** – Council Member Greg Anderson expressed appreciation to Chair Pro Tem Petway and all Board Members for their service to the Jacksonville community. Council Member Anderson stated City of Jacksonville ordinance 2016-764 regarding the frequency of the JEA Board of Directors meetings passed at the April 11, 2017 City Council Meeting. Council Member Anderson informed the Board that Mike Brost, Vice President/General Manager, Electric Systems, briefed the Transportation, Energy & Utility Committee on April 17, 2017 on the closure of the St. Johns River Power Park. Additionally, with the resignation of Chair Burr, legislation 2017-0171 will need to be withdrawn. Lastly, Council Member Anderson stated the City Council is working through a series of meetings related to Mayor Curry's pension proposal. The next City Council Meeting will be held on April 19, 2017.
- C. Office of the Mayor Liaison's Comments** – Dr. Gaffney welcomed Mr. Petway back as Chair Pro Tem. On behalf of the Mayor, Dr. Gaffney extended gratitude for Mr. Burr and all of the Board Members for their service to the community.
- D. Nassau County's Ex-Officio Representative's Comments** – Mr. Mullin was not in attendance.

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 Secretary Kesler and second by Vice Chair Howard, item 1 on the Consent Agenda was unanimously approved and items 2 through 6 were received for information.
1. Approval of Board Meeting Minutes March 21, 2017 – approved as amended
 2. Real Estate Acquisition Status Report – information
 3. Monthly JEA Financial Statements – received for information
 4. Monthly Operational and Financial Presentation – received for information
 5. Monthly JEA Operations Report – received for information
 6. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information
- B. Strategic Discussions/Action**
1. JEA FY2016 Annual Disclosure Reports – Jody Brooks, Chief Legal Officer, presented JEA staff is requesting authorization and approval of the filing and use of the Annual Disclosure Reports (ADR) for each of the (i) Electric Utility System and (ii) Water and Sewer System and District Energy System for the fiscal year ended September 30, 2016. Drafts of the ADR were delivered to Board Members for review on March 21, 2017. The redlined versions included in the Board Meeting package include revisions related to Collective Bargaining Agreements, St. Johns River Power Park, and Plant Vogtle. Vice Chair Howard requested an update to his law firm's name to Milam Howard Nicandri Gillam & Renner P.A. On **motion** by Mr. Newbill and second by Secretary Kesler, the Board unanimously approved and authorized the filing and use of the Annual Disclosure Reports.
 2. Annual Report on JEA's Jacksonville Small & Emerging Business (JSEB) Program – John McCarthy, Director, Supply Chain Management, provided information on the Jacksonville Small & Emerging Business Program (JSEB) including, FY16

highlights, JEA's partnership with other agencies and events that have been held to assist vendors in learning about the program. Mr. McCarthy provided the Board with a video highlighting how the JSEB program assists the local business community. This presentation was received for information.

3. Sole Source and Emergency Procurement/Procurement Appeals Board Report – John McCarthy, Director Supply Chain Management, presented the quarterly report ending March 31, 2017. The report included aggregated data for all formal/informal sole source and emergency awards with detailed information for each formal award over the past year. Mr. McCarthy reported a combined Sole Source/Emergency Procurement award percentage of .6% for the second quarter of FY2017. Mr. McCarthy noted there were no Procurement Appeals Board actions taken during the most recent quarter. This presentation was received for information
4. Quarterly Financial Report – Melissa Dykes, Chief Financial Officer, provided a presentation highlighting key financial metrics and results of JEA's Electric and Water and Sewer systems for the second quarter of fiscal year 2017. This presentation was received for information.
5. JEA Sewer System: Framework to Resiliency Update – Brian Roche, Vice President/General Manager, Water/Wastewater Services, provided an update to the November 15, 2016 Board presentation on the multi-step plan JEA is formalizing to prepare in the event of a major storm. Mr. Roche reviewed significant mitigation activities that are being placed in service prior to the potential impact hurricanes may have on Northeast Florida during 2017. Mr. Roche stated there are four main areas of improvement including: fortifying power supply systems to pump stations, improving functional response procedures, fortifying communication systems, and identifying other actions to be implemented. This item was received for information.
6. Electric System – Ten Year Site Plan – Steve McInall, Director, Electric Production Resource Planning, presented the Electric System Ten Year Site Plan as required by the Florida Public Service Commission (PSC). The Ten Year Site Plan addresses existing and committed facilities, forecasts and planning assumptions, and future resource needs. Mr. McInall stated this year's resource plan includes the St. Johns River Power Park (SJRPP) sales suspension and decommissioning beginning January 1, 2018 and the nuclear power purchase agreement with the Municipal Electric Authority of Georgia (MEAG) for JEA's portion of the new Plant Vogtle Units 3 and 4 currently under discussion. Mr. McInall stated the Plan does not include the Clean Power Plan. This presentation was received for information.

C. Open Discussion –

1. Jody Brooks, Chief Legal Officer, provided the process to select a new slate of officers.

D. Other New Business – none

E. Old Business – none

Agenda Item IV – Reports

A. Managing Director/CEO's Report

1. Mr. McElroy reiterated Council Member Anderson's note that the legislation for the frequency of JEA Board Meetings recently passed. Mr. McElroy expressed appreciation to the Public Affairs team including Mike Hightower, Chief Public

Affairs Officer; Nancy Kilgo, Director, Government Affairs; and Jordan Pope, Manager, Government Relations.

2. Mr. McElroy advised he has met individually with most Council Members regarding JEA's Collective Bargaining Agreements and pension. He stated the meetings have been positive and constructive. City Council conducted a workshop on pension on April 12, 2017.
 3. JEA and FPL are currently negotiating definitive agreements for the St. Johns River Power Park (SJRPP) transaction. Negotiations are expected to conclude in May or June 2017 and are in-line with the term sheets.
 4. JEA has received numerous inquiries regarding the SJRPP land. Mr. McElroy stated that JEA currently does not have full ownership of the land and anticipates the process to obtain full ownership could take a couple of years. Mr. McElroy provided a high level review of the timeline, with the final step of JEA receiving full control of the site.
 5. Mr. McElroy provided a review of the Plant Vogtle status, which continues to be a challenge for JEA and all its owners.
 6. Frontier Group recently published "Shining Cities 2017: How Smart Local Policies are Expanding Solar Power in America". Jacksonville was listed number 16 due to the amount of solar within the Jacksonville city limits. Board Members will be provided an electronic copy at the conclusion of the meeting.
 7. Mr. McElroy attended a roundtable discussion today at the Jacksonville Health Department with Governor Rick Scott on the Zika Virus. Mr. McElroy stated JEA will continue to provide support through communication and outreach in the community.
 8. At the request of Mr. Howard, Mr. McElroy provided information related to Plant Vogtle including: intellectual property, generating capacity, and the impact of JEA's credit rating.
- B. Chair's Report** – Chair Pro Tem Petway reminded Board Members of the City Council vote on the Mayor's pension proposal on Monday, April 24, 2017. Chair Pro Tem appointed the Nominating Committee including himself, Delores Kesler, and Alan Howard. Staff will schedule the next committee meeting prior to the next Board Meeting to propose a new slate of Officers at the May 16, 2017 JEA Board Meeting.

Agenda Item V – Closing Considerations

- A. Announcements** – Next Board Meeting – May 16, 2017
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Pro Tem Petway adjourned the meeting at 1:33 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Melissa M. Charleroy
Executive Assistant

III. A. 2.

Approval of Amended Board Meeting Minutes March 21, 2017

JEA
BOARD MINUTES
March 21, 2017

Revised April 18, 2017
per Tom Petway, Chair
Pro Tem

The JEA Board met in regular session on Tuesday, March 21, 2017, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Ed Burr, Delores Kesler, Frederick Newbill and Alan Howard. Kelly Flanagan and Husein Cumber were absent and excused.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 12:00 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 amended agenda was approved on **motion** by Vice Chair Burr and second by Secretary Kesler.
- E. The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Chief Legal Officer, 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** – none
- B. **Council Liaison's Comments** – Council Member Greg Anderson advised of two JEA items in current legislation: Ordinance 2017-171, which is the reappointment of Ed Burr to the JEA Board of Directors and Ordinance 2016-764, which corresponds to JEA Resolution 2017-29 on which the Board is voting to amend the JEA charter regarding frequency of Board meetings.
- C. **Office of the Mayor Liaison's Comments** – Dr. Gaffney advised that the mayor appreciates the work and support of JEA during this year's negotiations.
- D. **Nassau County's Ex-Officio Representative's Comments** – Mr. Mullin was not in attendance.
- E. **Resolution 2017-30 To Highlight and Support April as Florida's Water Conservation Month** – Paul Steinbrecher, Director, Permitting & Regulatory Conformance, advised the Board of JEA's water conservation activities and requested the Board approve a resolution showing JEA's support of April as Florida's Water Conservation Month. On **motion** by Secretary Kesler and second by Mr. Howard, Resolution 2017-30 was unanimously approved.

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 Secretary Kesler, item 1 on the Consent Agenda was unanimously approved and items 2 through 4 were received for information.
 - 1. Approval of Board Meeting Minutes February 21, 2017 – approved

2. Monthly JEA Financial Review & Statements – received for information
3. Monthly JEA Operations Report – received for information
4. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information

B. Strategic Discussions/Action

1. Resolution 2017-29 To Request That The City of Jacksonville Amend JEA Charter Regarding Board Meeting Requirements – Jody Brooks, Chief Legal Officer, presented a copy of the resolution to modify the language of JEA’s prior resolution to amend the JEA Charter regarding Board meeting frequency to generally once a month rather than monthly. On **motion** by Vice Chair Burr and second by Mr. Newbill, Resolution 2017-29 was unanimously approved.
2. JEA Supervisors Association, Inc. (JSA) Collective Bargaining Agreement – Paul McElroy, Managing Director/CEO, presented to the Board the ratified agreement between JEA and JSA and requested that the Board approve the agreement and its presentation to City Council. On **motion** by Secretary Kesler and second by Vice Chair Burr, the Board unanimously approved the ratified agreement between JEA and JSA.
3. American Federation of State, County and Municipal Employees (AFSCME) Council 79 Collective Bargaining Agreement – Paul McElroy, Managing Director/CEO, presented to the Board the ratified agreement between JEA and AFSCME and requested that the Board approve the agreement and its presentation to City Council. On **motion** by Vice Chair Burr and second by Secretary Kesler, the Board unanimously approved the ratified agreement between JEA and AFSCME.
4. JEA Disclosure Policies and Procedures – Review – Refresher – Jody Brooks, Chief Legal Officer, provided the Nixon Peabody refresher disclosure training to the Board, to support continued compliance with JEA’s disclosure policies and procedures. This item was received for information.
5. JEA FY2016 Annual Disclosure Reports – Jody Brooks, Chief Legal Officer, advised the Board of the draft annual disclosure reports that are available for their review. Prior to requesting approval at the April 18, 2017 Board meeting, staff has scheduled time for discussions with Board Members, if necessary. Ms. Brooks advised bond counsel is available for questions, and copies of the reports would be placed in their offices. This item was received for information.
6. Electric Generation Planning – Mike Brost, Vice President/General Manager, Electric Systems, presented information to the Board regarding the agreement with Florida Power & Light (FPL) to decommission the St. Johns River Power Park (SJRP). FPL will pay JEA to terminate the Power Purchase Agreement (PPA) early and will be responsible for its pro-rata share of environmental remediation, pension and employee severance benefits. Mr. Brost acknowledged Melissa Dykes’ for her leadership on this project, her team for their work, Mary Guyton-Baker from Electric Systems, Mike Hightower and his team in Public Affairs and Angie Hiers and her team in Human Resources. Mr. Brost provided a history of SJRP and its 50% decline in production since 2007. Mr. Brost commended the past and current SJRP employees for their work and dedication. Mr. Brost provided the benefits of this transaction, the potential for economic development of the 1,500 acre site, the employee impact of the transaction and the risks and considerations of the entirety of

this project. Mr. Brost further advised the Board of the next steps, including filings with regulatory agencies and approval of definitive agreements. While this item was received for information, Mr. McElroy stated he would be executing a term-sheet for this transaction after the Board meeting.

7. Monthly Operational and Financial Review – Paul McElroy, Managing Director/Chief Executive Officer, presented the monthly review of JEA's operational and financial metrics for electric and water/wastewater services. This item was received for information.

C. Open Discussion

Chair Petway indicated it has been a pleasure to work with this Board, including Board Members not present, Ms. Flanagan and Mr. Cumber. Chair Petway also indicated that it has been a pleasure to work with CEO Paul McElroy and his executive staff. ~~humbling and surprising experience to work with JEA staff and to learn about the business.~~

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D. Other New Business

1. Mr. McElroy provided the Board with an overview of the ratified agreement with the Professional Employees Association (PEA), which was received after the Board package had been completed. As with the previous bargaining unit agreements, it is requested that the Board approve the ratified agreement and its presentation to City Council. On **motion** by Secretary Kesler and second by Mr. Newbill, the item was unanimously approved.
2. Mr. McElroy presented the International Brotherhood of Electrical Workers (IBEW) had a tentative agreement with management, which was taken to vote and was rejected. Mr. McElroy advised the Board that a new tentative agreement was reached on Monday, March 20, 2017 and would be presented to the members for a vote on Thursday, March 23, 2017. Mr. McElroy indicated that it is requested if the agreement is ratified with its current wage increases, he be allowed to approve and forward to City Council on the Board's behalf. On **motion** by Vice Chair Burr and second by Mr. Newbill, the item was unanimously approved.
3. Mr. McElroy advised the Board of a tentative agreement with Laborers' International Union of North America (LIUNA), after a previously rejected agreement with the bargaining unit membership. Mr. McElroy requested that, if the agreement is ratified prior to the end of the city's legislative filing deadline of March 27, 2017, he be allowed to approve and forward to City Council on the Board's behalf. On **motion** by Vice Chair Burr and second by Secretary Kesler, the amended motion allowing Mr. McElroy to approve the plan as long as the cost remains at approximately \$4.2 million and to forward it to City Council.

E. Old Business – none

Agenda Item IV – Reports

- A. **Finance and Audit Committee Report** – Joe Orfano, Treasurer, reviewed the Finance & Audit Committee meeting of March 13, 2017, bringing items to the Board for review and approval.
 1. Approval of Minutes – December 1, 2016 – received for information

2. FY2018 Budget Assumptions – Ryan Wannemacher, Director, Financial Planning & Analysis reviewed the key strategic issues, risks, major challenges and assumptions for the FY2018 budget and advised the Board that the information provided did not include results from the SJRPP plant closure but that the final budget would reflect changes.
 3. JEA Annual Disclosure Policy Report – received for information
 4. Ernst & Young FY2016 Revised Management Letter – received for information
 5. Audit Services
 - a. Quarterly ERM/Audit Update – received for information
 - b. Finance & Audit Committee Members – Self-Assessment Survey Questionnaire – received for information
 6. Cyber Security Activities – received for information
 7. CIP Compliance Update – received for information
 8. Ethics Officer Report – received for information
 9. JEA Energy Market Risk Management Policy Report – received for information
 10. Resolution Determining the Sufficiency of Revenues – St. Johns River Power Park – Mr. Orfano presented the resolution for approval. Upon **motion** by Secretary Kesler and second by Mr. Newbill, the item was unanimously approved.
 11. Recap of Recent JEA Electric System Fixed Rate Debt Refunding Delegated Transactions – received for information
 12. Electric System and Water and Sewer System Reserve Fund Quarterly Report – received for information
 13. Announcements
 - a. Next Meeting – May 8, 2017, 8:00-10:00 AM
 14. Committee Discussion Sessions
 - a. Director, Audit Services
 - b. Ernst & Young
 - c. Council Auditor's Office
- B. Nominating Committee Report – Tom Petway, Committee Chair**
1. Approval of Nominating Committee Minutes January 27, 2017 – upon **motion** by Vice Chair Burr and second by Mr. Howard, the item was unanimously approved.
 2. New Slate of Officers – Chair Petway presented the Board with the following slate of officers for approval, Ed Burr as Board Chair, Alan Howard as Vice Chair and Delores Kesler for a second term as Secretary – upon **motion** by Mr. Newbill and second by Secretary Kesler, the new slate of officers was unanimously approved.
- C. Managing Director/CEO's Report**
1. Mr. McElroy thanked Mr. Petway for his service as Board Chair and indicated that he is looking forward to working with Mr. Burr.
 2. Mr. McElroy advised the Board that JEA is working with Nassau County assisting with their growth and planning for the future.

3. Mr. McElroy indicated that JEA may need to ramp up the One Water campaign to further advance water conservation.

D. Chair's Report – no additional information provided

Agenda Item V – Closing Considerations

A. Announcements – Next Board Meeting – April 18, 2017

B. Adjournment

With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 1:33 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Cheryl W. Mock
Executive Assistant

III. A. 3.

Appointment of Teala Johnson to Civil Service Board

May 3, 2017

SUBJECT:	APPOINTMENT OF TEALA JOHNSON TO CIVIL SERVICE BOARD
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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: Per Article 17 of the Jacksonville Municipal Code, JEA makes two appointments to the nine-member Civil Service Board ("CSB"). The three-year term of one of the JEA appointees, William Hiers, expires June 30, 2017. Mr. Hiers is not eligible for reappointment. Staff recommends Teala Johnson to replace William Hiers. Board approval is required for appointment.

Significance: The majority of JEA's employees are "civil service" and so come under the auspices of the CSB, which functions include: "Hear and determine appeals initiated by employees who are charged with violations of the personnel provisions of this chapter and the civil service regulations authorized by ordinance or civil service rules ..."

Effect: CSB appeals are an end-point of JEA's progressive discipline process, particularly terminations for cause; CSB decisions upholding (or not upholding) JEA disciplinary actions materially influences JEA's ability to manage its workforce.

Cost or Benefit: Cost N/A. Benefit: Compliance with requirements of Article 17 of the Jacksonville Municipal Code.

Recommended Board action: Staff recommends Board approval of the appointment of Ms. Teala Johnson to the Civil Service Board.

For additional information, contact: Walette Stanford, Director Emerging Strategies

Submitted by: PEM/ ARH/ WS



Commitments to Action

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



INTER-OFFICE MEMORANDUM

May 3, 2017

SUBJECT: APPOINTMENT OF TEALA JOHNSON TO CIVIL SERVICE BOARD

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Per Article 17 of the Jacksonville Municipal Code, JEA makes two appointments to the nine-member Civil Service Board ("CSB"). The current three-year term of one of the JEA appointments, William Hiers, expires June 30, 2017. Mr. Hiers is not eligible for reappointment. Staff recommends Teala Johnson to be appointed to the Civil Service Board.

DISCUSSION:

CSB appeals are an end-point of JEA's progressive discipline process, particularly terminations for cause; CSB decisions upholding (or not upholding) JEA disciplinary action materially influences JEA's ability to manage its workforce. After receiving documentary evidence and testimony, the CSB engages in deliberations before rendering a decision. While she will be a neutral member, during deliberations Ms. Johnson will be able to draw upon her institutional knowledge of JEA to give other CSB members perspective as to "why" JEA pursued a particular course of action, providing them with the insight necessary toward reaching a just and proper result.

RECOMMENDATION:

Staff recommends Board approval of the appointment of Ms. Teala Johnson to the Civil Service Board.

Paul E. McElroy, Managing Director/CEO

ARH / WS

Ms. Milton-Johnson came to JEA in 2001, with the experience JEA needed to move forward in the political and legal arena. For 10 years, she worked diligently to grow relationships in state and national governments and these relationships continue to be important to JEA in 2017.

Ms. Milton-Johnson knows the JEA business, its standards and values and will serve us well on the Civil Service Board.

CAREER HIGHLIGHTS**Vice President – State Government Relations Division**
Citigroup Inc. – Jacksonville, Florida**1999 – 2001**

Promotes a favorable environment in which Citigroup and its divisions/subsidiaries partner to leverage public policy, define a single, unified voice with Governors, state legislative/regulatory leaders, key business organizations, and the community at large to maximize inter- and intra-state business opportunities. Accomplish this through management of state government relations issues for ten states in the southeast region, the establishment and direction of a national Leadership Council program concept, the direction and management of national grassroots advocacy efforts, and the direction and management of the national State Political Action Committee (PAC) program.

Vice President, Director-Florida State Affairs
Global Operations & Technology
Citigroup Inc. - Jacksonville, Florida**1998 - 1999**

Responsibilities included positioning Citicorp as an organization with considerable influence in the State of Florida. Developed relationships via the integration and management of statewide initiatives with legislators and regulators, administration officials, consumer advocates, corporate and Foundation contributions (community development). Coordinated all such activities in the state to ensure consistency in dealing with government and community affairs across all of Citicorp's Florida operations.

Vice President, Law & Government Affairs
AT&T Universal Card Services - Jacksonville, Florida**1992 - 1998**

Responsibilities included the development and maintenance of contacts in all public areas with high-level policy makers and key thoughtleaders; continuously seek new opportunities for partnerships to support AT&T business strategies, goals, and initiatives; defined UCS strategies as they relate to public policy through political professionals, coalitions, associations, AT&T Government Affairs, other AT&T business units, UCS cross-functional teams, and UCS associates. Maintained an AT&T/UCS positive "top of mind" awareness in public policy arenas.

Also, ensured timely communication of public policy information within UCS and to external groups, as appropriate, including deliverables such as continuous legislative monitoring and reports, environmental scans, critical feedback to product development and strategic planning, public policy reviews, and informational seminars.

Vice President, Corporate Development
AccuStaff Incorporated - Jacksonville, Florida**1990-1992**

Responsibilities included increasing revenue and profitability, merger and acquisitions, market and product development, advertising and public relations for \$85 million company located in 15 states.

- **President, ATS Staffing Services** 1990-1992
- **President, ATS Health Services, Inc.** 1989-1990
- **Vice President of Sales, ATS Staff Services** 1989-1990
- **Vice President, ATS Health Services** 1989-1990

Senior Vice President of Public Affairs
Florida National Banks of Florida, Inc. - Jacksonville, Florida**1985-1989**

Responsibilities included lobbying on behalf of Florida National Bank at the state and national levels on issues such as interstate banking, sales tax on services, directors and officers insurance, usury laws, banking structure and regulation. Reported to the Chairman of the Board. Managed statewide philanthropic efforts for executive management and represented Florida National Bank of Florida on multiple boards and associations.

- **Vice President of Public Affairs, Florida National Banks of Florida, Inc.** 1984-1985
- **Public Affairs Officer, Florida National Banks of Florida, Inc.** 1981-1984
- **Bank Card Marketing Officer, Florida National Bank at Jacksonville** 1979-1981

PUBLIC POLICY AND COMMUNITY SERVICE**Present:**

- Member of the Executive Committee and Board of Directors Florida Chamber of Commerce – Chair of Legislative Policy Committee
- Member Jacksonville Chamber of Commerce Government Relations Committee
- Member Florida Bankers Association Government Relations Council
- Co-Chair Girl Scouts Women of Distinction Program
- Member Alliance for Duval County School System
- Member Florida House Board of Directors
- Member International Women's Forum
- Member Jacksonville Women's Network
- Member, American Bankers Association, Legislative Liaison Advisory Committee
- Member, American Bankers Association, Card Policy Council

Past Service:

- Member, MasterCard International, Payments Industry Privacy Council
- Member, Bankruptcy Issues Council (national advisory group)
- Member, Mondex International Regulatory Originating Committee
- Chair, Mondex USA Policy Working Group
- Co-Treasurer, AT&T Political Action Committee-Florida
- Chair, Jacksonville Port Authority Board of Director (Gubernatorial appointment)
- Member, Enterprise Florida International Trade & Economic Development Board of Directors (Gubernatorial statewide appointment)
- Member, Jacksonville International Relations Marketing Development Commission – (Mayoral appointment)
- Chair, Jacksonville Chamber of Commerce International Development Committee
- Member, Jacksonville Chamber of Commerce Cornerstone/Economic Development Executive Committee
- Member, United Way of Northeast Florida Board of Directors
- Member, Florida Community College Foundation Board of Directors
- Member, Leadership Jacksonville Board of Directors
- Member, Governor's Sterling Council of Florida (Gubernatorial Appointment)
- Florida Chair, National Association of Temporary Services Legislative Committee
- Member, Arts Assembly Board of Directors
- Member, Arts Assembly Executive Committee
- Member, University of North Florida - College Health Advisory Board
- Member, Baptist Medical Center - Foundation Business Advisory Board
- Member, Florida Bankers Association Legislative Committee
- Director, Florida Bankers Association Political Action Committee
- North Florida Chair, Governor Lawton Chiles Inaugural Committee
- Member, Rotary Club of Jacksonville
- Vice Chairman, Florida Community College at Jacksonville Board of Trustees (Gubernatorial Appointment)
- Member, Public Affairs Council, Washington, D.C.
- Member, Florida Tax Watch Board of Directors
- Co-chair, Jacksonville Chamber of Commerce Legislative Weekend
- Co-chair, Jacksonville Chamber of Commerce Congressional Weekend
- Chair, JCCI - Jacksonville 2000 Government Study
- Member, NFL Task Force (Mayoral Appointment)
- Chair, United Way Pacesetter
- Statewide Chair, Jacksonville "Say No to Drugs"
- Member, University of North Florida College of Business Advisory Board
- Co-chair, Jacksonville Chamber of Commerce Leadership Trip to San Diego
- Member, Junior Achievement Board of Directors
- Member, Easter Seals Board of Directors
- Member, Florida Ballet of Jacksonville Board of Directors

HONORS AND ACHIEVEMENTS

- Leroy Collins Award - Outstanding Alumnus of the Community College System, 1991
- Alumnus of the Year, Florida Community College at Jacksonville, 1989
- Most Outstanding Young Leader, Jacksonville Chamber of Commerce, 1986
- Junior Achievement, Bronze Leadership Award for Leadership and Support, 1989
- Women in Power Award, NCJW, 1994
- Women of Distinction Award, Gateway Girl Scout Council, 1995
- Women's History Month Honoree, Mayors Commission on the Status of Women, 1998
- Chairman's Award Florida Chamber of Commerce 2000

PROFESSIONAL DEVELOPMENT AND EDUCATION**Leadership and Empowerment:**

- Leadership Florida - Florida Chamber of Commerce - Class XIV (1995-1996)
- Leadership Jacksonville - Class of 1984
- Empowering Executive Workshop - Stop at Nothing, Inc., Jacksonville, Florida - 1991
- Intensive Executive Development Workshop - Farr Associates, Inc., Greensboro, North Carolina - 1987
- Leadership Effectiveness Training - Stetson University, Deland, Florida - 1975

Quality:

- Quality Improvement Process Management College - Philip B. Crosby (60 hours) - 1992
 - Quality Education System
 - Quality Work Group
- IBM Market-Driven Quality Management Seminar - Palisades, New York - 1992

Professional Development:

- Professional Selling Skills, Learning International - 1990
- Speakeasy, Atlanta, Georgia - 1985
- American Institute of Banking - 1980-1981; Courses Completed:
 - Principles of Banking
 - Introduction to Commercial Lending
 - Bankcard Marketing

Academic:

- Harvard University, John F. Kennedy School of Government - 1994
- University of Oklahoma, ABA National School of Bankcard Management, 1993
- Jacksonville University - Management/Marketing Studies
- Florida Community College at Jacksonville - A.A. Political Science, Honor Graduate - 1979

Resolution 2017-31

THE RESOLUTION OF JEA APPOINTING A MEMBER OF THE CIVIL SERVICE BOARD OF THE CITY OF JACKSONVILLE FOR A FIRST TERM; REQUESTING CONFIRMATION OF THE APPOINTMENT BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE, AS REQUIRED BY SECTION 17.02 OF THE CITY CHARTER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 17.02 (b) of the Charter of the City of Jacksonville, as amended, requires JEA to appoint two members to the two Civil Service board positions allocated to JEA thereunder; and

WHEREAS, JEA by this Resolution determines that Teala Johnson (resume attached as Exhibit 1) is duly qualified to serve as a member of the Civil Service Board for a three-year term pursuant to the requirements of Sections 17.02 (a) and 17.02 (c) of the Charter of the City of Jacksonville, as amended; and

WHEREAS, pursuant to Section 17.02 (b) of the Charter of the City of Jacksonville, as amended, the City Council is required to confirm the appointment of Ms. Teala Johnson to the Civil Service Board; now therefore

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of JEA:

Section 1. Authority for this Resolution. This Resolution was adopted pursuant to the provisions of Section 17.02 of the Charter of the City of Jacksonville, as amended.

Section 2. Appointment of Civil Service Board Member. JEA does hereby appoint Teala Johnson to the Civil Service Board of the City of Jacksonville for term to expire on July 1, 2020.

Section 3. Request for City Council Confirmation of this Appointment. JEA hereby requests the City Council to confirm the appointment of Teala Johnson to the Civil Service Board of the City of Jacksonville for a term to expire on July 1, 2020.

Section 4. Effective date. This resolution shall take effect immediately upon its adoption.

Board Chair

ATTEST:

Board Secretary

Approved:

Office of General Counsel

III. A. 4.

Monthly JEA Financial Review & Statements

Return
to Agenda

JEA Monthly Financial Summary

as of April 30, 2017

Board of Directors

May 23, 2017



Key Financial Metrics

Electric System	Year-to-Date		FY2017 Full Year		Result
	FY2017	FY2016	Forecast	Target	
Debt Service Coverage	2.4x	2.5x	2.5x	≥ 2.2x	✓
Days Liquidity	359	362	309	150 to 250 days ¹	✓
<i>Days Cash on Hand</i>	<i>250</i>	<i>254</i>	206		✓
Debt to Asset %	64%	68%	62%	53.5% ²	✓

Water and Sewer System	Year-to-Date		FY2017 Full Year		Result
	FY2017	FY2016	Forecast	Target	
Debt Service Coverage	2.8x	3.0x	2.7x	≥ 1.8x	✓
Days Liquidity	648	611	595	150 to 250 days ¹	✓
<i>Days Cash on Hand</i>	<i>542</i>	<i>506</i>	496		✓
Debt to Asset %	51%	54%	50%	49% ³	✓

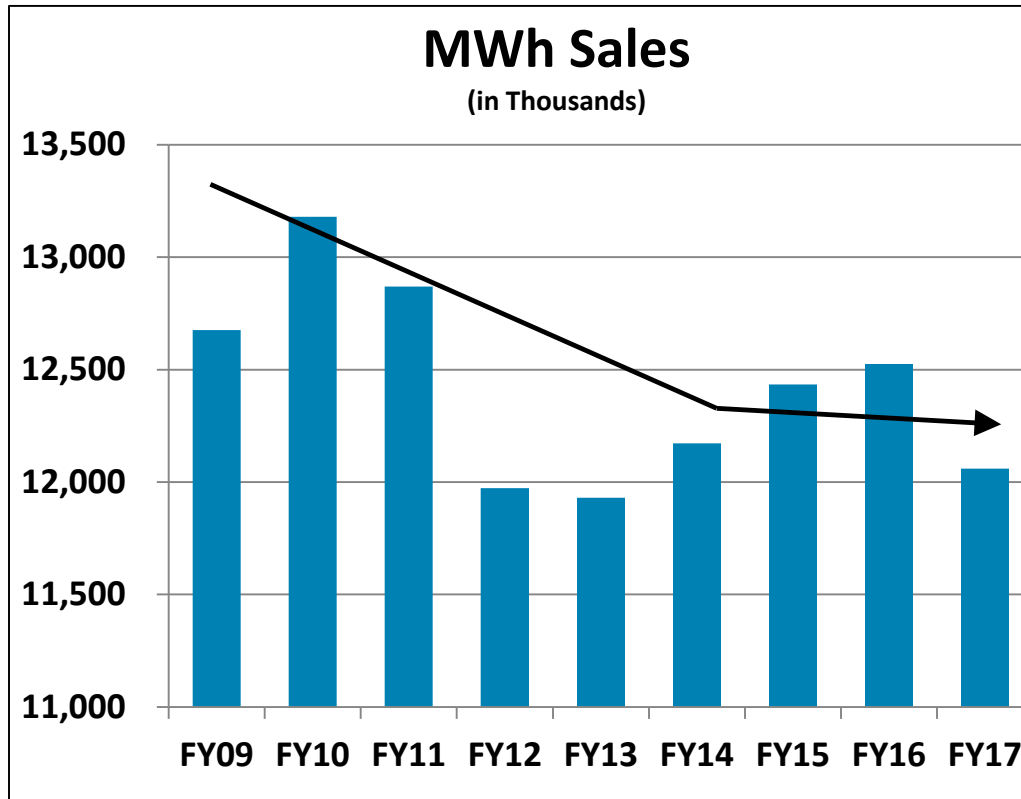


¹ Moody's Aa benchmark: 150 to 250 days

² Long-term target is 53.5%: per Moody's Sector In-Depth Report "Public Power Medians - Finances Hold Steady with Transition to Lower Carbon Environment", Sept. 2016

³ Long-term target is 49%: calculated peer group from Moody's 214 Aa rated public water-sewer utilities, Dec. 2016

Electric System: MWh Sales



Month	FY16	FY17	%
Oct	952,515	951,425	(0.1%)
Nov	923,705	863,238	(6.5%)
Dec	922,956	905,219	(1.9%)
Jan	1,049,897	932,807	(11.2%)
Feb	894,563	759,141	(15.1%)
Mar	893,954	914,242	2.3%
Apr	900,013	933,563	3.7%
YTD	6,537,603	6,259,638	(4.3%)
May	1,089,555		
Jun	1,231,251		
Jul	1,336,836		
Aug	1,254,240		
Sep	1,111,769		
Total/Forecast	12,561,253	12,060,150	

Unit Sales Driver: YTD MWh reduction due to moderate weather and decrease in FPU demand.



YTD Degree Days		
30-yr. Avg.	FY16	FY17
1,819	1,722	1,438

YTD Customer Accounts		
FY16	FY17	%
452,380	459,479	1.6%

Total System	(4.3%)
Residential	(3.8%)
Comm./Industrial	(1.9%)
Interruptible	(1.3%)
Wholesale (FPU)	(65.0%)

Electric System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY17 Forecast	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Fuel Revenue	\$ 393,618 ¹	\$ 426,653 ²	\$ 449,776	\$ (33,035)	-7.7% ¹
Base Revenue	751,877 ¹	750,038	735,204	1,839	0.2%
Other Revenue	43,316	37,904	41,787	5,412	14.3%
Total Revenues	\$ 1,188,811	\$ 1,214,595	\$ 1,226,767	\$ (25,784)	-2.1%
Select Expenses					
Fuel Expense	\$ 443,811	\$ 397,280	\$ 411,903	\$ (46,531)	-11.7%
Fuel Fund Transfers	(50,193)	29,373	37,705	79,566	
O & M Expense	202,738	192,527	226,180	(10,211)	-5.3%
Non-fuel Purchased Power	79,669	87,426	83,394	7,757	8.9%
Net Revenues	\$ 513,504	\$ 496,092	\$ 454,939	\$ 17,412	3.5%
Capital Expenditures	\$ 145,616	\$ 150,926	\$ 153,200 ³	\$ 5,310	3.5%
Debt Service	\$ 209,478 ⁴	\$ 171,506	\$ 179,654	\$ (37,972)	-22.1%

Electric Costs / MWh	Non-Fuel
Target	\$ 53.94
Forecast	<u>53.99</u>
Difference	\$ (0.05)

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 180
Surplus/(Deficit)	(50)
Ending Balance	\$ 130

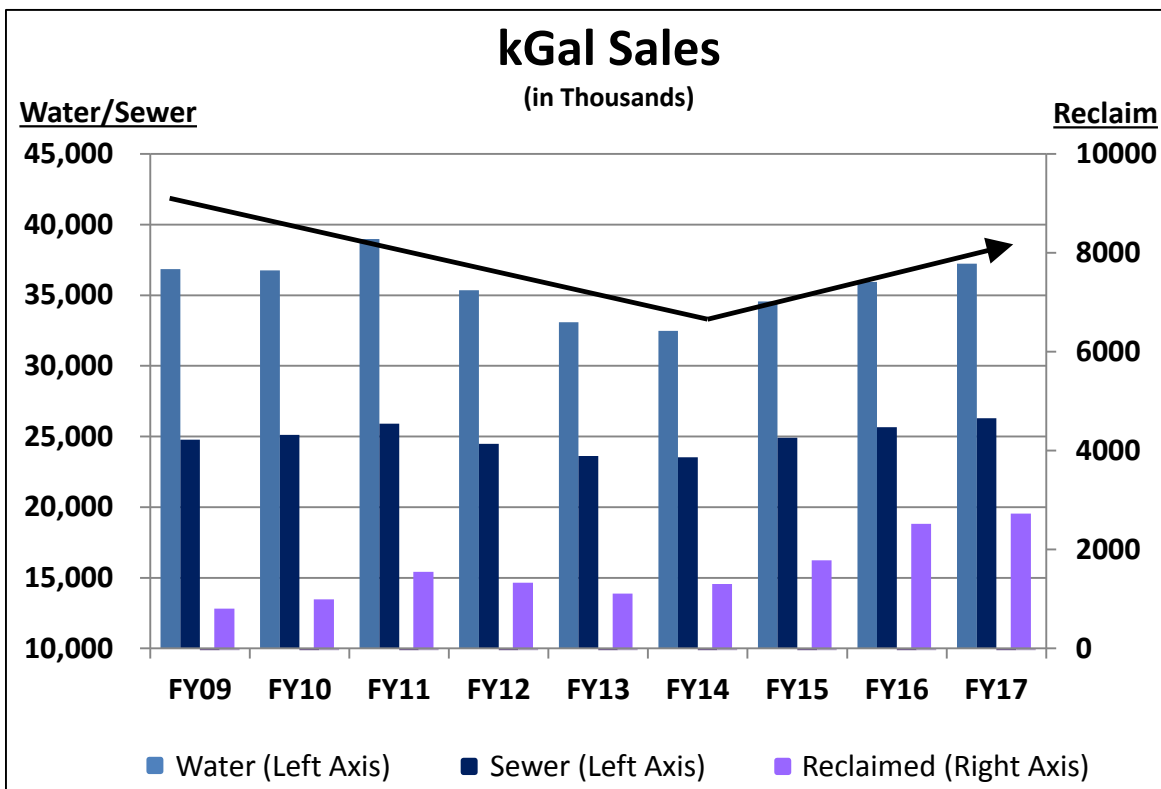
¹ Includes rate change in December 2016

² Net of \$57 million fuel credit and fuel rate reduction

³ Council approved limit for capital expenditures in FY17 is \$170 million

⁴ Includes additional \$40 million related to advanced debt refunding approved by Board in November 2016

Water and Sewer System: kGal Sales



Month	FY16	FY17	%
Oct	3,120	3,129	0.3%
Nov	2,641	3,068	16.2%
Dec	2,758	2,923	6.0%
Jan	2,527	2,768	9.6%
Feb	2,479	2,624	5.9%
Mar	2,825	3,168	12.1%
Apr	2,914	3,476	19.3%
YTD	19,264	21,156	9.8%
May	3,523		
Jun	3,290		
Jul	3,736		
Aug	3,451		
Sep	3,094		
Total/Forecast	36,358	37,235	

Unit Sales Driver: YTD rainfall up 2 inches; rain days down 21.
Irrigation for April YTD FY17 up 34% versus April YTD FY16.

YTD Customer Accounts			
	FY16	FY17	%
Water	333,585	341,552	2.4%
Sewer	258,089	264,810	2.6%
Reclaimed	7,581	9,452	24.7%

YTD Rainfall			
	30-Yr. Avg.	FY16	FY17
Inches	22	17	19
Days	52	52	31

Total System	9.8%
Residential	10.4%
Comm./Industrial	0.7%
Irrigation	34.2%

Water and Sewer System: Financial Results and Cost Metrics

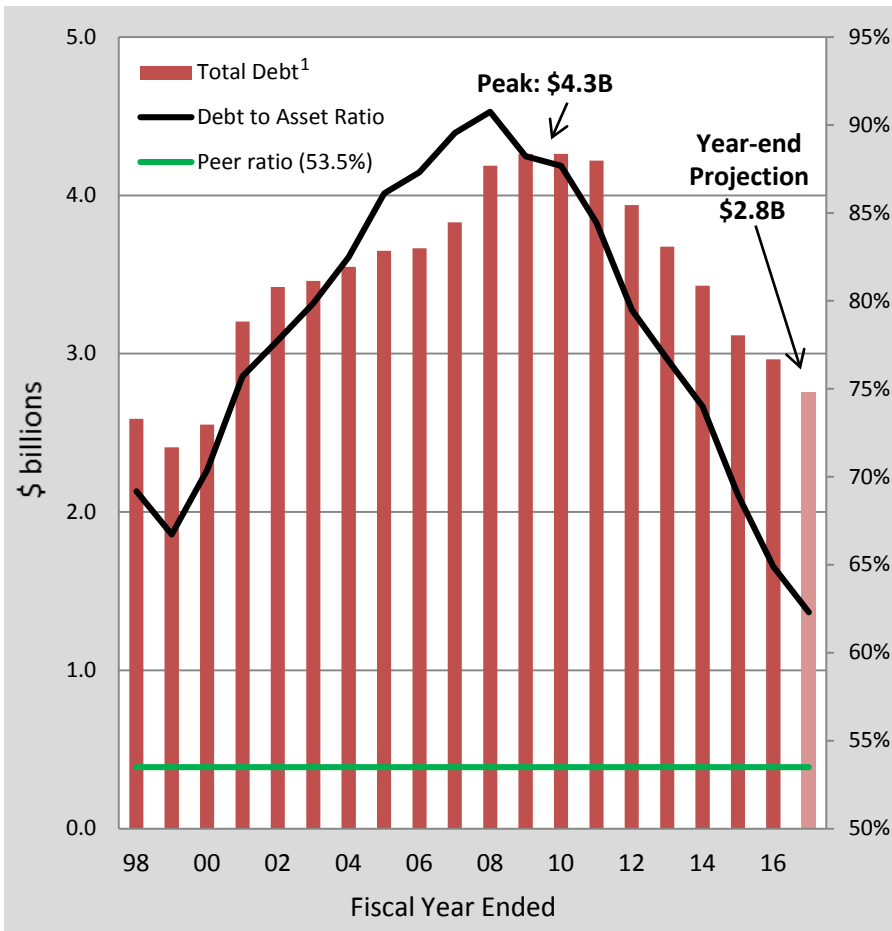
(\$ in thousands)

Revenues	FY17 Forecast	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Water & Sewer Revenues	\$ 413,886	\$ 409,889	\$ 394,430	\$ 3,997	1.0%
Other Revenue	38,006	40,070	33,792	(2,063)	-5.1%
Total Revenues	\$ 451,892	\$ 449,959	\$ 428,222	\$ 1,933	0.4%
<div style="text-align: center;"> <p>\$24M</p> </div>					
Select Expenses					
O & M Expense	\$ 137,400	\$ 130,296	\$ 144,149	\$ (7,104)	-5.5%
Net Revenues	\$ 311,594	\$ 313,130	\$ 280,753	\$ (1,536)	-0.5%
<div style="text-align: center;"> <p>\$31M</p> </div>					
Capital Expenditures	\$ 214,447	\$ 147,363	\$ 205,000 ¹	\$ (67,084)	-45.5%
Debt Service	\$ 115,059	\$ 95,418	\$ 118,375	\$ (19,642)	-20.6%

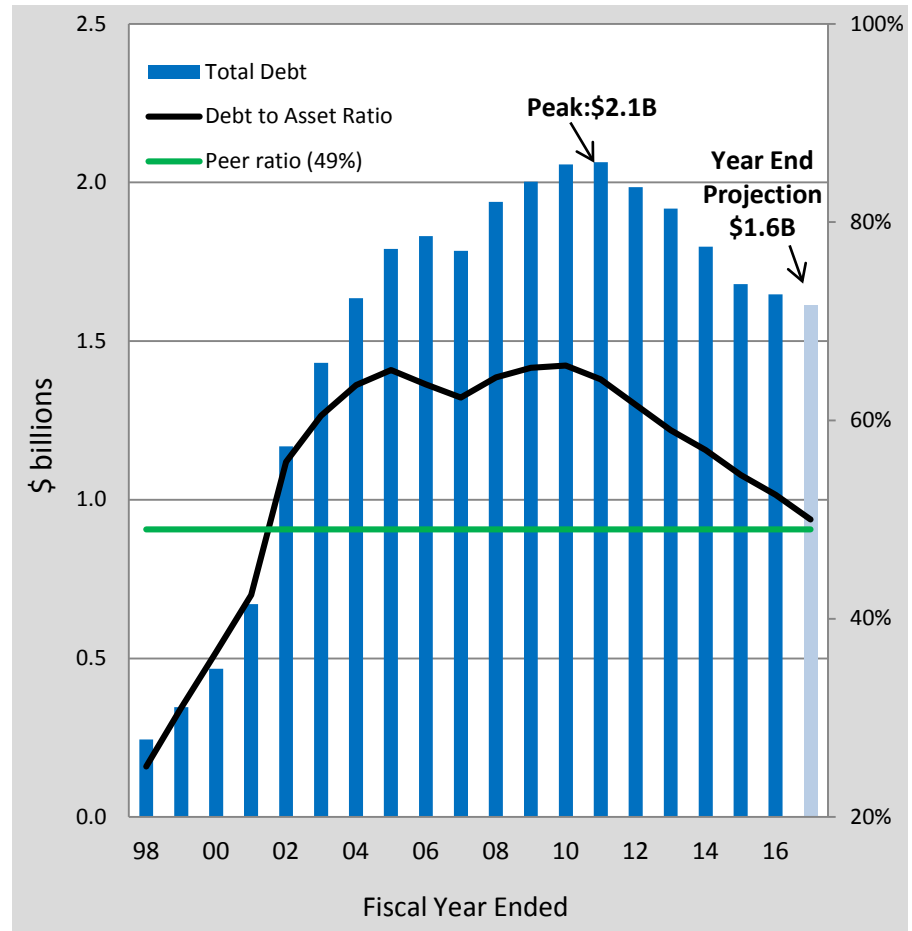
Cost / Kgal	Water	Sewer
Target	\$ 4.75	\$ 10.27
Forecast	<u>4.66</u>	<u>10.32</u>
Difference	\$ 0.09	\$ (0.05)

Debt and Debt to Asset Ratios

Electric System



Water and Sewer System

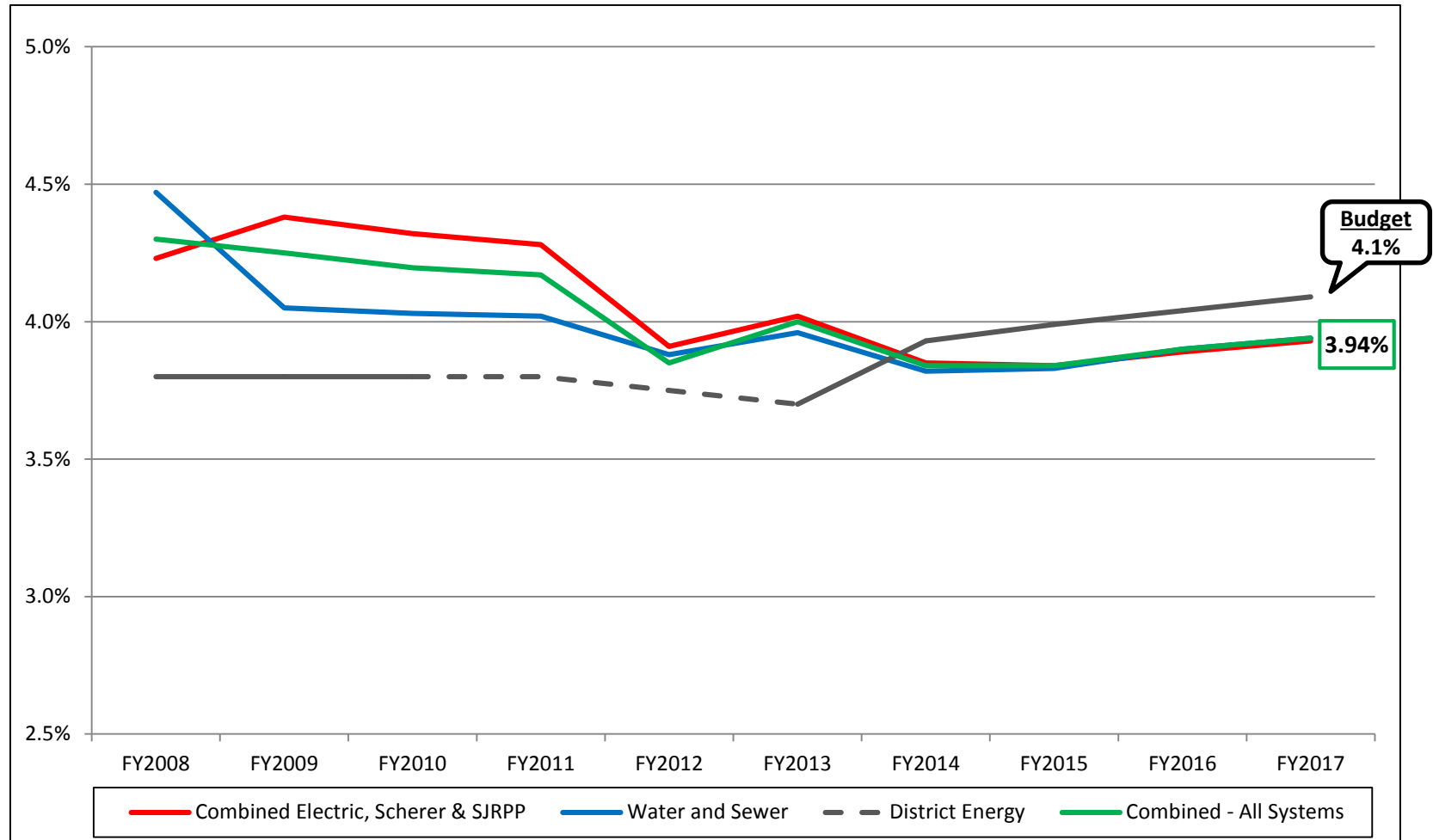


¹ Includes JEA, Scherer and SJRPP

² Per Moody's Special Comment, June 2014

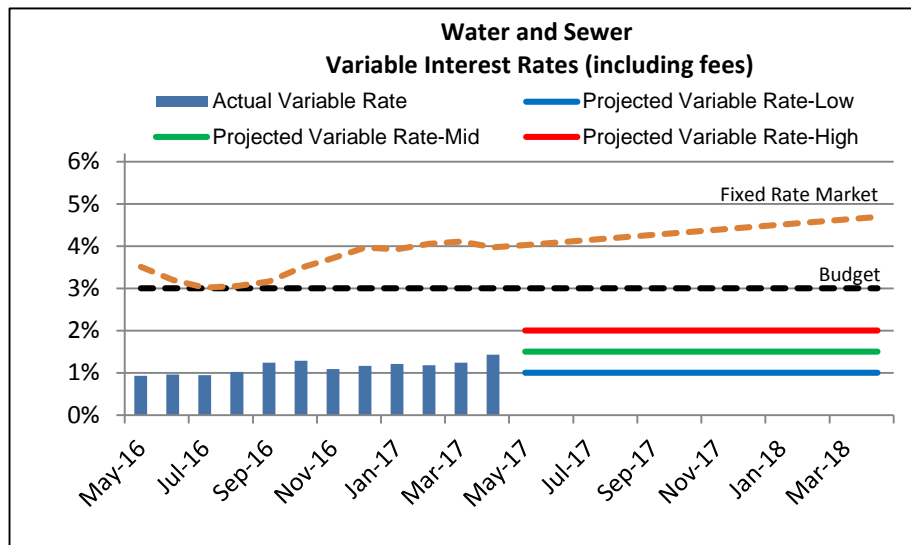
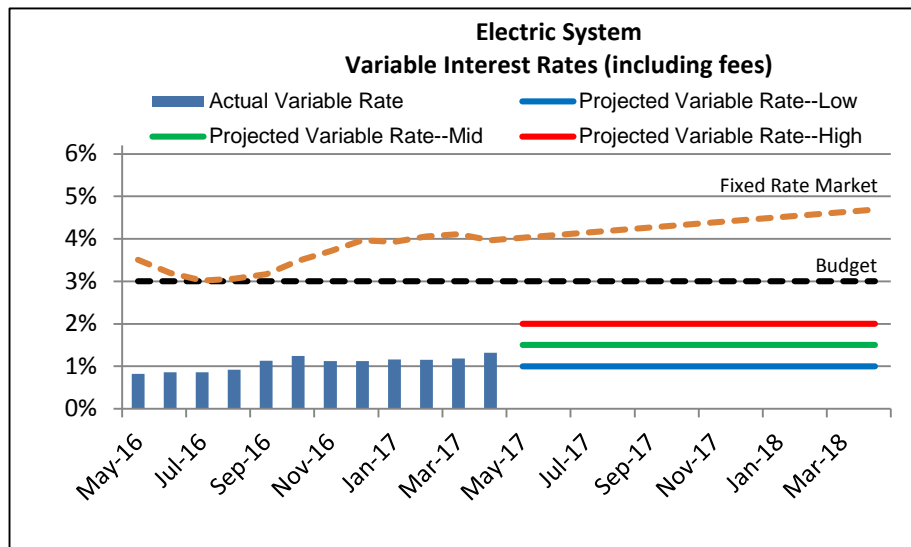
³ As calculated from Moody's data for large Aa rated public water-sewer utilities

Combined Debt Outstanding: Weighted Average Interest Rates



- Fiscal year end interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.
- - - - During FY2008 – FY2013 DES was funded with variable rate debt at an average of 1 percent.

Variable Rate Debt Risk Analysis



Total variable rate debt of \$882 with \$527 swapped to fixed rate

Liquidity Facilities and Direct Purchase Bonds (DPBs)			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Wells Fargo Bank N.A. (100% DPBs)	Aa2/AA-/AA	\$221	25
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	199	24
Royal Bank of Canada	Aa3/AA-/AA	193	23
US Bank, N.A.	A1/AA-/AA	148	18
Sumitomo	A1/A/A	52	6
State Street Bank	Aa3/AA-/AA	31	4
Total		\$844	

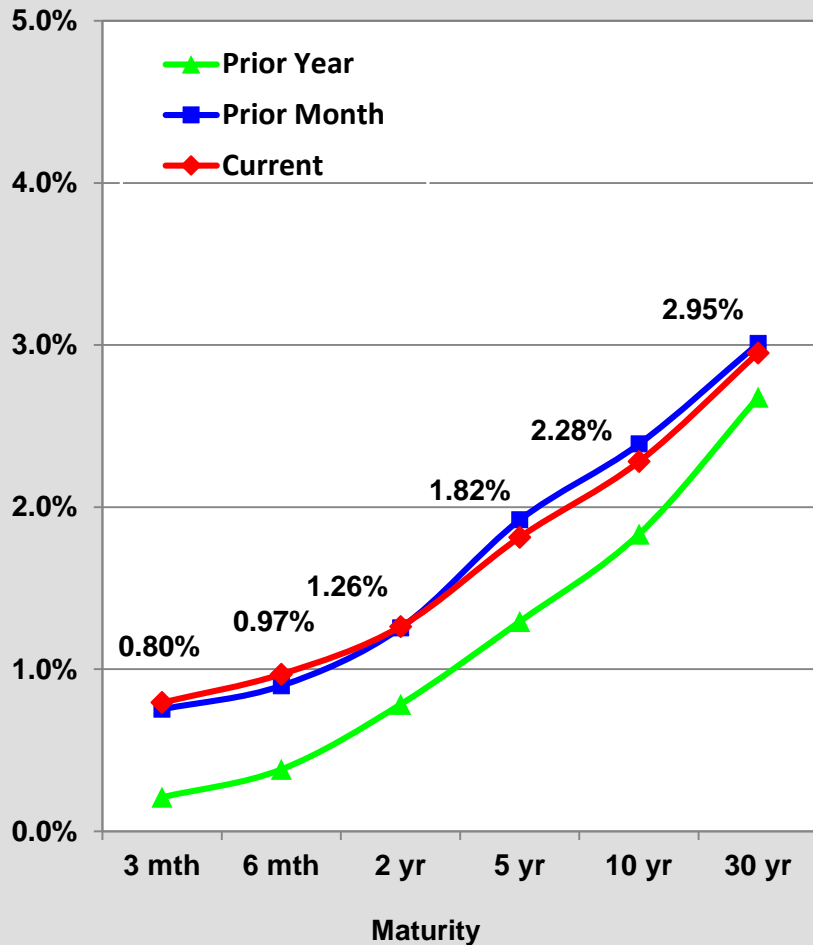
Swap Providers			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A3/BBB+/A	\$180	34
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AA-/NR	137	26
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	125	24
Merrill Lynch	Baa1/BBB+/A	85	16
Total		\$527	

Items of Interest

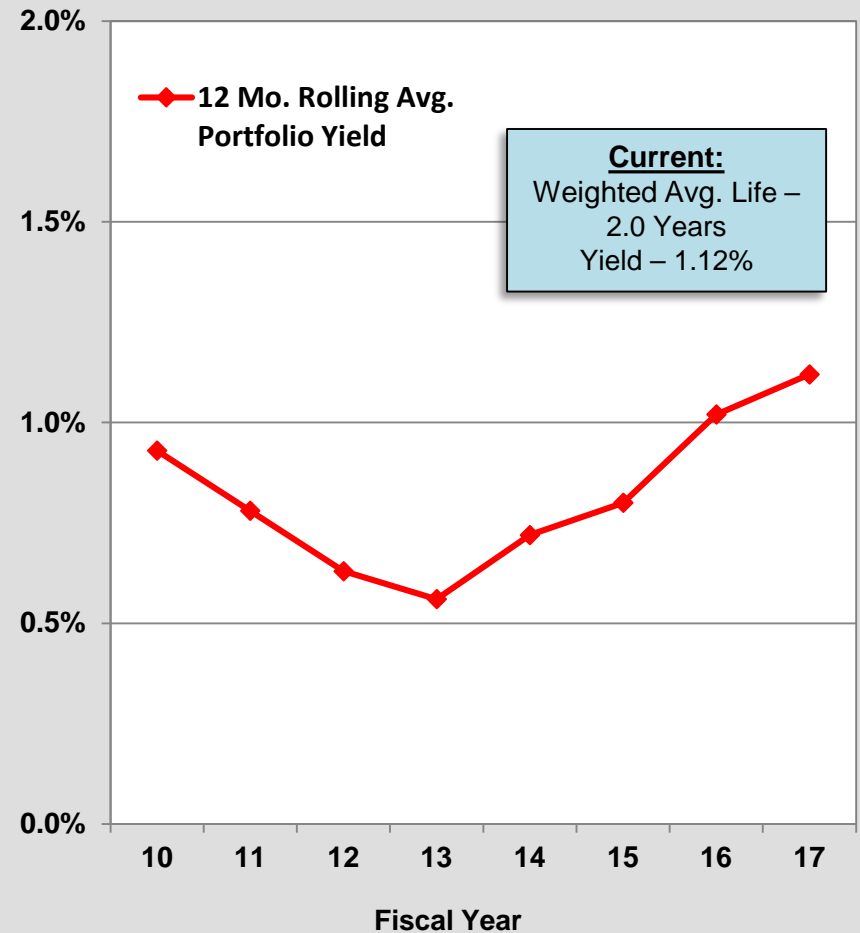
- Variable debt as a percentage of total debt:
 - Unhedged variable at 7% for Electric and 10% for Water and Sewer.
 - Hedged variable at 15% for Electric and 7% for Water and Sewer.
- Liquidity facilities / direct purchase bonds are with highly rated providers.
- No change in swap provider credit quality.
- JP Morgan liquidity facilities renewed in April 2017.
- US Bank liquidity facility renewals in Nov 2017.
- Variable rate reserve to mitigate risk of higher rates – \$50 million.
- Used \$12 million of variable rate reserve on Feb 2017 Electric defeasance.

Combined Investments Outstanding

U. S. Treasury Yield Curve



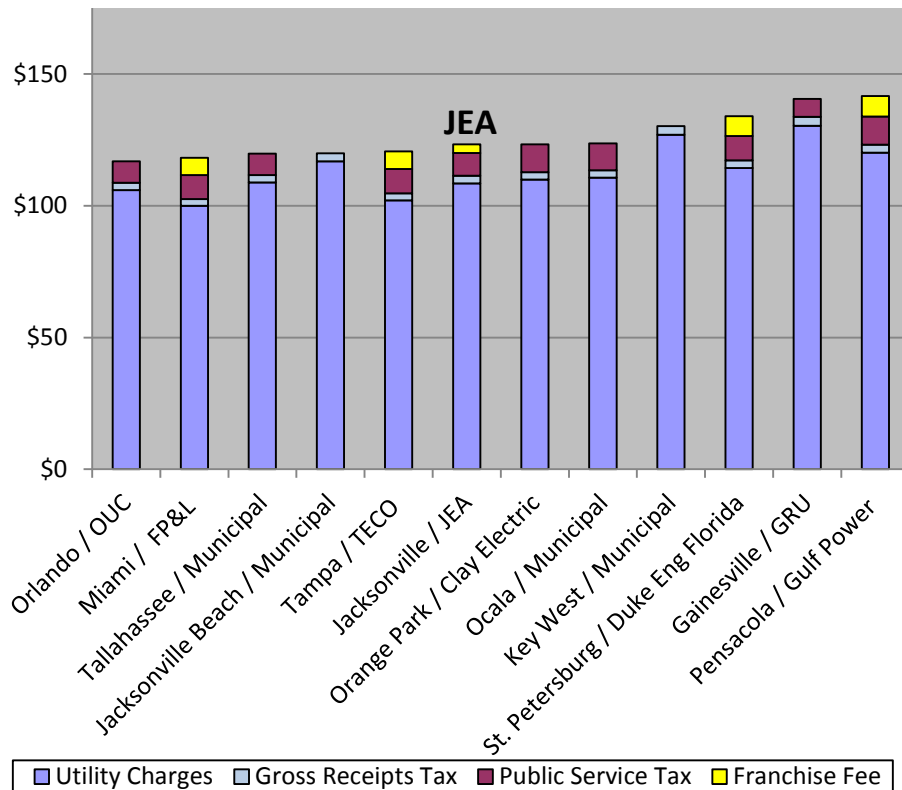
Investment Portfolio Yield



Florida Utilities Monthly Bill Comparison

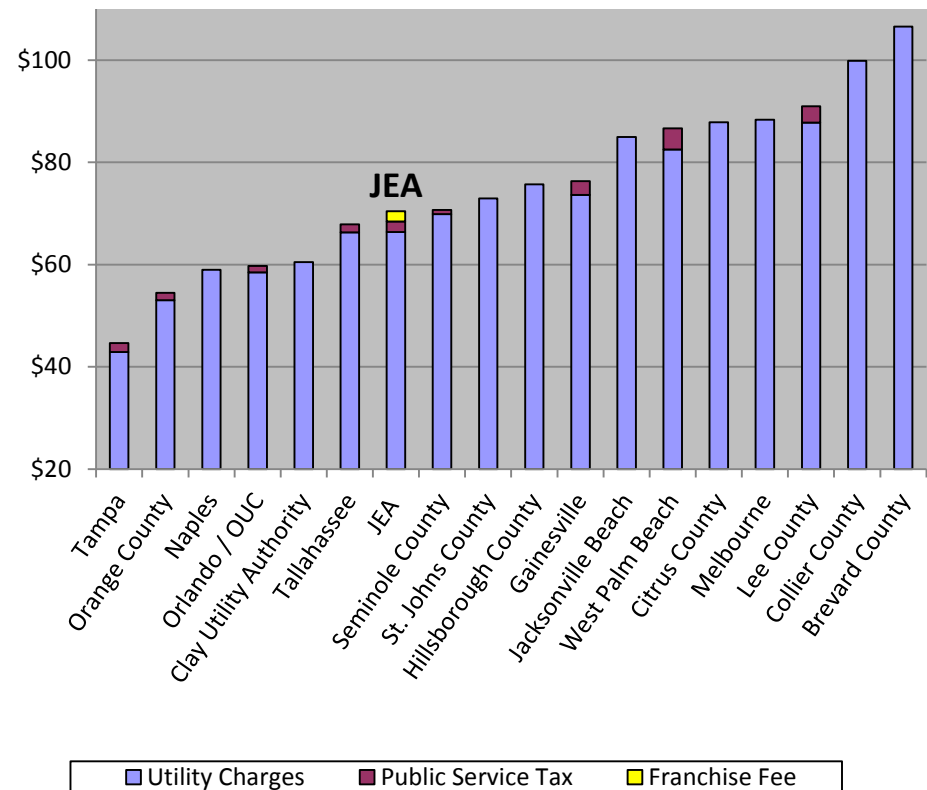
Monthly Residential Electric Bills

Consumption @ 1,000 kWh



Monthly Residential Water Bills

5/8" meter and 6 k/gals of Consumption



Return
to Agenda

III. A. 4.
5/16/2017



Monthly Financial Statements

April 2017



Monthly Financial Statements

April 2017

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Statements of Net Position**(in thousands - unaudited) April 2017 and 2016**

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 216,001	\$ 220,598
Investments	320,927	302,660
Customer accounts receivable, net of allowance (\$2,081 in 2017 and \$4,150 in 2016)	171,418	160,315
Miscellaneous accounts receivable	19,836	19,777
Interest receivable	1,937	1,467
Inventories:		
Fuel inventory - Electric System	61,903	75,469
Fuel inventory - Plant Scherer	2,723	8,440
Materials and supplies - Water and Sewer	46,216	44,369
Materials and supplies - Electric System	20,226	19,686
Materials and supplies - Plant Scherer	2,090	2,057
Total current assets	863,277	854,838
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	41,490	52,257
Investments	838,401	806,478
Accounts and interest receivable	3,350	3,325
Total restricted assets	883,241	862,060
Costs to be recovered from future revenues	458,369	453,039
Investment in The Energy Authority	6,153	6,499
Other assets	19,922	16,900
Total noncurrent assets	1,367,685	1,338,498
Capital assets:		
Land and easements	193,862	164,176
Plant in service	10,930,629	10,731,020
Less accumulated depreciation	(5,628,309)	(5,283,243)
Plant in service, net	5,496,182	5,611,953
Construction work in progress	317,498	252,654
Net capital assets	5,813,680	5,864,607
Total assets	8,044,642	8,057,943
Deferred outflows of resources		
Unamortized deferred losses on refundings	139,474	147,059
Accumulated decrease in fair value of interest hedging derivatives	119,614	167,867
Unrealized pension contributions and losses	137,010	83,970
Accumulated decrease in fair value of fuel hedging derivatives	83	3,192
Total deferred outflows of resources	396,181	402,088
Total assets and deferred outflows of resources	\$ 8,440,823	\$ 8,460,031

Statements of Net Position**(in thousands - unaudited) April 2017 and 2016**

	2017	2016
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 86,237	\$ 80,986
Customer deposits	56,837	55,848
City of Jacksonville payable	9,682	9,575
Compensated absences due within one year	3,528	4,534
State utility taxes payable	2,192	2,152
Total current liabilities	158,476	153,095
Current liabilities payable from restricted assets:		
Debt due within one year	229,095	181,525
Renewal and replacement reserve	79,794	79,514
Interest payable	15,339	15,970
Construction contracts and accounts payable	16,861	13,981
Total current liabilities payable from restricted assets	341,089	290,990
Noncurrent liabilities:		
Net pension liability	493,346	408,629
Compensated absences due after one year	25,537	24,096
Environmental liabilities	18,556	18,662
Other liabilities	4,229	5,263
Total noncurrent liabilities	541,668	456,650
Long-term debt:		
Bonds and commercial paper payable, less current portion	4,178,295	4,470,195
Unamortized premium, net	124,537	151,988
Fair value of debt management strategy instruments	119,614	167,867
Total long-term debt	4,422,446	4,790,050
Total liabilities	5,463,679	5,690,785
Deferred inflows of resources		
Revenues to be used for future costs	484,937	509,932
Unrealized pension gains	12,683	29,796
Total deferred inflows of resources	497,620	539,728
Net position		
Net investment in capital assets	1,662,592	1,434,650
Restricted	485,207	470,891
Unrestricted	331,725	323,977
Total net position	2,479,524	2,229,518
Total liabilities, deferred inflows of resources, and net position	\$ 8,440,823	\$ 8,460,031

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 121,567	\$ 32,259	\$ -	\$ 153,826	57,873	\$ 4,302	\$ 216,001
Investments	296,657	5,961	-	302,618	18,309	-	320,927
Customer accounts receivable, net of allowance (\$2,081)	131,058	-	-	131,058	39,988	372	171,418
Miscellaneous accounts receivable	17,580	17,235	(15,616)	19,199	637	-	19,836
Interest receivable	1,067	16	-	1,083	854	-	1,937
Inventories:							
Fuel inventory - Electric System	33,135	28,768	-	61,903	-	-	61,903
Fuel inventory - Plant Scherer	2,723	-	-	2,723	-	-	2,723
Materials and supplies - Water and Sewer	-	-	-	-	46,216	-	46,216
Materials and supplies - Electric System	-	20,226	-	20,226	-	-	20,226
Materials and supplies - Plant Scherer	2,090	-	-	2,090	-	-	2,090
Total current assets	605,877	104,465	(15,616)	694,726	163,877	4,674	863,277
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	239	38,504	-	38,743	152	2,595	41,490
Investments	290,541	212,069	-	502,610	335,791	-	838,401
Accounts and interest receivable	1,654	930	-	2,584	766	-	3,350
Total restricted assets	292,434	251,503	-	543,937	336,709	2,595	883,241
Costs to be recovered from future revenues	240,414	6,807	-	247,221	211,148	-	458,369
Investment in The Energy Authority	6,153	-	-	6,153	-	-	6,153
Other assets	13,053	-	-	13,053	6,863	6	19,922
Total noncurrent assets	552,054	258,310	-	810,364	554,720	2,601	1,367,685
Capital assets:							
Land and easements	123,501	6,660	-	130,161	60,650	3,051	193,862
Plant in service	5,233,522	1,338,363	-	6,571,885	4,303,504	55,240	10,930,629
Less accumulated depreciation	(2,791,783)	(864,207)	-	(3,655,990)	(1,949,220)	(23,099)	(5,628,309)
Plant in service, net	2,565,240	480,816	-	3,046,056	2,414,934	35,192	5,496,182
Construction work in progress	155,647	13,249	-	168,896	148,120	482	317,498
Net capital assets	2,720,887	494,065	-	3,214,952	2,563,054	35,674	5,813,680
Total assets	3,878,818	856,840	(15,616)	4,720,042	3,281,651	42,949	8,044,642
Deferred outflows of resources							
Unamortized deferred losses on refundings	81,664	12,711	-	94,375	44,892	207	139,474
Accumulated decrease in fair value of interest hedging derivatives	97,781	-	-	97,781	21,833	-	119,614
Unrealized pension contributions and losses	77,673	11,731	-	89,404	47,606	-	137,010
Accumulated decrease in fair value of fuel hedging derivatives	83	-	-	83	-	-	83
Total deferred outflows of resources	257,201	24,442	-	281,643	114,331	207	396,181
Total assets and deferred outflows of resources	\$ 4,136,019	\$ 881,282	\$ (15,616)	\$ 5,001,685	\$ 3,395,982	\$ 43,156	\$ 8,440,823

Combining Statement of Net Position
(in thousands - unaudited) April 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 64,467	\$ 12,617	\$ (4,015)	\$ 73,069	\$ 13,151	\$ 17	\$ 86,237
Customer deposits	42,115	-	-	42,115	14,722	-	56,837
City of Jacksonville payable	7,689	-	-	7,689	1,993	-	9,682
Compensated absences due within one year	2,025	660	-	2,685	811	32	3,528
State utility taxes payable	2,192	-	-	2,192	-	-	2,192
Total current liabilities	118,488	13,277	(4,015)	127,750	30,677	49	158,476
Current liabilities payable from restricted assets:							
Debt due within one year	135,105	41,330	-	176,435	51,020	1,640	229,095
Renewal and replacement reserve	-	79,794	-	79,794	-	-	79,794
Interest payable	8,040	1,596	-	9,636	5,588	115	15,339
Construction contracts and accounts payable	2,150	13,564	(11,601)	4,113	12,626	122	16,861
Total current liabilities payable from restricted assets	145,295	136,284	(11,601)	269,978	69,234	1,877	341,089
Noncurrent liabilities:							
Net pension liability	297,819	12,993	-	310,812	182,534	-	493,346
Compensated absences due after one year	17,028	1,787	-	18,815	6,701	21	25,537
Environmental liabilities	18,556	-	-	18,556	-	-	18,556
Other liabilities	3,086	-	-	3,086	1,143	-	4,229
Total noncurrent liabilities	336,489	14,780	-	351,269	190,378	21	541,668
Long-term debt:							
Bonds and commercial paper payable, less current portion	2,171,305	408,885	-	2,580,190	1,561,620	36,485	4,178,295
Unamortized premium (discount), net	61,982	13,537	-	75,519	49,058	(40)	124,537
Fair value of debt management strategy instruments	97,781	-	-	97,781	21,833	-	119,614
Total long-term debt	2,331,068	422,422	-	2,753,490	1,632,511	36,445	4,422,446
Total liabilities	2,931,340	586,763	(15,616)	3,502,487	1,922,800	38,392	5,463,679
Deferred inflows of resources							
Revenues to be used for future costs	309,477	152,629	-	462,106	22,831	-	484,937
Unrealized pension gains	6,545	2,126	-	8,671	4,012	-	12,683
Total deferred inflows of resources	316,022	154,755	-	470,777	26,843	-	497,620
Net position							
Net investment in capital assets	488,110	27,972	-	496,082	1,168,836	(2,326)	1,662,592
Restricted	218,961	22,392	11,601	252,954	229,773	2,480	485,207
Unrestricted	201,586	89,400	(11,601)	279,385	47,730	4,610	331,725
Total net position	888,657	139,764	-	1,028,421	1,446,339	4,764	2,479,524
Total liabilities, deferred inflows of resources, and net position	\$ 4,136,019	\$ 881,282	\$ (15,616)	\$ 5,001,685	\$ 3,395,982	\$ 43,156	\$ 8,440,823

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	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 135,522	\$ 17,529	\$ -	\$ 153,051	\$ 63,437	\$ 4,110	\$ 220,598
Investments	295,739	6,921	-	302,660	-	-	302,660
Customer accounts receivable, net of allowance (\$4,150)	125,380	-	-	125,380	34,604	331	160,315
Miscellaneous accounts receivable	13,277	15,404	(9,427)	19,254	523	-	19,777
Interest receivable	736	18	-	754	713	-	1,467
Inventories:							
Fuel inventory - Electric System	31,243	44,226	-	75,469	-	-	75,469
Fuel inventory - Plant Scherer	8,440	-	-	8,440	-	-	8,440
Materials and supplies - Water and Sewer	-	-	-	-	44,369	-	44,369
Materials and supplies - Electric System	-	19,686	-	19,686	-	-	19,686
Materials and supplies - Plant Scherer	2,057	-	-	2,057	-	-	2,057
Total current assets	612,394	103,784	(9,427)	706,751	143,646	4,441	854,838
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	141	46,427	-	46,568	2,212	3,477	52,257
Investments	284,965	206,779	-	491,744	314,734	-	806,478
Accounts and interest receivable	1,096	1,179	-	2,275	1,050	-	3,325
Total restricted assets	286,202	254,385	-	540,587	317,996	3,477	862,060
Costs to be recovered from future revenues	228,564	6,801	-	235,365	217,674	-	453,039
Investment in The Energy Authority	6,499	-	-	6,499	-	-	6,499
Other assets	9,712	-	-	9,712	7,188	-	16,900
Total noncurrent assets	530,977	261,186	-	792,163	542,858	3,477	1,338,498
Capital assets:							
Land and easements	95,177	6,660	-	101,837	59,288	3,051	164,176
Plant in service	5,142,696	1,348,475	-	6,491,171	4,186,187	53,662	10,731,020
Less accumulated depreciation	(2,608,838)	(827,492)	-	(3,436,330)	(1,826,052)	(20,861)	(5,283,243)
Plant in service, net	2,629,035	527,643	-	3,156,678	2,419,423	35,852	5,611,953
Construction work in progress	116,630	15,720	-	132,350	119,929	375	252,654
Capital assets, net	2,745,665	543,363	-	3,289,028	2,539,352	36,227	5,864,607
Total assets	3,889,036	908,333	(9,427)	4,787,942	3,225,856	44,145	8,057,943
Deferred outflows of resources							
Unamortized deferred losses on refundings	82,099	17,270	-	99,369	47,475	215	147,059
Accumulated decrease in fair value of interest hedging derivatives	135,571	-	-	135,571	32,296	-	167,867
Unrealized pension contributions and losses	48,712	4,115	-	52,827	31,143	-	83,970
Accumulated decrease in fair value of fuel hedging derivatives	3,192	-	-	3,192	-	-	3,192
Total deferred outflows of resources	269,574	21,385	-	290,959	110,914	215	402,088
Total assets and deferred outflows of resources	\$ 4,158,610	\$ 929,718	\$ (9,427)	\$ 5,078,901	\$ 3,336,770	\$ 44,360	\$ 8,460,031

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 55,672	\$ 11,769	\$ (498)	\$ 66,943	\$ 14,034	\$ 9	\$ 80,986
Customer deposits	41,792	-	-	41,792	14,056	-	55,848
City of Jacksonville payable	7,643	-	-	7,643	1,932	-	9,575
Compensated absences due within one year	1,824	1,486	-	3,310	1,217	7	4,534
State utility taxes payable	2,152	-	-	2,152	-	-	2,152
Total current liabilities	109,083	13,255	(498)	121,840	31,239	16	153,095
Current liabilities payable from restricted assets:							
Debt due within one year	102,240	43,785	-	146,025	33,875	1,625	181,525
Renewal and replacement reserve	-	79,514	-	79,514	-	-	79,514
Interest payable	8,459	1,777	-	10,236	5,617	117	15,970
Construction contracts and accounts payable	4,781	10,307	(8,929)	6,159	7,674	148	13,981
Total current liabilities payable from restricted assets	115,480	135,383	(8,929)	241,934	47,166	1,890	290,990
Noncurrent liabilities:							
Net pension liability	246,724	4,163	-	250,887	157,742	-	408,629
Compensated absences due after one year	16,772	1,047	-	17,819	6,237	40	24,096
Environmental liabilities	18,662	-	-	18,662	-	-	18,662
Other liabilities	3,460	-	-	3,460	1,803	-	5,263
Total noncurrent liabilities	285,618	5,210	-	290,828	165,782	40	456,650
Long-term debt:							
Bonds and commercial paper payable, less current portion	2,369,215	450,215	-	2,819,430	1,612,640	38,125	4,470,195
Unamortized premium (discount), net	74,818	19,945	-	94,763	57,270	(45)	151,988
Fair value of debt management strategy instruments	135,571	-	-	135,571	32,296	-	167,867
Total long-term debt	2,579,604	470,160	-	3,049,764	1,702,206	38,080	4,790,050
Total liabilities	3,089,785	624,008	(9,427)	3,704,366	1,946,393	40,026	5,690,785
Deferred inflows of resources							
Revenues to be used for future costs	321,593	164,496	-	486,089	23,843	-	509,932
Unrealized pension gains	16,446	2,835	-	19,281	10,515	-	29,796
Total deferred inflows of resources	338,039	167,331	-	505,370	34,358	-	539,728
Net position							
Net investment in capital assets	309,642	13,646	-	323,288	1,114,773	(3,411)	1,434,650
Restricted	212,311	35,251	8,929	256,491	211,040	3,360	470,891
Unrestricted	208,833	89,482	(8,929)	289,386	30,206	4,385	323,977
Total net position	730,786	138,379	-	869,165	1,356,019	4,334	2,229,518
Total liabilities, deferred inflows of resources, and net position	\$ 4,158,610	\$ 929,718	\$ (9,427)	\$ 5,078,901	\$ 3,336,770	\$ 44,360	\$ 8,460,031

JEA
Schedule of Cash and Investments
(in thousands - unaudited) April 2017

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	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 81,260	\$ 15,477	\$ 96,737	\$ 38,629	\$ 1,565	\$ 136,931
Rate stabilization:						
Fuel	160,149	-	160,149	-	-	160,149
Debt management	29,884	-	29,884	20,290	2,737	52,911
Environmental	33,385	-	33,385	2,541	-	35,926
Purchased Power	29,935	-	29,935	-	-	29,935
DSM/Conservation	3,113	-	3,113	-	-	3,113
Total rate stabilization funds	256,466	-	256,466	22,831	2,737	282,034
Customer deposits	41,985	-	41,985	14,722	-	56,707
General reserve	-	22,743	22,743	-	-	22,743
Self insurance reserve funds:						
Self funded health plan	9,957	-	9,957	-	-	9,957
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	19,957	-	19,957	-	-	19,957
Environmental liability reserve	18,556	-	18,556	-	-	18,556
Total unrestricted cash and investments	\$ 418,224	\$ 38,220	\$ 456,444	\$ 76,182	\$ 4,302	\$ 536,928
Restricted assets						
Renewal and replacement funds	\$ 148,956	\$ 79,616	\$ 228,572	\$ 190,144	\$ 1,523	\$ 420,239
Debt service reserve account	65,433	139,345	204,778	107,488	-	312,266
Debt service funds	76,046	24,440	100,486	35,121	1,072	136,679
Environmental funds	-	-	-	1,101	-	1,101
Construction funds	239	-	239	152	-	391
Subtotal	290,674	243,401	534,075	334,006	2,595	870,676
Unrealized holding gain (loss) on investments	106	(3,855)	(3,749)	1,937	-	(1,812)
Other funds	-	11,027	11,027	-	-	11,027
Total restricted cash and investments	\$ 290,780	\$ 250,573	\$ 541,353	\$ 335,943	\$ 2,595	\$ 879,891

JEA
Schedule of Cash and Investments
(in thousands - unaudited) April 2016

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 86,319	\$ (45)	\$ 86,274	\$ 25,538	\$ 1,373	\$ 113,185
Rate stabilization:						
Fuel	153,297	-	153,297	-	-	153,297
Debt management	42,126	-	42,126	20,290	2,737	65,153
Environmental	27,244	-	27,244	3,553	-	30,797
Purchased Power	36,971	-	36,971	-	-	36,971
DSM/Conservation	2,894	-	2,894	-	-	2,894
Total rate stabilization funds	262,532	-	262,532	23,843	2,737	289,112
Customer deposits	41,619	-	41,619	14,056	-	55,675
General reserve	-	24,495	24,495	-	-	24,495
Self insurance reserve funds:						
Self funded health plan	12,129	-	12,129	-	-	12,129
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	22,129	-	22,129	-	-	22,129
Environmental liability reserve	18,662	-	18,662	-	-	18,662
Total unrestricted cash and investments	\$ 431,261	\$ 24,450	\$ 455,711	\$ 63,437	\$ 4,110	\$ 523,258
Restricted assets						
Renewal and replacement funds	\$ 148,542	\$ 79,443	\$ 227,985	\$ 176,539	\$ 2,413	\$ 406,937
Debt service reserve account	65,433	136,735	202,168	108,086	-	310,254
Debt service funds	66,898	25,800	92,698	25,075	1,064	118,837
Construction funds	-	-	-	681	-	681
Environmental funds	-	-	-	1,443	-	1,443
Subtotal	280,873	241,978	522,851	311,824	3,477	838,152
Unrealized holding gain (loss) on investments	4,092	(1,249)	2,843	5,053	-	7,896
Other funds	141	12,477	12,618	69	-	12,687
Total restricted cash and investments	\$ 285,106	\$ 253,206	\$ 538,312	\$ 316,946	\$ 3,477	\$ 858,735

JEA
Regulatory Accounting Balances
(in thousands - unaudited) April 2017

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DESCRIPTION	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	Total JEA
Unfunded pension costs	226,691	3,388	230,079	138,940	369,019
Water environmental projects	-	-	-	71,973	71,973
Scherer	11,122	-	11,122	-	11,122
Debt issue costs	2,601	3,419	6,020	235	6,255
Costs to be recovered from future revenues	240,414	6,807	247,221	211,148	458,369
SJRPP and Scherer	43,054	152,629	195,683	-	195,683
Fuel stabilization	160,149	-	160,149	-	160,149
Debt management stabilization	29,884	-	29,884	20,290	50,174
Environmental	33,385	-	33,385	2,541	35,926
Nonfuel purchased power	29,935	-	29,935	-	29,935
Self-insurance medical reserve	9,957	-	9,957	-	9,957
Customer benefit stabilization	3,113	-	3,113	-	3,113
Revenues to be used for future costs	309,477	152,629	462,106	\$ 22,831	484,937

JEA
Regulatory Accounting Balances
(in thousands - unaudited) April 2016

DESCRIPTION	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	Total JEA
Unfunded pension costs	214,133	2,883	217,016	136,905	353,921
Water environmental projects	-	-	-	80,524	80,524
Scherer	12,168	-	12,168	-	12,168
Debt issue costs	2,263	3,918	6,181	245	6,426
Costs to be recovered from future revenues	228,564	6,801	235,365	217,674	453,039
SJRPP and Scherer	46,932	164,496	211,428	-	211,428
Fuel stabilization	153,297	-	153,297	-	153,297
Debt management stabilization	42,126	-	42,126	20,290	62,416
Environmental	27,244	-	27,244	3,553	30,797
Nonfuel purchased power	36,971	-	36,971	-	36,971
Self-insurance medical reserve	12,129	-	12,129	-	12,129
Customer benefit stabilization	2,894	-	2,894	-	2,894
Revenues to be used for future costs	321,593	164,496	486,089	\$ 23,843	509,932

Statements of Revenues, Expenses and Changes in Net Position

(in thousands - unaudited)

	Month April		Year-To-Date April	
	2017	2016	2017	2016
Operating revenues				
Electric - base	\$ 63,155	\$ 56,926	\$ 432,821	\$ 416,621
Electric - fuel and purchased power	48,388	38,972	292,268	264,539
Water and sewer	37,549	34,608	246,543	228,214
District energy system	697	622	4,751	4,615
Other	2,583	2,506	19,057	18,486
Total operating revenues	152,372	133,634	995,440	932,475
Operating expenses				
Operations and maintenance:				
Fuel	38,189	29,989	231,739	210,380
Purchased power	7,350	6,355	41,759	32,984
Maintenance and other operating expenses	32,002	33,681	214,946	217,750
Depreciation	32,826	32,720	221,987	222,061
State utility and franchise taxes	5,268	5,106	37,391	37,483
Recognition of deferred costs and revenues, net	(489)	502	(1,716)	(4,655)
Total operating expenses	115,146	108,353	746,106	716,003
Operating income	37,226	25,281	249,334	216,472
Nonoperating revenues (expenses)				
Interest on debt	(13,535)	(13,711)	(97,859)	(95,650)
Investment income	1,229	2,346	9,925	8,033
Debt management strategy	(1,282)	(1,504)	(9,800)	(11,346)
Net increase (decrease) in fair value of investments	-	-	(8,340)	1,996
Allowance for funds used during construction	899	732	6,879	4,702
Other nonoperating income, net	606	669	3,065	6,211
Earnings from The Energy Authority	857	491	4,021	1,955
Other interest, net	(34)	(22)	(303)	(297)
Total nonoperating expenses, net	(11,260)	(10,999)	(92,412)	(84,396)
Income before contributions	25,966	14,282	156,922	132,076
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(9,653)	(9,515)	(67,564)	(81,609)
Developers and other	7,974	4,371	39,410	35,798
Reduction of plant cost through contributions	(5,033)	(2,364)	(26,169)	(23,656)
Total contributions	(6,712)	(7,508)	(54,323)	(69,467)
Change in net position	19,254	6,774	102,599	62,609
Net position, beginning of period	2,460,270	2,222,744	2,376,925	2,166,909
Net position, end of period	\$ 2,479,524	\$ 2,229,518	\$ 2,479,524	\$ 2,229,518

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended April 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 63,442	\$ -	\$ -	\$ 63,442	\$ -	\$ -	(287)	\$ 63,155
Electric - fuel and purchased power	37,267	27,696	(15,495)	49,468	-	-	(1,080)	48,388
Water and sewer	-	-	-	-	37,567	-	(18)	37,549
District energy system	-	-	-	-	-	697	-	697
Other	1,956	-	-	1,956	817	-	(190)	2,583
Total operating revenues	102,665	27,696	(15,495)	114,866	38,384	697	(1,575)	152,372
Operating expenses								
Operations and maintenance:								
Fuel	21,530	16,659	-	38,189	-	-	-	38,189
Purchased power	22,845	-	(15,495)	7,350	-	-	-	7,350
Maintenance and other operating expenses	16,035	6,343	-	22,378	10,843	356	(1,575)	32,002
Depreciation	17,412	3,563	-	20,975	11,653	198	-	32,826
State utility and franchise taxes	4,361	-	-	4,361	907	-	-	5,268
Recognition of deferred costs and revenues, net	(279)	(1,002)	-	(1,281)	792	-	-	(489)
Total operating expenses	81,904	25,563	(15,495)	91,972	24,195	554	(1,575)	115,146
Operating income	20,761	2,133	-	22,894	14,189	143	-	37,226
Nonoperating revenues (expenses)								
Interest on debt	(6,452)	(2,006)	-	(8,458)	(4,961)	(116)	-	(13,535)
Investment income	590	313	-	903	323	3	-	1,229
Debt management strategy	(1,053)	-	-	(1,053)	(229)	-	-	(1,282)
Allowance for funds used during construction	553	-	-	553	345	1	-	899
Other nonoperating income, net	366	32	-	398	208	-	-	606
Earnings from The Energy Authority	857	-	-	857	-	-	-	857
Other interest, net	(32)	-	-	(32)	(2)	-	-	(34)
Total nonoperating expenses, net	(5,171)	(1,661)	-	(6,832)	(4,316)	(112)	-	(11,260)
Income before contributions	15,590	472	-	16,062	9,873	31	-	25,966
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,690)	-	-	(7,690)	(1,963)	-	-	(9,653)
Developers and other	75	-	-	75	7,899	-	-	7,974
Reduction of plant cost through contributions	(75)	-	-	(75)	(4,958)	-	-	(5,033)
Total contributions	(7,690)	-	-	(7,690)	978	-	-	(6,712)
Change in net position	7,900	472	-	8,372	10,851	31	-	19,254
Net position, beginning of period	880,757	139,292	-	1,020,049	1,435,488	4,733	-	2,460,270
Net position, end of period	\$ 888,657	\$ 139,764	\$ -	\$ 1,028,421	\$ 1,446,339	\$ 4,764	\$ -	\$ 2,479,524

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended April 2016

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 57,199	\$ -	\$ -	\$ 57,199	\$ -	\$ -	(273)	\$ 56,926
Electric - fuel and purchased power	29,158	22,626	(11,782)	40,002	-	-	(1,030)	38,972
Water and sewer	-	-	-	-	34,670	-	(62)	34,608
District energy system	-	-	-	-	-	622	-	622
Other	1,961	-	-	1,961	726	-	(181)	2,506
Total operating revenues	88,318	22,626	(11,782)	99,162	35,396	622	(1,546)	133,634
Operating expenses								
Operations and maintenance:								
Fuel	16,318	13,671	-	29,989	-	-	-	29,989
Purchased power	18,137	-	(11,782)	6,355	-	-	-	6,355
Maintenance and other operating expenses	20,640	3,947	-	24,587	10,326	314	(1,546)	33,681
Depreciation	16,521	3,563	-	20,084	12,445	191	-	32,720
State utility and franchise taxes	4,262	-	-	4,262	844	-	-	5,106
Recognition of deferred costs and revenues, net	(218)	(970)	-	(1,188)	1,690	-	-	502
Total operating expenses	75,660	20,211	(11,782)	84,089	25,305	505	(1,546)	108,353
Operating income	12,658	2,415	-	15,073	10,091	117	-	25,281
Nonoperating revenues (expenses)								
Interest on debt	(6,514)	(2,211)	-	(8,725)	(4,868)	(118)	-	(13,711)
Investment income	1,701	382	-	2,083	261	2	-	2,346
Debt management strategy	(1,201)	-	-	(1,201)	(303)	-	-	(1,504)
Allowance for funds used during construction	347	-	-	347	384	1	-	732
Other nonoperating income, net	402	34	-	436	233	-	-	669
Earnings from The Energy Authority	491	-	-	491	-	-	-	491
Other interest, net	(22)	-	-	(22)	-	-	-	(22)
Total nonoperating expenses, net	(4,796)	(1,795)	-	(6,591)	(4,293)	(115)	-	(10,999)
Income before contributions	7,862	620	-	8,482	5,798	2	-	14,282
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,643)	-	-	(7,643)	(1,872)	-	-	(9,515)
Developers and other	-	-	-	-	4,371	-	-	4,371
Reduction of plant cost through contributions	-	-	-	-	(2,364)	-	-	(2,364)
Total contributions	(7,643)	-	-	(7,643)	135	-	-	(7,508)
Change in net position	219	620	-	839	5,933	2	-	6,774
Net position, beginning of period	730,567	137,759	-	868,326	1,350,086	4,332	-	2,222,744
Net position, end of period	\$ 730,786	\$ 138,379	\$ -	\$ 869,165	\$ 1,356,019	\$ 4,334	\$ -	\$ 2,229,518

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the seven months ended April 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 434,768	\$ -	\$ -	\$ 434,768	\$ -	\$ -	(1,947)	\$ 432,821
Electric - fuel and purchased power	230,859	142,122	(73,387)	299,594	-	-	(7,326)	292,268
Water and sewer	-	-	-	-	246,719	-	(176)	246,543
District energy system	-	-	-	-	-	4,751	-	4,751
Other	14,910	-	-	14,910	5,476	-	(1,329)	19,057
Total operating revenues	680,537	142,122	(73,387)	749,272	252,195	4,751	(10,778)	995,440
Operating expenses								
Operations and maintenance:								
Fuel	150,942	80,797	-	231,739	-	-	-	231,739
Purchased power	115,146	-	(73,387)	41,759	-	-	-	41,759
Maintenance and other operating expenses	117,613	28,572	-	146,185	77,147	2,392	(10,778)	214,946
Depreciation	112,591	24,940	-	137,531	83,084	1,372	-	221,987
State utility and franchise taxes	31,416	-	-	31,416	5,975	-	-	37,391
Recognition of deferred costs and revenues, net	(1,951)	(7,019)	-	(8,970)	7,254	-	-	(1,716)
Total operating expenses	525,757	127,290	(73,387)	579,660	173,460	3,764	(10,778)	746,106
Operating income	154,780	14,832	-	169,612	78,735	987	-	249,334
Nonoperating revenues (expenses)								
Interest on debt	(48,299)	(14,047)	-	(62,346)	(34,699)	(814)	-	(97,859)
Investment income	3,916	2,295	-	6,211	3,697	17	-	9,925
Debt management strategy	(7,811)	-	-	(7,811)	(1,989)	-	-	(9,800)
Net decrease in fair value of investments	(2,838)	(2,345)	-	(5,183)	(3,157)	-	-	(8,340)
Allowance for funds used during construction	3,979	-	-	3,979	2,894	6	-	6,879
Other nonoperating income, net	2,497	227	-	2,724	341	-	-	3,065
Earnings from The Energy Authority	4,021	-	-	4,021	-	-	-	4,021
Other interest, net	(271)	-	-	(271)	(32)	-	-	(303)
Total nonoperating expenses, net	(44,806)	(13,870)	-	(58,676)	(32,945)	(791)	-	(92,412)
Income before contributions	109,974	962	-	110,936	45,790	196	-	156,922
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(53,825)	-	-	(53,825)	(13,739)	-	-	(67,564)
Developers and other	791	-	-	791	38,619	-	-	39,410
Reduction of plant cost through contributions	(791)	-	-	(791)	(25,378)	-	-	(26,169)
Total contributions	(53,825)	-	-	(53,825)	(498)	-	-	(54,323)
Change in net position	56,149	962	-	57,111	45,292	196	-	102,599
Net position, beginning of year	832,508	138,802	-	971,310	1,401,047	4,568	-	2,376,925
Net position, end of period	\$ 888,657	\$ 139,764	\$ -	\$ 1,028,421	\$ 1,446,339	\$ 4,764	\$ -	\$ 2,479,524

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the seven months ended April 2016

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 418,401	\$ -	\$ -	\$ 418,401	\$ -	\$ -	\$ (1,780)	\$ 416,621
Electric - fuel and purchased power	204,753	129,155	(62,671)	271,237	-	-	(6,698)	264,539
Water and sewer	-	-	-	-	228,550	-	(336)	228,214
District energy	-	-	-	-	-	4,615	-	4,615
Other	14,243	-	-	14,243	5,504	-	(1,261)	18,486
Total operating revenues	637,397	129,155	(62,671)	703,881	234,054	4,615	(10,075)	932,475
Operating expenses								
Operations and maintenance:								
Fuel	139,373	71,007	-	210,380	-	-	-	210,380
Purchased power	95,655	-	(62,671)	32,984	-	-	-	32,984
Maintenance and other operating expenses	125,417	22,834	-	148,251	77,116	2,458	(10,075)	217,750
Depreciation	112,640	24,940	-	137,580	83,145	1,336	-	222,061
State utility and franchise taxes	31,717	-	-	31,717	5,766	-	-	37,483
Recognition of deferred costs and revenues, net	(1,526)	(6,899)	-	(8,425)	3,770	-	-	(4,655)
Total operating expenses	503,276	111,882	(62,671)	552,487	169,797	3,794	(10,075)	716,003
Operating income	134,121	17,273	-	151,394	64,257	821	-	216,472
Nonoperating revenues (expenses)								
Interest on debt	(45,431)	(15,480)	-	(60,911)	(33,915)	(824)	-	(95,650)
Investment income	3,800	2,308	-	6,108	1,913	12	-	8,033
Debt management strategy	(8,840)	-	-	(8,840)	(2,506)	-	-	(11,346)
Net increase in fair value of investments	858	44	-	902	1,094	-	-	1,996
Allowance for funds used during construction	2,314	-	-	2,314	2,380	8	-	4,702
Other nonoperating income, net	2,528	239	-	2,767	3,444	-	-	6,211
Earnings from The Energy Authority	1,955	-	-	1,955	-	-	-	1,955
Other interest, net	(251)	-	-	(251)	(46)	-	-	(297)
Total nonoperating expenses, net	(43,067)	(12,889)	-	(55,956)	(27,636)	(804)	-	(84,396)
Income before contributions	91,054	4,384	-	95,438	36,621	17	-	132,076
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(65,503)	-	-	(65,503)	(16,106)	-	-	(81,609)
Developers and other	-	-	-	-	35,798	-	-	35,798
Reduction of plant cost through contributions	-	-	-	-	(23,656)	-	-	(23,656)
Total contributions	(65,503)	-	-	(65,503)	(3,964)	-	-	(69,467)
Change in net position	25,551	4,384	-	29,935	32,657	17	-	62,609
Net position, beginning of year	705,235	133,995	-	839,230	1,323,362	4,317	-	2,166,909
Net position, end of period	\$ 730,786	\$ 138,379	\$ -	\$ 869,165	\$ 1,356,019	\$ 4,334	\$ -	\$ 2,229,518

Statement of Cash Flows
(in thousands - unaudited)

	Year-To-Date	
	April	
	2017	2016
Operating activities		
Receipts from customers	\$ 1,000,898	\$ 1,001,904
Payments to suppliers	(422,066)	(415,008)
Payments to employees	(143,496)	(143,499)
Other operating activities	18,145	23,448
Net cash provided by operating activities	<u>453,481</u>	<u>466,845</u>
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(67,435)	(81,379)
Build America Bonds subsidies	3,588	3,626
Payment from the City of Jacksonville, Florida	-	37
Net cash used in noncapital financing activities	<u>(63,847)</u>	<u>(77,716)</u>
Capital and related financing activities		
Repayment of debt principal	(181,525)	(187,500)
Defeasance of debt	(153,210)	-
Acquisition and construction of capital assets	(183,645)	(149,361)
Interest paid on debt	(181,822)	(186,718)
Proceeds from issuance of debt, net	90,405	3,000
Developer and other contributions	13,240	12,143
Other capital financing activities	(5,876)	849
Net cash used in capital and related financing activities	<u>(602,433)</u>	<u>(507,587)</u>
Investing activities		
Purchase of investments	(1,166,910)	(1,273,448)
Proceeds from sale and maturities of investments	1,026,931	1,017,669
Investment income	9,329	8,070
Distributions from The Energy Authority	4,017	2,948
Net cash used in investing activities	<u>(126,633)</u>	<u>(244,761)</u>
Net change in cash and cash equivalents	(339,432)	(363,219)
Cash and cash equivalents, beginning of year	596,923	636,074
Cash and cash equivalents, end of period	<u>\$ 257,491</u>	<u>\$ 272,855</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 249,334	\$ 216,472
Adjustments:		
Depreciation and amortization	222,776	224,660
Recognition of deferred costs and revenues, net	(1,716)	(4,655)
Other nonoperating income, net	(1,110)	1,949
Changes in noncash assets and noncash liabilities:		
Accounts receivable	48,630	70,806
Accounts receivable, restricted	197	3,013
Inventories	(15,356)	(20,445)
Other assets	(3,112)	(1,532)
Accounts and expenses payable	(6,498)	(20,571)
Liabilities payable, restricted	(8,660)	(13,137)
Other noncurrent liabilities and deferred inflows	(31,004)	10,285
Net cash provided by operating activities	<u>\$ 453,481</u>	<u>\$ 466,845</u>
Noncash activity		
Contribution of capital assets from developers	\$ 26,169	\$ 23,656
Unrealized losses on fair value of investments, net	\$ (8,340)	\$ 1,996

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 682,461	\$ 142,503	\$ (64,613)	\$ 760,351	\$ 245,477	\$ 4,519	\$ (9,449)	\$ 1,000,898
Payments to suppliers	(328,999)	(114,845)	64,613	(379,231)	(51,405)	(2,208)	10,778	(422,066)
Payments to employees	(91,645)	(17,849)	-	(109,494)	(33,686)	(316)	-	(143,496)
Other operating activities	15,031	-	-	15,031	4,443	-	(1,329)	18,145
Net cash provided by operating activities	276,848	9,809	-	286,657	164,829	1,995	-	453,481
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(53,779)	-	-	(53,779)	(13,656)	-	-	(67,435)
Build America Bonds subsidies	2,143	195	-	2,338	1,250	-	-	3,588
Net cash used in noncapital financing activities	(51,636)	195	-	(51,441)	(12,406)	-	-	(63,847)
Capital and related financing activities								
Repayment of debt principal	(102,240)	(43,785)	-	(146,025)	(33,875)	(1,625)	-	(181,525)
Defeasance of debt	(153,210)	-	-	(153,210)	-	-	-	(153,210)
Acquisition and construction of capital assets	(89,397)	-	-	(89,397)	(93,608)	(640)	-	(183,645)
Interest paid on debt	(93,838)	(20,227)	-	(114,065)	(66,366)	(1,391)	-	(181,822)
Proceeds from issuance of debt, net	90,405	-	-	90,405	-	-	-	90,405
Developer and other contributions	-	-	-	-	13,240	-	-	13,240
Other capital financing activities	(6,097)	-	-	(6,097)	221	-	-	(5,876)
Net cash used in capital and related financing activities	(354,377)	(64,012)	-	(418,389)	(180,388)	(3,656)	-	(602,433)
Investing activities								
Purchase of investments	(437,218)	(377,637)	-	(814,855)	(352,055)	-	-	(1,166,910)
Proceeds from sale and maturities of investments	385,249	370,303	-	755,552	271,379	-	-	1,026,931
Investment income	3,700	2,084	-	5,784	3,528	17	-	9,329
Distributions from The Energy Authority	4,017	-	-	4,017	-	-	-	4,017
Net cash provided by (used in) investing activities	(44,252)	(5,250)	-	(49,502)	(77,148)	17	-	(126,633)
Net change in cash and cash equivalents	(173,417)	(59,258)	-	(232,675)	(105,113)	(1,644)	-	(339,432)
Cash and cash equivalents, beginning of year	295,223	130,021	-	425,244	163,138	8,541	-	596,923
Cash and cash equivalents, end of period	\$ 121,806	\$ 70,763	\$ -	\$ 192,569	\$ 58,025	\$ 6,897	\$ -	\$ 257,491
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 154,780	\$ 14,832	\$ -	\$ 169,612	\$ 78,735	\$ 987	\$ -	\$ 249,334
Adjustments:								
Depreciation and amortization	112,591	24,940	-	137,531	83,873	1,372	-	222,776
Recognition of deferred costs and revenues, net	(1,951)	(7,019)	-	(8,970)	7,254	-	-	(1,716)
Other nonoperating income, net	6	-	-	6	(1,116)	-	-	(1,110)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	50,499	446	-	50,945	(2,084)	(231)	-	48,630
Accounts receivable, restricted	114	-	-	114	83	-	-	197
Inventories	651	(14,620)	-	(13,969)	(1,387)	-	-	(15,356)
Other assets	(2,887)	-	-	(2,887)	(219)	(6)	-	(3,112)
Accounts and expenses payable	(4,649)	(775)	-	(5,424)	(965)	(109)	-	(6,498)
Liabilities payable, restricted	-	(8,660)	-	(8,660)	-	-	-	(8,660)
Other noncurrent liabilities and deferred inflows	(32,306)	665	-	(31,641)	655	(18)	-	(31,004)
Net cash provided by operating activities	\$ 276,848	\$ 9,809	\$ -	\$ 286,657	\$ 164,829	\$ 1,995	\$ -	\$ 453,481
Noncash activity								
Contribution of capital assets from developers	\$ 791	\$ -	\$ -	\$ 791	\$ 25,378	\$ -	\$ -	\$ 26,169
Unrealized losses on fair value of investments, net	\$ (2,838)	\$ (2,345)	\$ -	\$ (5,183)	\$ (3,157)	\$ -	\$ -	\$ (8,340)

	Electric System and Bulk Power Supply System	SURPP System	Elimination of Intercompany Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 693,400	\$ 134,272	\$ (54,428)	\$ 773,244	\$ 232,226	\$ 5,248	\$ (8,814)	\$ 1,001,904
Payments to suppliers	(313,735)	(118,791)	54,428	(378,098)	(44,780)	(2,206)	10,075	(415,008)
Payments to employees	(94,181)	(14,409)	-	(108,590)	(34,623)	(286)	-	(143,499)
Other operating activities	15,858	-	-	15,858	8,851	-	(1,261)	23,448
Net cash provided by operating activities	301,342	1,072	-	302,414	161,674	2,757	-	466,845
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(65,369)	-	-	(65,369)	(16,010)	-	-	(81,379)
Build America Bonds subsidies	2,170	205	-	2,375	1,251	-	-	3,626
Payment from the City of Jacksonville, Florida	37	-	-	37	-	-	-	37
Net cash used in noncapital financing activities	(63,162)	205	-	(62,957)	(14,759)	-	-	(77,716)
Capital and related financing activities								
Repayment of debt principal	(98,765)	(50,945)	-	(149,710)	(36,180)	(1,610)	-	(187,500)
Acquisition and construction of capital assets	(81,857)	-	-	(81,857)	(67,062)	(442)	-	(149,361)
Interest paid on debt	(96,581)	(22,093)	-	(118,674)	(66,640)	(1,404)	-	(186,718)
Proceeds from issuance of debt, net	-	-	-	-	3,000	-	-	3,000
Developer and other contributions	-	-	-	-	12,143	-	-	12,143
Other capital financing activities	523	-	-	523	326	-	-	849
Net cash used in capital and related financing activities	(276,680)	(73,038)	-	(349,718)	(154,413)	(3,456)	-	(507,587)
Investing activities								
Purchase of investments	(674,523)	(275,152)	-	(949,675)	(323,773)	-	-	(1,273,448)
Proceeds from sale and maturities of investments	525,607	268,801	-	794,408	223,261	-	-	1,017,669
Investment income	4,052	2,150	-	6,202	1,856	12	-	8,070
Distributions from The Energy Authority	2,948	-	-	2,948	-	-	-	2,948
Net cash provided by (used in) investing activities	(141,916)	(4,201)	-	(146,117)	(98,656)	12	-	(244,761)
Net change in cash and cash equivalents	(180,416)	(75,962)	-	(256,378)	(106,154)	(687)	-	(363,219)
Cash and cash equivalents, beginning of year	316,079	139,918	-	455,997	171,803	8,274	-	636,074
Cash and cash equivalents, end of period	\$ 135,663	\$ 63,956	\$ -	\$ 199,619	\$ 65,649	\$ 7,587	\$ -	\$ 272,855
Reconciliation of operating income to net cash provided by (used in) operating activities								
Operating income	\$ 134,121	\$ 17,273	\$ -	\$ 151,394	\$ 64,257	\$ 821	\$ -	\$ 216,472
Adjustments:								
Depreciation and amortization	112,640	24,940	-	137,580	85,744	1,336	-	224,660
Recognition of deferred costs and revenues, net	(1,526)	(6,899)	-	(8,425)	3,770	-	-	(4,655)
Other nonoperating income, net	(35)	-	-	(35)	1,984	-	-	1,949
Changes in noncash assets and noncash liabilities:								
Accounts receivable	64,899	5,150	-	70,049	123	634	-	70,806
Accounts receivable, restricted	1,650	-	-	1,650	1,363	-	-	3,013
Inventories	(3,336)	(15,507)	-	(18,843)	(1,602)	-	-	(20,445)
Other assets	(1,318)	-	-	(1,318)	(214)	-	-	(1,532)
Accounts and expenses payable	(14,409)	(10,466)	-	(24,875)	4,320	(16)	-	(20,571)
Liabilities payable, restricted	-	(13,137)	-	(13,137)	-	-	-	(13,137)
Other noncurrent liabilities and deferred inflows	8,656	(282)	-	8,374	1,929	(18)	-	10,285
Net cash provided by operating activities	\$ 301,342	\$ 1,072	\$ -	\$ 302,414	\$ 161,674	\$ 2,757	\$ -	\$ 466,845
Noncash activity								
Contribution of capital assets from developers	\$ -	\$ -	\$ -	\$ -	\$ 23,656	\$ -	\$ -	\$ 23,656
Unrealized losses on fair value of investments, net	\$ 858	\$ 44	\$ -	\$ 902	\$ 1,094	\$ -	\$ -	\$ 1,996

Electric System and Plant Scherer

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the seven months ended April 2017 and April 2016

	April 2017			April 2016		
	Debt service funds	Renewal and replacement funds	Construction funds	Debt service funds	Renewal and replacement funds	Construction funds
Beginning balance	\$ 210,066	\$ 193,947	\$ -	\$ 211,749	\$ 148,458	\$ 4
Additions:						
Debt issuance:						
Bonds	-	-	430	-	-	-
Transfer from:						
Revenue fund	115,986	83,281	-	107,086	79,469	2
R & R fund	-	-	-	-	-	-
Proceeds from property sales	-	(42)	-	-	540	-
Total additions	115,986	83,239	430	107,086	80,009	2
Deductions:						
Interest/principal payments from sinking funds	184,573	-	-	182,490	-	-
Increase in utility plant	-	81,612	-	-	67,129	2
Decrease in accounts payable	-	7,764	-	-	11,698	4
Transfer to:						
Revenue fund	-	37,200	-	4,014	-	-
Construction fund	-	-	-	-	2	-
Debt issue costs and discounts	-	-	191	-	-	-
Total deductions	184,573	126,576	191	186,504	78,829	6
Ending balance	\$ 141,479	\$ 150,610	\$ 239	\$ 132,331	\$ 149,638	\$ -
Renewal and replacement fund:						
Cash & investments		\$ 148,956			\$ 148,542	
Accounts / notes receivable:						
Accounts receivable		1,605			994	
Street light & other customer loans		49			102	
		<u>\$ 150,610</u>			<u>\$ 149,638</u>	
Construction fund:						
Generation projects			\$ 191			\$ -
T&D and other capital projects			48			-
			<u>\$ 239</u>			<u>\$ -</u>

Water and Sewer System

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the seven months ended April 2017 and April 2016

	April 2017				April 2016			
	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds
Beginning balance	\$ 173,496	\$ 179,513	\$ 152	\$ 2,659	\$ 176,569	\$ 149,130	\$ 664	\$ -
Additions:								
Transfer from:								
Revenue fund	66,823	81,982	-	-	56,294	78,629	-	-
Proceeds from property sales	-	221	-	-	-	326	-	-
Contribution in aid of construction	-	13,240	-	-	-	12,143	-	-
Increase in accounts payable	-	-	-	-	-	-	17	1,443
Total additions	66,823	95,443	-	-	56,294	91,098	17	1,443
Deductions:								
Increase in utility plant	-	70,234	-	-	-	51,644	-	-
Interest/principal payments from sinking fund:	97,112	-	-	-	98,938	-	-	-
Transfer to:								
Revenue fund	598	-	-	-	764	-	-	-
Decrease in accounts payable	-	14,562	-	1,558	-	11,758	-	-
Total deductions	97,710	84,796	-	1,558	99,702	63,402	-	-
Ending balance	\$ 142,609	\$ 190,160	\$ 152	\$ 1,101	\$ 133,161	\$ 176,826	\$ 681	\$ 1,443

Recap:

Renewal and replacement fund:

Cash & investments

\$ 190,144

\$ 176,539

Accounts / notes receivable:

Accounts receivable

-

267

Notes receivable

16

20

\$ 190,160\$ 176,826

Construction fund:

Project funds

\$	152
<u>\$</u>	<u>152</u>

\$	681
<u>\$</u>	<u>681</u>

Environmental fund

Cash & investments

\$	1,101
<u>\$</u>	<u>1,101</u>

\$	1,443
<u>\$</u>	<u>1,443</u>

Electric System		Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance		ACTUAL	Variance
April 2017 and 2016	2016-17	2016-17	2016-17	%		2015-16	%
Fuel Related Revenues & Expenses							
Fuel Rate Revenues	\$ 472,264,680	\$ 34,249,669	\$ 30,069,997	-12.20%	\$	32,741,992	-8.16%
Fuel Expense and Purchased Power:							
Fuel Expense - Electric System	274,434,887	19,540,934	18,440,239			16,163,921	
Fuel Expense - SJRPP	95,027,760	7,054,600	10,553,762			8,094,205	
Other Purchased Power	64,152,465	5,224,507	7,325,221			4,865,565	
Subtotal Energy Expense	433,615,112	31,820,041	36,319,222	-14.14%		29,123,691	-24.71%
Transfer to (from) Rate Stabilization, Net	37,705,038	-	(6,249,274)			3,563,369	
Fuel Related Uncollectibles	944,530	78,711	49			54,932	
Total	472,264,680	31,898,752	30,069,997	5.73%		32,741,992	8.16%
Fuel Balance	-	2,350,917	-			-	
Nonfuel Related Revenues							
Base Rate Revenues	762,971,975	55,332,398	57,917,059			52,492,713	
Conservation Charge Revenue	1,000,000	72,517	21,831			20,604	
Environmental Charge Revenue	7,942,200	575,986	574,590			552,061	
Investment Income	4,631,588	385,966	587,063			1,697,235	
Natural Gas Revenue Pass Through	7,188,723	599,060	33,606			15,176	
Other Revenues	86,824,233	2,497,215	2,548,290			2,317,290	
Total	870,558,719	59,463,142	61,682,439	3.73%		57,095,079	8.03%
Nonfuel Related Expenses							
Non-Fuel O&M	213,238,053	17,541,076	12,820,240			15,046,289	
DSM / Conservation O&M	8,081,200	665,614	594,576			516,615	
Environmental O&M	2,077,500	173,125	184,496			60,257	
Net Transfer to Rate Stabilization - DSM	(571,200)	(47,600)	(122,586)			(49,430)	
Transfer to Environmental Fund/RSF	5,864,700	488,725	390,094			491,804	
Natural Gas Expense Pass Through	6,880,298	572,520	47,723			27,697	
Debt Principal - Electric System	89,955,000	7,496,250	12,775,325			8,016,250	
Debt Interest - Electric System	100,943,917	8,411,993	7,744,640			8,170,566	
Bond Buy-Back Principal - Electric System	95,807,360	-	-			-	
R&R - Electric System	62,198,300	5,183,192	5,183,192			5,197,867	
Operating Capital Outlay	107,801,700	5,000,000	5,000,000			-	
City Contribution Expense	92,270,692	7,689,224	7,689,224			7,643,348	
Taxes & Uncollectibles	1,749,583	145,799	17,396			103,468	
Emergency Reserve	867,320	-	-			-	
Nonfuel Purchased Power:							
* SJRPP D/S Principal	26,496,875	2,208,073	2,208,073			2,331,563	
* SJRPP D/S Interest	16,193,308	1,349,442	1,317,009			1,430,297	
** Other Non-Fuel Purchased Power	40,704,113	3,392,010	4,888,459			6,328,066	
Total Nonfuel Expenses	870,558,719	60,269,443	60,737,861	-0.78%		55,314,657	-9.80%
Non-Fuel Balance	-	(806,301)	944,578			1,780,422	
Total Balance	-	1,544,616	944,578			1,780,422	
Total Revenues	1,342,823,399	93,712,811	91,752,436	-2.09%		89,837,071	2.13%
Total Expenses	1,342,823,399	92,168,195	90,807,858	1.48%		88,056,649	-3.12%
KWH Sold - Territorial	13,020,000,000	964,269,643	933,563,342	-3.18%		900,013,000	3.73%
KWH Sold - Off System	-	-	27,625,000			1,414,000	
	13,020,000,000	964,269,643	961,188,342	-0.32%		901,427,000	6.63%

* Gross debt service

** Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income.

Electric System		Year-To-Date				Prior Year-To-Date	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance		ACTUAL	Variance
April 2017 and 2016	2016-17	2016-17	2016-17	%		2015-16	%
Fuel Related Revenues & Expenses							
Fuel Rate Revenues	\$ 472,264,680	\$ 251,365,670	\$ 207,561,097	-17.43%	\$	207,153,382	0.20%
Fuel Expense and Purchased Power:							
Fuel Expense - Electric System	274,434,887	157,114,242	129,449,207			124,650,482	
Fuel Expense - SJRPP	95,027,760	45,581,360	48,916,776			39,535,754	
Other Purchased Power	64,152,465	28,823,670	49,152,203			40,047,415	
Subtotal Energy Expense	433,615,112	231,519,272	227,518,186	1.73%		204,233,651	-11.40%
Transfer to (from) Rate Stabilization, Net	37,705,038	-	(19,966,598)			2,547,367	
Fuel Related Uncollectibles	944,530	550,975	9,509			372,364	
Total	472,264,680	232,070,247	207,561,097	10.56%		207,153,382	-0.20%
Fuel Balance	-	19,295,423	-			-	
Nonfuel Related Revenues							
Base Rate Revenues	762,971,975	406,096,348	386,437,058			386,700,626	
Conservation Charge Revenue	1,000,000	532,240	185,949			261,684	
Environmental Charge Revenue	7,942,200	4,227,283	3,838,213			4,005,892	
Investment Income	4,631,588	2,701,760	3,898,057			3,774,366	
Natural Gas Revenue Pass Through	7,188,723	4,193,422	289,572			90,689	
Other Revenues	86,824,233	74,338,160	78,574,929			16,475,075	
Total	870,558,719	492,089,213	473,223,778	-3.83%		411,308,332	15.05%
Nonfuel Related Expenses							
Non-Fuel O&M	213,238,053	128,249,159	103,911,432			104,228,027	
DSM / Conservation O&M	8,081,200	4,706,214	3,732,338			3,563,588	
Environmental O&M	2,077,500	1,211,875	427,794			192,452	
Net Transfer to Rate Stabilization - DSM	(571,200)	(333,200)	(401,954)			7,656	
Transfer to Environmental Fund/RSF	5,864,700	3,421,075	3,410,419			3,813,440	
Natural Gas Expense Pass Through	6,880,298	4,012,669	364,656			181,344	
Debt Principal - Electric System	89,955,000	52,473,750	66,023,375			56,113,750	
Debt Interest - Electric System	100,943,917	58,883,952	55,731,335			57,461,603	
Bond Buy-Back Principal - Electric System	95,807,360	56,857,658	69,099,658			-	
Rate Stabilization - Debt Management	-	-	(12,242,000)			-	
R&R - Electric System	62,198,300	36,282,342	36,282,342			36,385,067	
Operating Capital Outlay	107,801,700	47,000,000	47,000,000			43,084,420	
City Contribution Expense	92,270,692	53,824,570	53,824,570			53,503,439	
Taxes & Uncollectibles	1,749,583	1,020,590	148,550			832,499	
Interlocal Agreements	-	-	-			12,000,000	
Emergency Reserve	867,320	-	-			-	
Nonfuel Purchased Power:							
* SJRPP D/S Principal	26,496,875	15,456,510	15,456,520			16,320,938	
* SJRPP D/S Interest	16,193,308	9,446,096	9,219,064			9,968,411	
** Other Non-Fuel Purchased Power	40,704,113	23,744,067	20,245,993			24,338,303	
Total Nonfuel Expenses	870,558,719	496,257,327	472,234,092	4.84%		421,994,937	-11.91%
Non-Fuel Balance	-	(4,168,114)	989,686			(10,686,605)	
Total Balance	-	15,127,309	989,686			(10,686,605)	
Total Revenues	1,342,823,399	743,454,883	680,784,875	-8.43%		618,461,714	10.08%
Total Expenses	1,342,823,399	728,327,574	679,795,189	6.66%		629,148,319	-8.05%
KWH Sold - Territorial	13,020,000,000	5,985,732,940	6,259,636,342	4.58%		6,537,603,000	-4.25%
KWH Sold - Off System	-	-	102,494,000			18,694,000	
	13,020,000,000	5,985,732,940	6,362,130,342	6.29%		6,556,297,000	-2.96%

* Gross debt service

** Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income.

Water and Sewer System

Budget vs. Actual April 2017 and 2016	Month				Prior Year Month	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %

REVENUES

Water & Sewer Revenues	\$ 405,586,412	\$ 33,641,250	\$ 37,198,764		\$ 33,330,277	
Capacity & Extension Fees	19,000,000	1,583,333	2,940,113		2,006,458	
Investment Income	3,152,787	262,732	320,134		257,802	
Other Income	11,638,859	764,432	1,029,056		965,117	
Total	439,378,058	36,251,747	41,488,067	14.44%	36,559,654	13.48%

EXPENSES

O & M Expenses	144,148,527	11,470,571	10,717,596		10,128,830	
Debt Principal - Water & Sewer	51,020,000	4,251,667	4,251,667		2,822,916	
Debt Interest - Water & Sewer	71,552,849	5,962,737	5,645,484		5,658,194	
Rate Stabilization - Environmental	-	-	483,835		(583,636)	
R&R - Water & Sewer	22,766,900	1,897,242	1,897,242		1,735,450	
Operating Capital Outlay	92,347,055	12,712,602	12,712,602		10,712,602	
Operating Capital Outlay - Capacity/Extension	19,000,000	1,583,333	2,940,113		2,006,458	
Operating Capital Outlay - Environmental	12,858,706	1,071,559	791,753		1,698,169	
City Contribution Expense	23,552,258	1,962,688	1,962,688		1,872,280	
Uncollectibles & Fees	844,390	70,366	55,000		55,000	
Interlocal Agreements	287,373	287,373	-		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	439,378,058	41,270,138	41,457,980	-0.46%	36,106,263	-14.82%

Total Balance

\$ -	\$ (5,018,391)	\$ 30,087	\$ 453,391
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Sales kgals

Water	36,750,000	3,043,910	3,476,197	14.20%	2,913,709	19.30%
Sewer	27,867,000	2,304,763	2,683,291	16.42%	2,293,146	17.01%
Total	64,617,000	5,348,673	6,159,488	15.16%	5,206,855	18.30%

Budget vs. Actual April 2017 and 2016	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %

REVENUES

Water & Sewer Revenues	\$ 405,586,412	\$ 229,512,943	\$ 241,647,607		\$ 226,713,296	
Capacity & Extension Fees	19,000,000	11,083,333	13,235,381		11,763,713	
Capital Contributions	-	-	4,960		378,795	
Investment Income	3,152,787	1,839,126	3,673,164		1,888,574	
Other Income	11,638,859	7,299,414	6,954,122		9,009,305	
Total	439,378,058	249,734,816	265,515,234	6.32%	249,753,683	6.31%

EXPENSES

O & M Expenses	144,148,527	83,611,379	76,562,499		74,243,998	
Debt Principal - Water & Sewer	51,020,000	29,761,667	29,761,667		19,760,414	
Debt Interest - Water & Sewer	71,552,849	41,739,162	39,868,452		39,835,417	
Rate Stabilization - Environmental	-	-	841,999		3,252,096	
R&R - Water & Sewer	22,766,900	13,280,692	13,280,692		12,148,150	
Operating Capital Outlay	92,347,055	68,615,353	68,615,352		66,410,350	
Operating Capital Outlay - Capacity/Extension	19,000,000	11,083,333	13,235,381		11,763,713	
Operating Capital Outlay - Contributions	-	-	4,960		378,795	
Operating Capital Outlay - Environmental	12,858,706	7,500,912	7,254,196		3,842,209	
City Contribution Expense	23,552,258	13,738,817	13,738,817		13,105,958	
Uncollectibles & Fees	844,390	492,561	56,724		375,847	
Interlocal Agreements	287,373	287,373	287,373		3,000,000	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	439,378,058	270,111,249	263,508,112	2.44%	248,116,947	-6.20%

Total Balance

\$ -	\$ (20,376,433)	\$ 2,007,122	\$ 1,636,736
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Sales kgals

Water	36,750,000	20,178,811	21,156,264	4.84%	19,264,453	9.82%
Sewer	27,867,000	15,351,207	17,129,004	11.58%	15,546,530	10.18%
Total	64,617,000	35,530,018	38,285,268	7.75%	34,810,983	9.98%

District Energy System

Budget vs. Actual April 2017 and 2016	Month				Prior Year Month	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %
REVENUES						
Revenues	\$ 9,247,921	\$ 668,551	\$ 696,827		\$ 621,551	
Investment Income	-	-	3,435		1,854	
Total	9,247,921	668,551	700,262	4.74%	623,405	12.33%
EXPENSES						
O & M Expenses	5,252,918	352,315	354,975		312,879	
Debt Principal - DES	1,640,000	136,667	136,667		135,417	
Debt Interest - DES	1,382,454	115,205	115,204		116,582	
R&R - DES	437,650	36,471	36,471		36,596	
Operating Capital Outlay	534,899	-	-		-	
Total Expenses	9,247,921	640,658	643,317	-0.42%	601,474	-6.96%
Total Balance	\$ -	\$ 27,893	\$ 56,945		\$ 21,931	

Budget vs. Actual April 2017 and 2016	Year-To-Date				Prior-Year-To-Date	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %
REVENUES						
Revenues	\$ 9,247,921	\$ 4,924,594	\$ 4,750,541		\$ 4,614,748	
Investment Income	-	-	16,961		12,435	
Total	9,247,921	4,924,594	4,767,502	-3.19%	4,627,183	3.03%
EXPENSES						
O & M Expenses	5,252,918	2,632,524	2,384,578		2,472,988	
Debt Principal - DES	1,640,000	956,667	956,667		947,917	
Debt Interest - DES	1,382,454	806,432	806,431		816,072	
R&R - DES	437,650	255,296	255,296		256,171	
Operating Capital Outlay	534,899	-	-		-	
Total Expenses	9,247,921	4,650,919	4,402,972	5.33%	4,493,148	2.01%
Total Balance	\$ -	\$ 273,675	\$ 364,530		\$ 134,035	

JEA
Electric System
Schedule of Debt Service Coverage
(in thousands - unaudited)

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	Month April		Year-to-Date April	
	2017	2016	2017	2016
Revenues				
Electric	\$ 93,777	\$ 89,856	\$ 631,962	\$ 628,501
Investment income (1)	468	313	3,095	1,782
Earnings from The Energy Authority	857	491	4,021	1,955
Other, net (2)	1,966	2,001	14,908	14,240
Plus: amount paid from the rate stabilization fund into the revenue fund	7,794	1,031	43,251	61,200
Less: amount paid from the revenue fund into the rate stabilization fund	(862)	(4,530)	(9,586)	(66,547)
Total revenues	104,000	89,162	687,651	641,131
Operating expenses (3)				
Fuel	18,440	16,156	129,449	124,643
Purchased power (4)	28,763	24,089	153,126	133,687
Other operation and maintenance	14,054	15,774	107,043	108,655
State utility taxes and franchise fees	4,263	4,173	30,737	31,023
Total operating expenses	65,520	60,192	420,355	398,008
Net revenues	\$ 38,480	\$ 28,970	\$ 267,296	\$ 243,123
Debt service	\$ 5,967	\$ 6,672	\$ 41,694	\$ 45,882
Less: investment income on sinking fund	(122)	(1,388)	(821)	(2,018)
Less: Build America Bonds subsidy	(126)	(126)	(884)	(885)
Debt service requirement	\$ 5,719	\$ 5,158	\$ 39,989	\$ 42,979
Senior debt service coverage (5), (min 1.20x)	6.73 x	5.62 x	6.68 x	5.66 x
Net revenues (from above)	\$ 38,480	\$ 28,970	\$ 267,296	\$ 243,123
Debt service requirement (from above)	\$ 5,719	\$ 5,158	\$ 39,989	\$ 42,979
Plus: aggregate subordinated debt service on outstanding subordinated bonds	13,396	8,215	70,884	57,285
Less: Build America Bonds subsidy	(174)	(174)	(1,207)	(1,216)
Total debt service requirement and aggregate subordinated debt service	\$ 18,941	\$ 13,199	\$ 109,666	\$ 99,048
Senior and subordinated debt service coverage (6), (min 1.15x)	2.03 x	2.19 x	2.44 x	2.45 x
Fixed charge coverage (7)	1.51 x	1.46 x	1.74 x	1.60 x

(1) Excludes investment income on sinking funds.

(2) Excludes the Build America Bonds subsidy.

(3) Excludes depreciation and recognition of deferred costs and revenues, net.

(4) In accordance with the requirements of the Electric System Resolution, all the contract debt payments from the Electric System to the SJRPP and Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of the SJRPP and Bulk Power Systems are reflected as a purchased power expense on these schedules. These schedules do not include revenues of the SJRPP and Bulk Power Supply System, except that the purchased power expense is net of interest income on funds maintained under the SJRPP and Bulk Power Supply System resolutions.

(5) Net revenues divided by debt service requirement. Minimum annual coverage is 1.20x.

(6) Net revenues divided by total debt service requirement and aggregate subordinated debt service. Minimum annual coverage is 1.15x.

(7) Net revenues plus JEA's share of SJRPP's and Bulk Power Supply System's debt service less city contribution divided by the sum of the adjusted debt service requirement and JEA's share of SJRPP's and Bulk Power Supply System's debt service.

JEA
Bulk Power Supply System
Schedule of Debt Service Coverage
(in thousands - unaudited)

	Month April		Year-to-Date April	
	2017	2016	2017	2016
Revenues				
JEA	\$ 5,917	\$ 5,952	\$ 37,980	\$ 38,031
Investment Income	10	10	76	75
Total revenues	5,927	5,962	38,056	38,106
Operating expenses (1)				
Fuel	3,090	162	21,493	14,730
Other operations and maintenance	1,673	3,020	8,593	11,055
Total operating expenses	4,763	3,182	30,086	25,785
Net revenues	\$ 1,164	\$ 2,780	\$ 7,970	\$ 12,321
Aggregate debt service	\$ 806	\$ 897	\$ 5,646	\$ 6,276
Less: Build America Bonds subsidy	(58)	(61)	(408)	(430)
Aggregate debt service	\$ 748	\$ 836	\$ 5,238	\$ 5,846
Debt service coverage (2)	1.56 x	3.33 x	1.52 x	2.11 x

(1) Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues.

(2) Net revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

St. Johns River Power Park System
Schedule of Debt Service Coverage - 1st Resolution
(in thousands - unaudited)

	Month April		Year-to-Date April	
	2017	2016	2017	2016
Revenues				
JEA	\$ 14,449	\$ 10,735	\$ 69,270	\$ 58,715
FPL	12,200	10,844	68,734	66,485
Investment income	296	365	2,151	2,193
Total revenues	26,945	21,944	140,155	127,393
Operating expenses (1)				
Fuel	16,659	13,671	80,797	71,007
Other operations and maintenance	5,848	3,403	25,107	19,033
Total operating expenses	22,507	17,074	105,904	90,040
Net revenues	\$ 4,438	\$ 4,870	\$ 34,251	\$ 37,353
Aggregate debt service	\$ 3,960	\$ 4,344	\$ 27,720	\$ 30,405
Debt service coverage (2)	1.12 x	1.12 x	1.24 x	1.23 x

(1) Excludes depreciation and recognition of deferred costs and revenues, net

(2) Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.25x.

St. Johns River Power Park System
Schedule of Debt Service Coverage - 2nd Resolution
(in thousands - unaudited)

	Month April		Year-to-Date April	
	2017	2016	2017	2016
Revenues				
JEA	\$ 1,047	\$ 1,047	\$ 8,333	\$ 8,302
Investment income	17	17	144	114
Total revenues	1,064	1,064	8,477	8,416
Operating expenses	-	-	-	-
Net revenues	\$ 1,064	\$ 1,064	\$ 8,477	\$ 8,416
Aggregate debt service	\$ 1,079	\$ 1,081	\$ 7,555	\$ 7,524
Less: Build America Bonds subsidy	(32)	(34)	(227)	(239)
Aggregate debt service	\$ 1,047	\$ 1,047	\$ 7,328	\$ 7,285
Debt service coverage (1)	1.02 x	1.02 x	1.16 x	1.16 x

(1) Effective July 14, 2014, the St. Johns River Power Park System Second Revenue Bond Resolution was amended to exclude from revenues the subsidy related to Build America Bonds.

(2) Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues under the 1st resolution

(3) Effective July 14, 2014, the St. Johns River Power Park System Second Revenue Bond Resolution was amended to exclude from interest in aggregate debt service the subsidy related to Build America Bonds.

(4) Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.15x.

(5) Had the Build America Bonds subsidy not been excluded from revenues and not been excluded from interest in aggregate debt service, current year-to-date debt service coverage would have been 1.15x.

JEA
Water and Sewer
Schedule of Debt Service Coverage
(in thousands - unaudited)

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	Month April		Year-to-Date April	
	2017	2016	2017	2016
Revenues				
Water	\$ 15,737	\$ 13,799	\$ 99,847	\$ 92,491
Water capacity fees (1)	1,046	734	4,705	4,216
Sewer	22,314	20,320	147,714	139,612
Sewer capacity fees (1)	1,895	1,272	8,531	7,547
Investment Income	323	261	3,697	1,913
Other (2)	817	753	5,476	7,526
Plus: amounts paid from the rate stabilization fund into the revenue fund	1,648	2,427	12,682	8,988
Less: amounts paid from the revenue fund into the rate stabilization fund	(2,132)	(1,876)	(13,524)	(12,541)
Total revenues	41,648	37,690	269,128	249,752
Operating expenses				
Operations and maintenance (3)	11,750	11,169	83,122	82,882
Total operating expenses	11,750	11,169	83,122	82,882
Net revenues	\$ 29,898	\$ 26,521	\$ 186,006	\$ 166,870
Aggregate debt service	\$ 8,151	\$ 7,131	\$ 56,949	\$ 49,646
Less: Build America Bonds subsidy	(208)	(209)	(1,458)	(1,460)
Aggregate debt service	\$ 7,943	\$ 6,922	\$ 55,491	\$ 48,186
Senior debt service coverage (4), (min 1.25x)	3.76 x	3.83 x	3.35 x	3.46 x
Net revenues (from above)	\$ 29,898	\$ 26,521	\$ 186,006	\$ 166,870
Aggregate debt service (from above)	\$ 7,943	\$ 6,922	\$ 55,491	\$ 48,186
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,475	1,059	10,241	7,241
Total aggregate debt service and aggregate subordinated debt service	\$ 9,418	\$ 7,981	\$ 65,732	\$ 55,427
Senior and subordinated debt service coverage (5)	3.17 x	3.32 x	2.83 x	3.01 x
Fixed charge coverage	2.97 x	3.09 x	2.62 x	2.72 x

- (1) Effective October 1, 2001, the Water and Sewer Bond Resolution was amended to include capacity fees in total revenues. Had such capacity fees not been included in the calculation for the year-to-date periods ending April 2017 and 2016, then the debt service coverage would have been 2.63x and 2.8x.
- (2) Excludes the Build America Bonds subsidy.
- (3) Excludes depreciation and recognition of deferred costs and revenues, net.
- (4) Net revenues divided by aggregate debt service. Minimum annual coverage is 1.25x.
- (5) Net revenues divided by total aggregate debt service and aggregate subordinated debt service. Minimum annual coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges). Based on the first requirement, minimum annual coverage is 2.63x and 2.8x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$67,780 and \$56,875 for the year-to-date periods ending April 2017 and 2016.

District Energy System
Schedule of Debt Service Coverage
(in thousands - unaudited)

	Month April		Year-to-Date April	
	2017	2016	2017	2016
Revenues				
Service revenues	\$ 697	\$ 622	\$ 4,751	\$ 4,615
Investment income	3	2	17	12
Total revenues	700	624	4,768	4,627
Operating expenses (1)				
Operations and maintenance	356	314	2,392	2,458
Total operating expenses	356	314	2,392	2,458
Net revenues	\$ 344	\$ 310	\$ 2,376	\$ 2,169
Aggregate debt service (2)	\$ 252	\$ 252	\$ 1,763	\$ 1,764
Debt service coverage (3) (min 1.15x)	1.37 x	1.23 x	1.35 x	1.23 x

- (1) Excludes depreciation.
- (2) On June 19, 2013, the closing date of the District Energy System Refunding Revenue Bonds, 2013 Series A, the JEA covenanted to deposit into the 2013 Series A Bonds Subaccount from Available Water and Sewer System Revenues an amount equal to the Aggregate DES Debt Service Deficiency that exists with respect to the 2013 Series A Bonds, in the event that the amount on deposit in the Debt Service Account in the Debt Service Fund in accordance with the District Energy System Resolution is less than Accrued Aggregate Debt Service as of the last business day of the then current month.
- (3) Net Revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

Electric System, St. Johns River Power Park System and Scherer
Principal Amount of Debt Outstanding and Average Interest Rates
April 2017

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric System - Fixed Rate Bonds				
Series Three 2004 A	5.000%	2039	\$ 5,000	\$ -
Series Three 2005 B	4.750%	2033	100,000	-
Series Three 2009 C	5.000%	2017	3,355,000	3,355,000
Series Three 2009 D	6.056%	2033-2044	45,955,000	-
Series Three 2010 A	4.000%	2017-2020	14,980,000	4,915,000
Series Three 2010 C	4.000 - 4.500%	2021-2031	8,975,000	-
Series Three 2010 D	4.000 - 5.000%	2017-2038	79,470,000	4,635,000
Series Three 2010 E	5.350 - 5.482%	2028-2040	34,255,000	-
Series Three 2012A	4.000 - 4.500%	2023-2033	60,750,000	-
Series Three 2012B	2.000 - 5.000%	2017-2039	128,250,000	615,000
Series Three 2013A	2.500 - 5.000%	2017-2026	93,815,000	8,625,000
Series Three 2013B	1.875 - 5.000%	2021-2038	7,500,000	-
Series Three 2013C	4.000 - 5.000%	2017-2030	28,685,000	2,460,000
Series Three 2014A	2.600 - 5.000%	2017-2034	32,305,000	2,050,000
Series Three 2015A	2.500 - 5.000%	2017-2041	79,495,000	140,000
Series Three 2015B	3.000 - 5.000%	2017-2031	36,005,000	6,480,000
Series Three 2017A	5.000%	2019	18,670,000	-
Total Fixed Rate Senior Bonds			672,570,000	33,275,000
2009 Series A	5.625%	2029-2032	21,140,000	-
2009 Series D	5.000%	2017-2018	23,925,000	12,265,000
2009 Series E	4.000%	2017-2018	2,215,000	1,920,000
2009 Series F	4.625 - 6.406%	2017-2034	64,670,000	1,000,000
2009 Series G	4.000 - 5.000%	2018-2021	16,090,000	-
2010 Series A	3.000%	2017	710,000	710,000
2010 Series B	3.000 - 5.000%	2017-2024	7,535,000	900,000
2010 Series C	3.125 - 4.000%	2020-2027	4,385,000	-
2010 Series D	3.500 - 5.582%	2017-2027	45,575,000	1,450,000
2012 Series A	3.000 - 5.000%	2017-2033	88,500,000	4,590,000
2012 Series B	2.250 - 5.000%	2017-2037	93,750,000	3,970,000
2013 Series A	2.500 - 5.000%	2017-2030	54,110,000	295,000
2013 Series B	2.500 - 5.000%	2017-2026	25,385,000	2,625,000
2013 Series C	1.375 - 5.000%	2017-2038	80,390,000	2,060,000
2013 Series D	2.625 - 5.250%	2017-2035	124,025,000	10,390,000
2014 Series A	4.000 - 5.000%	2017-2039	206,105,000	11,210,000
2017 Series A	2.000 - 5.000%	2017-2019	71,735,000	39,945,000
Total Fixed Rate Subordinated Bonds			930,245,000	93,330,000
Total Fixed Rate Electric System Bonds/4.619%			1,602,815,000	126,605,000
Electric System - Variable Rate Bonds				
	Current Interest Rates (1)			
Series Three 2008 A	0.905%	2027-2036	51,680,000	-
Series Three 2008 B-1	1.299%	2017-2040	60,395,000	375,000
Series Three 2008 B-2	0.905%	2025-2040	41,900,000	-
Series Three 2008 B-3	0.905%	2024-2036	37,000,000	-
Series Three 2008 B-4	1.299%	2017-2036	49,810,000	400,000
Series Three 2008 C-1	0.906%	2024-2034	44,145,000	-
Series Three 2008 C-2	0.906%	2024-2034	43,900,000	-
Series Three 2008 C-3	0.939%	2030-2038	25,000,000	-
Series Three 2008 D-1	1.299%	2017-2036	111,420,000	2,520,000
Total Variable Rate Senior Bonds			465,250,000	3,295,000
Series 2000 A	0.790%	2021-2035	30,965,000	-
Series 2000 F-1	0.910%	2026-2030	37,200,000	-
Series 2000 F-2	0.860%	2026-2030	24,800,000	-
Series 2008 D	0.821%	2024-2038	39,455,000	-
Total Variable Rate Subordinated Bonds			132,420,000	-
Total Variable Rate Bonds			597,670,000	3,295,000
Total Electric System Bonds			2,200,485,000	129,900,000
St. Johns River Power Park - Fixed Rate Bonds				
Issue 2 Series 17	4.700%	2019	100,000	-
Issue 2 Series 18	4.500%	2018	50,000	-
Issue 2 Series 19	4.600%	2017	100,000	100,000
Issue 2 Series 20	4.500%	2021	100,000	-
Issue 2 Series 21	5.000%	2021	5,000	-
Issue 2 Series 22	4.000%	2019	5,000	-
Issue 2 Series 23	3.000 - 5.000%	2017-2021	64,910,000	23,205,000
Issue 2 Series 24	4.000%	2017-2021	29,625,000	16,350,000
Issue 2 Series 25	3.000%	2021	45,000	-
Issue 2 Series 26	2.000 - 5.000%	2019-2021	65,970,000	-
Issue 2 Series 27	1.888 - 2.505%	2019-2021	7,025,000	-
Issue 3 Series 1	4.500%	2037	100,000	-
Issue 3 Series 2	5.000%	2034-2037	29,370,000	-
Issue 3 Series 4	4.200 - 5.450%	2017-2028	24,085,000	1,675,000
Issue 3 Series 6	2.375 - 5.000%	2019-2037	91,330,000	-
Issue 3 Series 7	2.000 - 5.000%	2019-2033	79,500,000	-
Issue 3 Series 8	2.000 - 5.000%	2019-2039	57,895,000	-
Total Fixed Rate St. Johns River Power Park Bonds/4.094%			450,215,000	41,330,000
Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds				
Series 2010A	4.250 - 5.920%	2017-2030	39,875,000	2,475,000
Series 2014A	2.000 - 5.000%	2017-2038	66,050,000	2,730,000
Total Fixed Rate Bulk Power Supply System Bonds/4.302%			105,925,000	5,205,000
Weighted Average Cost(2) / Total Outstanding Debt		3.443%	\$ 2,756,625,000	\$ 176,435,000

(1) Current month interest rate excluding variable debt fees.

(2) Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and excludes variable debt liquidity/restructuring fees and interest rate swap payments.

	Electric System	Power Park	Issue Three
• Remaining New Money Authorization	\$ 465,160,992	\$ 103,865,000	
• Remaining Senior Refunding Authorization	\$ 1,220,932,381	\$ 250,810,000	
• Remaining Subordinated Refunding Authorization	\$ 820,643,000	n/a	

JEA
Water and Sewer System
Principal Amount of Debt Outstanding and Average Interest Rates
April 2017

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Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2009 Series B	3.750 - 5.000%	2017-2019	\$ 25,565,000	\$ 7,270,000
2010 Series A	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B	4.500 - 5.700%	2017-2025	15,570,000	1,730,000
2010 Series C	5.000%	2020	9,545,000	-
2010 Series D	4.000 - 5.000%	2017-2039	101,850,000	4,125,000
2010 Series E	4.000 - 5.000%	2021-2039	60,990,000	-
2010 Series F	3.200 - 5.887%	2017-2040	45,520,000	1,245,000
2012 Series A	3.000 - 5.000%	2017-2041	317,935,000	1,535,000
2012 Series B	2.000 - 5.000%	2017-2041	130,085,000	1,725,000
2013 Series A	4.000 - 5.000%	2017-2027	89,740,000	10,950,000
2013 Series B	1.882%	2017	3,830,000	3,830,000
2014 Series A	2.000 - 5.000%	2017-2040	284,595,000	4,420,000
Total Fixed Rate Senior Bonds			1,168,340,000	36,830,000
2010 Series A	5.000%	2017-2022	13,150,000	2,525,000
2010 Series B	3.000 - 5.000%	2020-2025	12,770,000	-
2012 Series A	3.000 - 4.000%	2021-2033	20,320,000	-
2012 Series B	3.250 - 5.000%	2030-2043	41,640,000	-
2013 Series A	2.125 - 5.000%	2017-2029	72,250,000	5,410,000
Total Fixed Rate Subordinated Bonds			160,130,000	7,935,000
Total Fixed Rate Bonds/4.622%			1,328,470,000	44,765,000
Variable Rate Bonds				
	Current Interest Rates (1)			
2006 Series B - CPI Bonds	3.468% (2)	2017-2022	34,625,000	4,255,000
2008 Series A-2	0.916%	2028-2042	51,820,000	-
2008 Series B	0.905%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			171,735,000	4,255,000
2008 Series A-1	0.821%	2017-2038	52,950,000	2,000,000
2008 Series A-2	0.918%	2030-2038	25,600,000	-
2008 Series B-1	0.920%	2030-2036	30,885,000	-
Total Variable Rate Subordinated Bonds			109,435,000	2,000,000
Total Variable Rate Bonds			281,170,000	6,255,000
Other Obligations				
Revolving Credit Agreement	2.033%	2018	3,000,000	-
Total Other Obligations			3,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt		3.708%	\$ 1,612,640,000	\$ 51,020,000

(1) Current month interest rate excluding variable debt fees.

(2) Designated swap obligation. The rate shown is the weighted average of the variable CPI Index rates for the 6 month re-set period.

(3) Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and excludes variable debt liquidity/remarketing fees and interest rate swap payments.

- Remaining New Money Authorization \$ 218,078,023
- Remaining Refunding Authorization \$ 1,231,973,942

JEA
District Energy System
Principal Amount of Debt Outstanding and Average Interest Rates
April 2017

Issue/Average Coupon	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2013 Series A/4.036%	1.425 - 4.538%	2017-2034	\$ 38,125,000	\$ 1,640,000
Weighted Average Cost(1) / Total Outstanding Debt		4.092%	\$ 38,125,000	\$ 1,640,000

(1) Weighted Average Cost of debt is net of original issue premiums/discounts.

- Remaining New Money Authorization \$ 54,321,245
- Remaining Refunding Authorization \$ 106,670,000

JEA
INVESTMENT PORTFOLIO REPORT
April 2017
All Funds

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INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL	LAST MONTH	6 MONTH AVERAGE
* Treasuries	\$ 16,296,298	0.70%	1.15%	1.11%	1.09%
Agencies					
Federal Farm Credit Bank	215,957,706	1.08%	15.20%	12.16%	13.96%
Federal Home Loan Bank	424,848,434	1.15%	29.90%	28.94%	26.56%
Total	640,806,141	1.12%	45.10%	41.09%	40.53%
Municipal Bonds	311,783,392	2.02%	21.94%	20.49%	19.41%
Commercial Paper	273,672,603	1.07%	19.26%	16.46%	20.78%
U.S. Treasury Money Market Funds (1)	44,733,354	0.61%	3.15%	4.99%	2.98%
Agency Money Market Funds (2)	6,925,000	0.67%	0.49%	2.97%	4.14%
PFM Money Market Fund	70,000,000	1.01%	4.93%	4.77%	4.81%
Wells Fargo Bank Accounts (3)					
Electric, Scherer	31,619,936	0.57%	2.23%	4.11%	2.85%
SJRPP	22,198,330	0.57%	1.56%	1.61%	1.55%
Water & Sewer, DES	2,966,982	0.57%	0.21%	2.38%	1.88%
Total Portfolio	\$ 1,421,002,035	1.25%	100.00%	100.00%	100.00%

* Backed by Full Faith and Credit of U. S. Government

Weighted Avg. Annual Yield for April 2017, Excluding Bank & Money Market Funds: 1.33%

Weighted Avg. Annual Yield for April 2017, Including Bank & Money Market Funds: 1.25%

Some investments listed above may be classified as Cash Equivalents on the Statements of Net Position in accordance with generally accepted accounting principles.

(1) Morgan Stanley Treasury Fund; Fidelity Treasury Fund; Federated Treasury Fund

(2) Morgan Stanley Government Fund

(3) Month-end bank balances

**JEA
Interest Rate Swap Position Report
April 2017**

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JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Electric System Allocation	Water/Sewer Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
1	Goldman Sachs	9/18/2003	9/18/2033	\$ 84,800,000	\$ -	3.717	0.668	3.049	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	0.899	3.451	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	86,000,000	-	3.661	0.668	2.993	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	0.668	3.048	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	34,625,000	4.012	3.468	0.544	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	0.899	3.008	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	0.899	2.996	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	0.899	2.937	n/a	SIFMA
Total				<u>\$ 407,210,000</u>	<u>\$ 119,915,000</u>	Wtd Avg Spread		2.914		

Notes: (1) The "Floating Rate" column is the average of the floating rate for each instrument for this month.

	Month April			Year-To-Date April		
	2017	2016	Variance	2017	2016	Variance
Electric revenues sales (000's omitted):						
Residential	\$ 43,230	\$ 39,090	10.59%	\$ 291,907	\$ 291,599	0.11%
Commercial	31,073	31,082	-0.03%	210,698	208,367	1.12%
Industrial	16,368	16,757	-2.32%	108,066	107,158	0.85%
Public street lighting	1,075	1,154	-6.85%	7,684	7,824	-1.79%
Sales for resale - territorial	1,083	1,882	-42.45%	10,276	14,086	-27.05%
Electric revenues - territorial	92,829	89,965	3.18%	628,631	629,034	-0.06%
Sales for resale - off system	948	34	2688.24%	3,331	493	575.66%
Electric revenues	93,777	89,999	4.20%	631,962	629,527	0.39%
Less: rate stabilization & recovery	6,932	(3,499)	-298.11%	33,665	(5,347)	-729.61%
Less: allowance for doubtful accounts	-	(143)	-100.00%	-	(1,026)	-100.00%
Net electric revenues	100,709	86,357	16.62%	665,627	623,154	6.82%
MWh sales						
Residential	376,493	334,374	12.60%	2,527,554	2,626,338	-3.76%
Commercial	317,002	310,452	2.11%	2,135,064	2,173,474	-1.77%
Industrial	225,755	226,438	-0.30%	1,460,649	1,518,540	-3.81%
Public street lighting	5,150	6,930	-25.69%	40,064	47,890	-16.34%
Sales for resale - territorial	9,163	21,819	-58.00%	96,307	171,361	-43.80%
Total MWh sales - territorial	933,563	900,013	3.73%	6,259,638	6,537,603	-4.25%
Sales for resale - off system	27,625	1,414	1853.68%	102,494	18,694	448.27%
Total MWH sales	961,188	901,427	6.63%	6,362,132	6,556,297	-2.96%
Number of accounts (1)						
Residential	403,653	397,213	1.62%	401,791	395,133	1.69%
Commercial	51,894	51,304	1.15%	51,770	51,115	1.28%
Industrial	205	201	1.99%	204	203	0.49%
Public street lighting	3,725	3,660	1.78%	3,710	3,630	2.20%
Sales for resale	2	2	0.00%	2	2	0.00%
Total average accounts	459,479	452,380	1.57%	457,477	450,083	1.64%
Residential averages						
Revenue per account - \$	107.10	98.41	8.83%	726.51	737.98	-1.55%
kWh per account	933	842	10.81%	6,291	6,647	-5.36%
Revenue per kWh - ¢	11.48	11.69	-1.80%	11.55	11.10	4.05%
Degree days						
Heating degree days	21	21	-	782	943	(161)
Cooling degree days	176	134	42	656	779	(123)
Total degree days	197	155	42	1,438	1,722	(284)
Degree days - 30 year average	168			1,819		

(1) The year-to-date column represents a fiscal year-to-date average.

	Month April			Year-To-Date April		
	2017	2016	Variance	2017	2016	Variance
Water						
<i>Revenues (000's omitted):</i>						
Residential	\$ 8,293	\$ 7,310	13.45%	\$ 52,794	\$ 49,430	6.81%
Commercial and industrial	3,831	3,804	0.71%	26,706	26,532	0.66%
Irrigation	3,635	2,708	34.23%	20,370	16,679	22.13%
Total water revenues	15,759	13,822	14.01%	99,870	92,641	7.80%
Less: rate stabilization environmental	(1,304)	(1,116)	16.85%	(8,137)	(7,356)	10.62%
Less: allowance for doubtful accounts	(22)	(22)	0.00%	(23)	(150)	-84.67%
Net water revenues	\$ 14,433	\$ 12,684	13.79%	\$ 91,710	\$ 85,135	7.72%
<i>Kgal sales (000s omitted)</i>						
Residential	1,705,600	1,381,730	23.44%	10,054,807	9,105,513	10.43%
Commercial and industrial	1,093,820	1,077,256	1.54%	7,610,022	7,556,657	0.71%
Irrigation	676,777	454,723	48.83%	3,491,435	2,602,283	34.17%
Total kgal sales	3,476,197	2,913,709	19.30%	21,156,264	19,264,453	9.82%
<i>Number of accounts (1):</i>						
Residential	279,343	272,555	2.49%	277,353	270,628	2.48%
Commercial and industrial	25,450	24,792	2.65%	25,361	24,427	3.82%
Irrigation	36,759	36,238	1.44%	36,600	36,158	1.22%
Total average accounts	341,552	333,585	2.39%	339,314	331,213	2.45%
<i>Residential averages:</i>						
Revenue per account - \$	29.69	26.82	10.70%	190.35	182.65	4.22%
Kgals per account	6.11	5.07	20.51%	36.25	33.65	7.73%
Revenue per kgals - \$	4.86	5.29	-8.13%	5.25	5.43	-3.31%
Sewer						
<i>Revenues (000's omitted):</i>						
Residential	\$ 12,669	\$ 11,119	13.94%	\$ 80,359	\$ 75,020	7.12%
Commercial and industrial	8,453	8,337	1.39%	60,364	60,107	0.43%
Total sewer revenues	21,122	19,456	8.56%	140,723	135,127	4.14%
Less: rate stabilization environmental	820	1,666	-50.78%	7,295	3,803	91.82%
Less: allowance for doubtful accounts	(33)	(33)	0.00%	(34)	(226)	-84.96%
Net sewer revenues	21,909	21,089	3.89%	147,984	138,704	6.69%
<i>Kgal sales (000s omitted)</i>						
Residential	1,463,320	1,179,335	24.08%	8,681,929	7,807,637	11.20%
Commercial and industrial	908,113	887,035	2.38%	6,574,637	6,514,621	0.92%
Total kgal sales	2,371,433	2,066,370	14.76%	15,256,566	14,322,258	6.52%
<i>Number of accounts (1):</i>						
Residential	246,659	240,091	2.74%	244,759	238,273	2.72%
Commercial and industrial	18,151	17,998	0.85%	18,112	17,928	1.03%
Total average accounts	264,810	258,089	2.60%	262,871	256,201	2.60%
<i>Residential averages:</i>						
Revenue per account - \$	51.36	46.31	10.90%	328.32	314.85	4.28%
kgals per account	5.93	4.91	20.77%	35.47	32.77	8.24%
Revenue per kgals - \$	8.66	9.43	-8.17%	9.26	9.61	-3.64%
Reuse						
<i>Revenues (000's omitted):</i>						
Reuse revenues	\$ 1,225	\$ 897	36.57%	\$ 7,025	\$ 4,711	49.12%
<i>Kgal sales (000s omitted)</i>						
Kgal sales (000s omitted)	311,858	226,776	37.52%	1,872,438	1,224,272	52.94%
<i>Number of accounts (1):</i>						
Reuse accounts	9,452	7,581	24.68%	8,982	7,116	26.22%
Rainfall						
	Diff in inches			Diff in inches		
Normal	2.64	2.64		21.92	21.92	
Actual	0.74	2.69	(1.95)	19.03	16.85	2.18
Rain Days	3	7		31	52	

(1) The year-to-date column represents a fiscal year-to-date average.

	Month April			Year-To-Date April			
	2017	2016	Variance	2017	2016	Variance	
Generated power:							
Steam:							
<i>Fuel oil</i>							
Fuel expense	\$ -	\$ -		\$ 101,111	\$ 2,722,252	-96.29%	
Barrels #6 oil consumed	-	-		747	25,588	-97.08%	
\$/ per barrel consumed				\$ 135.36	\$ 106.39	27.23%	
kWh oil generated (1)	-	-		376,100	14,404,324	-97.39%	
Cost per MWh - oil				\$ 268.84	\$ 188.99	42.25%	
<i>Natural gas units #1-3</i>							
Gas expense - variable	\$ 6,105,665	\$ 1,453,716	320.00%	\$ 15,093,290	\$ 17,018,183	-11.31%	
MMBTU's consumed	1,773,750	565,167	213.85%	4,644,092	7,180,712	-35.33%	
\$/ per MMBTU consumed	\$ 3.44	\$ 2.57	33.83%	\$ 3.25	\$ 2.37	37.13%	
kWh - gas generated (1)	168,072,494	49,013,865	242.91%	420,829,730	677,960,641	-37.93%	
Cost per MWh - gas	\$ 36.33	\$ 29.66	22.48%	\$ 35.87	\$ 25.10	42.88%	
Cost per MWh - gas & oil - steam	\$ 36.33	\$ 29.66	22.48%	\$ 36.07	\$ 28.51	26.52%	
<i>Coal</i>							
Coal expense	\$ 288,518	\$ 2,471,375	-88.33%	\$ 7,445,573	\$ 13,932,441	-46.56%	
kWh generated	8,238,372	118,828,075	-93.07%	256,883,826	625,420,006	-58.93%	
Cost per MWh - coal	\$ 35.02	\$ 20.80	68.39%	\$ 28.98	\$ 22.28	30.11%	
<i>Pet coke and limestone</i>							
Expense	\$ 780,005	\$ 3,920,196	-80.10%	\$ 15,230,216	\$ 23,625,229	-35.53%	
kWh generated	19,049,000	221,902,541	-91.42%	457,591,606	1,116,172,742	-59.00%	
Cost per MWh - pet coke and limestone	\$ 40.95	\$ 17.67	131.78%	\$ 33.28	\$ 21.17	57.25%	
Cost per MWh - coal & petcoke - steam	\$ 39.16	\$ 18.76	108.75%	\$ 31.74	\$ 21.57	47.17%	
Combustion turbine:							
<i>Fuel oil</i>							
Fuel expense	\$ 23,468	\$ 30,073	-21.96%	\$ 499,950	\$ 316,116	58.15%	
Barrels #2 oil consumed	24	116	-79.31%	4,239	1,574	169.31%	
\$/ per barrel consumed	\$ 977.83	\$ 259.25	277.18%	\$ 117.94	\$ 200.84	-41.28%	
kWh - oil generated	18,928	61,692	-69.32%	1,393,258	343,451	305.66%	
Cost per MWh - oil	\$ 1,239.84	\$ 487.47	154.34%	\$ 358.84	\$ 920.41	-61.01%	
<i>Natural gas (includes landfill)</i>							
Gas expense Kennedy & landfill - variable	\$ 123,125	\$ 83,230	47.93%	\$ 659,724	\$ 499,843	31.99%	
MMBTU's consumed	36,288	32,349	12.18%	201,921	207,609	-2.74%	
\$/ per MMBTU consumed	\$ 3.39	\$ 2.57	31.88%	\$ 3.27	\$ 2.41	35.70%	
kWh - gas generated (1)	2,820,263	2,482,241	13.62%	15,245,787	15,732,542	-3.09%	
Cost per MWh - gas	\$ 43.66	\$ 33.53	30.20%	\$ 43.27	\$ 31.77	36.20%	
Gas expense BB simple - variable	\$ 109,355	\$ 202,680	-46.05%	\$ 919,915	\$ 952,229	-3.39%	
MMBTU's consumed	\$ 11,857	\$ 56,928	-79.17%	\$ 264,366	\$ 412,177	-35.86%	
\$/ per MMBTU consumed	\$ 9.22	\$ 3.56	159.05%	\$ 3.48	\$ 2.31	50.62%	
kWh - gas generated (1)	2,830,499	3,846,010	-26.40%	24,461,084	35,021,505	-30.15%	
Cost per MWh - gas simple	\$ 38.63	\$ 52.70	-26.69%	\$ 37.61	\$ 27.19	38.31%	
Gas expense BB combined - variable	\$ 4,630,236	\$ (44,739)		\$ 51,725,443	\$ 25,698,339	101.28%	
MMBTU's consumed	1,403,107	(11,352)		16,080,067	11,101,600	44.84%	
\$/ per MMBTU consumed	\$ 3.30	\$ 3.94		\$ 3.22	\$ 2.31	38.96%	
kWh - gas generated (1)	206,563,427	(638,405)		2,326,175,681	1,622,017,692	43.41%	
Cost per MWh - gas combined	\$ 22.42	\$ 70.08		\$ 22.24	\$ 15.84	40.35%	
Gas expense GEC simple - variable	\$ 1,838,380	\$ 3,372,939	-45.50%	\$ 2,567,611	\$ 4,343,708	-40.89%	
MMBTU's consumed	594,198	1,805,164	-67.08%	882,535	2,226,410	-60.36%	
\$/ per MMBTU consumed	\$ 3.09	\$ 1.87	65.58%	\$ 2.91	\$ 1.95	49.12%	
kWh - gas generated	55,736,982	162,964,982	-65.80%	80,937,099	198,498,609	-59.23%	
Cost per MWh - gas simple	\$ 32.98	\$ 20.70	59.36%	\$ 31.72	\$ 21.88	44.97%	
Cost per MWh - gas & oil ct	\$ 25.09	\$ 21.60	16.18%	\$ 23.03	\$ 17.00	35.48%	
Natural gas expense - fixed	\$ 3,004,057	\$ 1,908,888	57.37%	\$ 21,142,556	\$ 17,163,467	23.18%	
Total generated power:							
Fuels expense	\$ 16,902,809	\$ 13,398,358	26.16%	\$ 115,385,389	\$ 106,271,807	8.58%	
kWh generated	463,329,965	558,461,001	-17.03%	3,583,894,171	4,305,571,512	-16.76%	
Cost per MWh	\$ 36.48	\$ 23.99	52.06%	\$ 32.20	\$ 24.68	30.44%	

(1) Allocation of kWh generated is based upon a ratio of gas MBTU's (adjusted to oil equivalent - 95.5%) and oil MBTU's.

Cost of fuels

Fuel oil #6	\$ -	\$ -		\$ 101,111	\$ 2,722,252		
Natural gas units #1-3 with landfill - variable	6,105,665	1,453,716		15,093,290	17,018,183		
Coal	288,518	2,471,375		7,445,573	13,932,441		
Petcoke	780,005	3,920,196		15,230,216	23,625,229		
Fuel oil #2	23,468	30,073		499,950	316,116		
Natural gas - simple cycle (BB & GEC) - variable	2,070,860	3,658,849		4,147,250	5,795,780		
Natural gas - combined (BB) - variable	4,630,236	(44,739)		51,725,443	25,698,339		
Natural gas - fixed	3,004,057	1,908,888		21,142,556	17,163,467		
Total	\$ 16,902,809	\$ 13,398,358		\$ 115,385,389	\$ 106,271,807		

	Month April			Year-To-Date April		
	2017	2016	Variance	2017	2016	Variance
Production Statistics (Continued)						
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 5,168,545	\$ 5,117,379	1.00%	\$ 32,741,246	\$ 32,185,150	1.73%
kWh purchased	117,651,000	-		807,508,000	541,678,000	49.08%
Cost per MWh	\$ 43.93			\$ 40.55	\$ 59.42	-31.76%
<i>TEA & other</i>						
Purchases	\$ 7,350,578	\$ 6,355,059	15.66%	\$ 41,759,151	\$ 32,984,475	26.60%
kWh purchased	153,883,211	175,234,388	-12.18%	914,707,833	924,611,178	-1.07%
Cost per MWh	\$ 47.77	\$ 36.27	31.71%	\$ 45.65	\$ 35.67	27.97%
<i>SJRPP</i>						
Purchases	\$ 15,495,321	\$ 11,782,192	31.51%	\$ 73,387,383	\$ 62,670,613	17.10%
kWh purchased	266,961,000	194,716,000	37.10%	1,245,798,000	1,033,907,000	20.49%
Cost per MWh	\$ 58.04	\$ 60.51	-4.08%	\$ 58.91	\$ 60.62	-2.82%
Total purchased power:						
Purchases	\$ 28,014,444	\$ 23,254,630	20.47%	\$ 147,887,780	\$ 127,840,238	15.68%
kWh purchased	538,495,211	369,950,388	45.56%	2,968,013,833	2,500,196,178	18.71%
Cost per MWh	\$ 52.02	\$ 62.86	-17.24%	\$ 49.83	\$ 51.13	-2.55%
Subtotal - generated and purchased power:	\$ 44,917,253	\$ 36,652,988	22.55%	\$ 263,273,169	\$ 234,112,045	12.46%
Fuel interchange sales	(947,910)	(34,249)	2667.70%	(3,331,286)	(493,064)	575.63%
Earnings of The Energy Authority	(571,659)	(491,373)	16.34%	(2,339,862)	(1,955,094)	19.68%
EPA Allowance Purchases	-	-		233,775	-	
Realized and Unrealized (Gains) Losses	-	568,200	-100.00%	301,200	2,805,000	-89.26%
Fuel procurement and handling	1,112,140	834,571	33.26%	6,549,974	6,199,182	5.66%
By product reuse	425,289	1,355,275	-68.62%	6,978,870	9,366,976	-25.49%
Total generated and net purchased power:	44,935,113	38,885,412	15.56%	271,665,840	250,035,045	8.65%
Cost, net	1,001,825,176	928,411,389	7.91%	6,551,908,004	6,805,767,690	-3.73%
kWh generated and purchased	\$ 44.85	\$ 41.88	7.09%	\$ 41.46	\$ 36.74	12.86%
Cost per MWh						
Reconciliation:						
Generated and purchased power per above	\$ 44,935,113	\$ 44.85		\$ 271,665,840	\$ 41.46	
SJRPP operating expenses:						
SJRPP O & M	(3,654,881)	(3.65)		(15,609,330)	(2.38)	
SJRPP debt service	(3,158,292)	(3.15)		(21,964,366)	(3.35)	
SJRPP R & R	1,871,613	1.87		13,103,089	2.00	
SCHERER operating expenses:						
Scherer power production	(1,102,722)	(1.10)		(4,768,280)	(0.73)	
Scherer R & R	(406,214)	(0.41)		(2,655,704)	(0.41)	
Scherer transmission	(471,518)	(0.47)		(3,146,045)	(0.48)	
Scherer taxes	(98,281)	(0.10)		(678,787)	(0.10)	
Florida and other capacity	(644,909)	(0.64)		(3,963,016)	(0.60)	
MEAG	(950,688)	(0.95)		(4,465,213)	(0.68)	
Rounding	1	0.00		(2)	(0.00)	
	\$ 36,319,222	\$ 36.25		\$ 227,518,186	\$ 34.73	

	Month April		Year-to-Date April	
	2017	2016	2017	2016
MWh sales				
JEA	266,961	194,716	1,245,798	1,033,907
FPL saleback	154,138	133,753	809,924	824,312
FPL direct portion	105,275	82,117	513,930	464,555
Total MWh sales	<u>526,374</u>	<u>410,586</u>	<u>2,569,652</u>	<u>2,322,774</u>
Fuel costs	\$ 10,561,480	\$ 8,095,611	\$ 48,956,055	\$ 39,563,368
(Includes fuel handling expenses)				
Less interest credits: inventory bank	(8,249)	(1,129)	(45,725)	(28,348)
Plus (less): true-up interest	531	(277)	6,446	734
Total	<u>10,553,762</u>	<u>8,094,205</u>	<u>48,916,776</u>	<u>39,535,754</u>
Cost per MWh	\$ 39.53	\$ 41.57	\$ 39.27	\$ 38.24
Operating and maintenance expenses	3,657,363	2,116,849	15,654,489	11,808,297
Less: operations bank interest	(2,482)	(938)	(9,022)	(3,841)
Less: annual variable o & m true-up	-	-	(36,136)	3,039
Total	<u>3,654,881</u>	<u>2,115,911</u>	<u>15,609,331</u>	<u>11,807,495</u>
Cost per MWh	\$ 13.69	\$ 10.87	\$ 12.53	\$ 11.42
Debt service contribution				
Principal	2,208,073	2,331,562	15,456,520	16,320,938
Interest	1,349,442	1,464,488	9,446,096	10,165,426
Less credits:				
Reserve Issue 2	(196,657)	(256,877)	(1,447,426)	(1,772,031)
Reserve Issue 3	(13,097)	(13,130)	(93,435)	(96,669)
Debt service Issue 2	(1,832)	(288)	(25,568)	(9,505)
Debt service Issue 3	-	-	(6,698)	(3,058)
Bond proceeds COB	(4,827)	-	(54,095)	(2,137)
General reserve Issue 2	(12,430)	(6,646)	(93,127)	(6,735)
General reserve Issue 3	(4,126)	(3,472)	(43,691)	(14,704)
Build America Bonds subsidy	(32,433)	(34,190)	(227,032)	(239,331)
Inventory carrying costs	(66,253)	(65,028)	(476,621)	(424,808)
Total	<u>3,225,860</u>	<u>3,416,419</u>	<u>22,434,923</u>	<u>23,917,386</u>
Cost per MWh	\$ 12.08	\$ 17.55	\$ 18.01	\$ 23.13
R & R contribution	309,387	339,343	2,165,707	2,375,401
Less: interest credit	(67,569)	(98,686)	(470,558)	(368,202)
Less: cumulative capital recovery amount	(2,181,000)	(2,085,000)	(15,268,796)	(14,597,221)
Total	<u>(1,939,182)</u>	<u>(1,844,343)</u>	<u>(13,573,647)</u>	<u>(12,590,022)</u>
Cost per MWh	\$ (7.26)	\$ (9.47)	\$ (10.90)	\$ (12.18)
Debt service coverage	-	2,230,000	4,215,000	6,577,000
Transfer to JEA	-	(2,230,000)	(4,215,000)	(6,577,000)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost per MWh	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ 15,495,321</u>	<u>\$ 11,782,192</u>	<u>\$ 73,387,383</u>	<u>\$ 62,670,613</u>
kWh purchased	266,961,000	194,716,000	1,245,798,000	1,033,907,000
Cost per MWh	\$ 58.04	\$ 60.51	\$ 58.91	\$ 60.62

III. A. 5.
Monthly JEA Operations Report

Board of Directors Meeting May 16, 2017

FY2016

- RIR = 1.82
- # of Recordables = 38
- April YTD Recordables = 21

FY2017

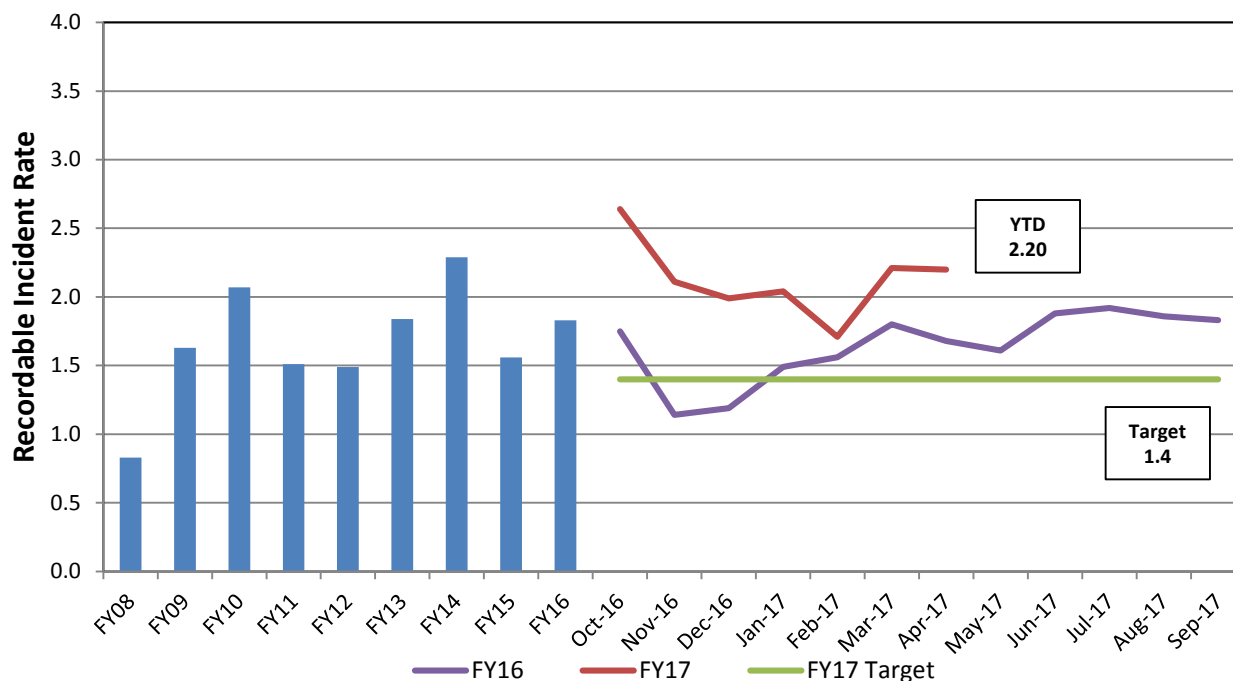
- April Recordables = 3
- April YTD Recordables = 27
- 7 (26%) was lost time
 - Electric Systems = 15
 - Water/WW Systems = 11
 - Customer Relationships = 1
- Continuing to “Plan for Zero”
- Increased focus on:
 - Complacency
 - Hand/Finger
 - 0-5 Year Employees
 - PPE Use
 - Strains, Sprains, Slip/Trip/Fall
 - Repeat Occurrences

Industry Benchmark*

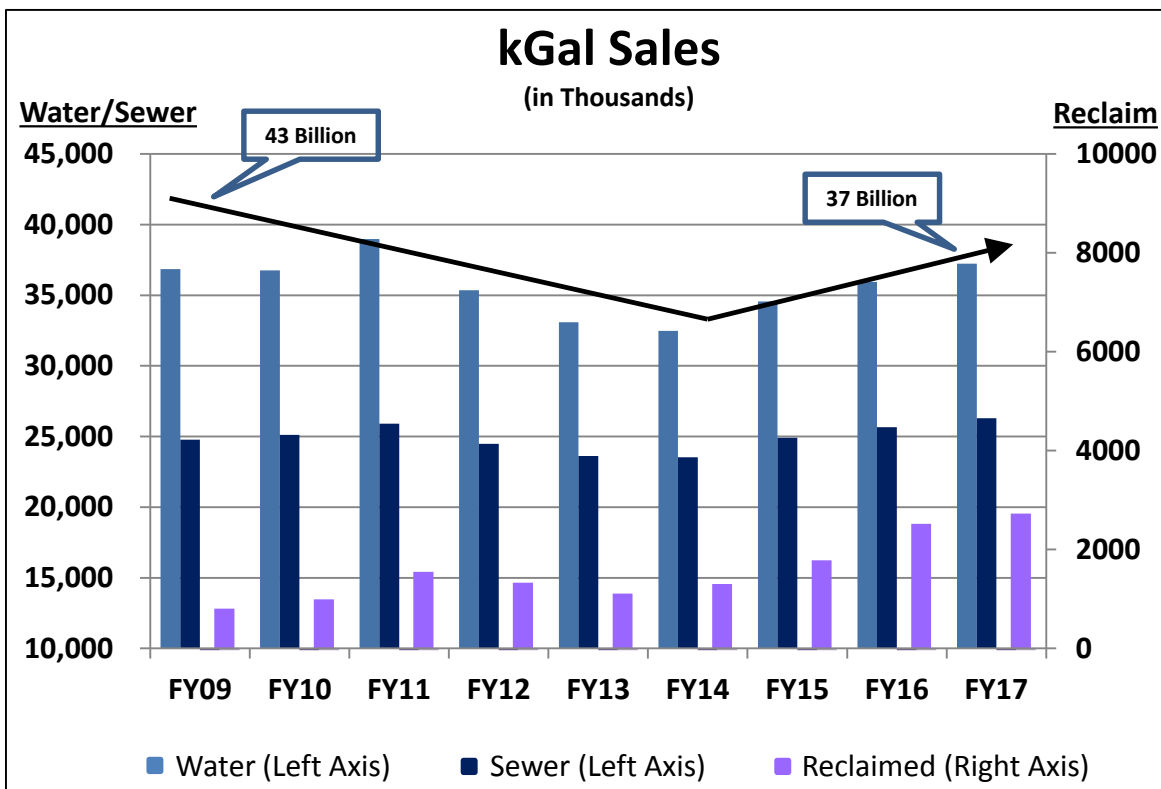
Average Municipal Utility RIR is 6.3
Average LPPC RIR is 3.7

Units	FY2017 YTD	FY2017 Target	FY2016	FY2015
RIR	2.20	1.4	1.82	1.56

Safety Recordable Incident Rate (RIR)



Water and Sewer System: kGal Sales



Month	FY16	FY17	%
Oct	3,120	3,129	0.3%
Nov	2,641	3,068	16.2%
Dec	2,758	2,923	6.0%
Jan	2,527	2,768	9.6%
Feb	2,479	2,624	5.9%
Mar	2,825	3,168	12.1%
Apr	2,914	3,476	19.3%
YTD	19,264	21,156	9.8%
May	3,523		
Jun	3,290		
Jul	3,736		
Aug	3,451		
Sep	3,094		
Total/Forecast	36,358	37,235	

Unit Sales Driver: YTD rainfall up 2 inches; rain days down 21
Irrigation for April YTD FY17 up 34% versus April YTD

YTD Customer Accounts			
	FY16	FY17	%
Water	333,585	341,552	2.4%
Sewer	258,089	264,810	2.6%
Reclaimed	7,581	9,452	24.7%

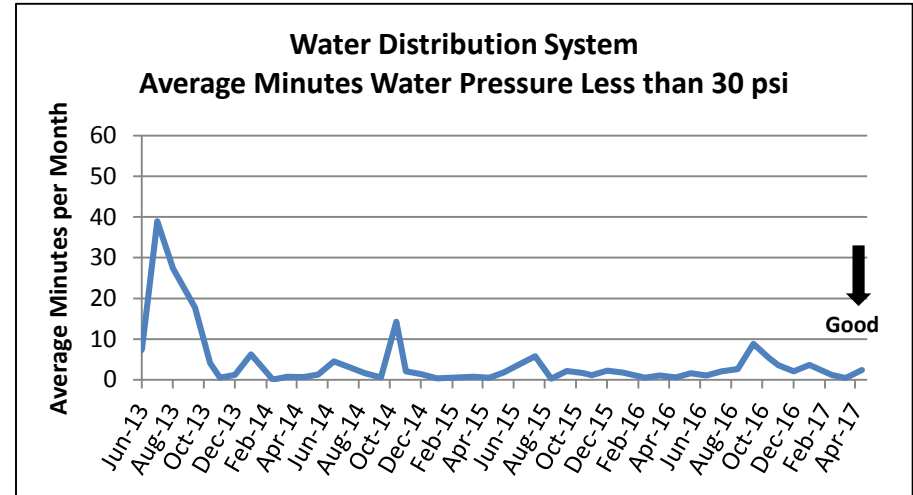
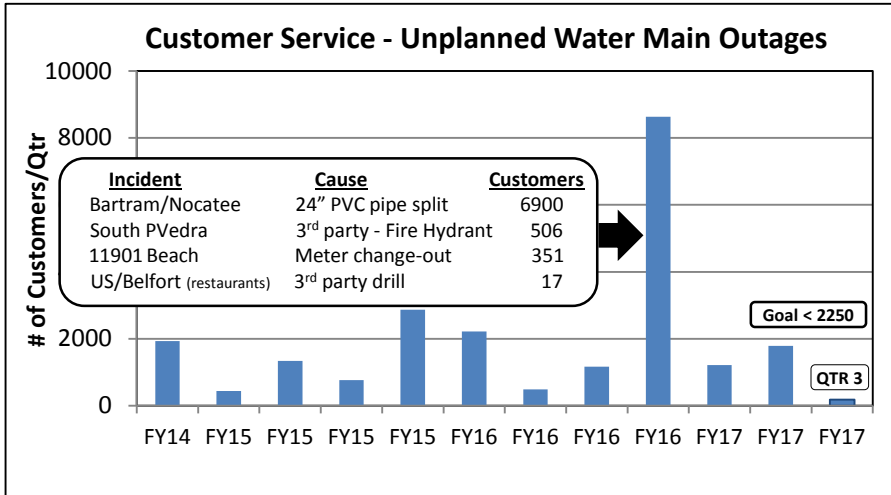
YTD Rainfall			
	30-Yr. Avg.	FY16	FY17
Inches	22	17	19
Days	52	52	31

Total System	9.8%
Residential	10.4%
Comm./Industrial	0.7%
Irrigation	34.2%

Customer Reliability

Water and Wastewater System

Water Grid Performance	Metric	FY2017 YTD	FY2017 Target	FY2016	FY2015
Water Main Outages	# of Customers per Year	3,178	9,000	12,735	5,629



Unplanned Water Outages

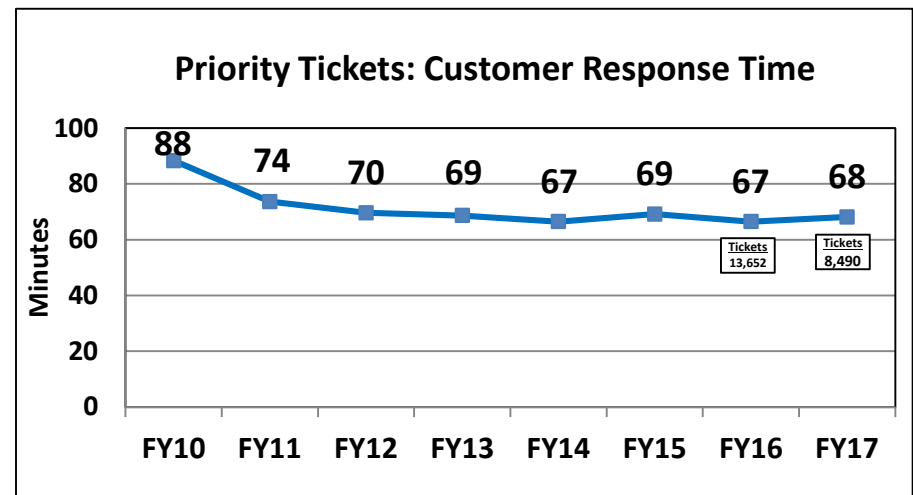
of Customers Affected by Unplanned Outages has increased due to 3rd Party Damages

Water Pressure (minutes per month < 30 psi)

Measured by 110 pressure monitoring stations in the distribution system. Pressure must be greater than 20 psi, and is expected to be greater than 50 psi.

Customer Response Time

Average time from a customer call to the ticket completion or transfer to a field crew for a more extensive repair

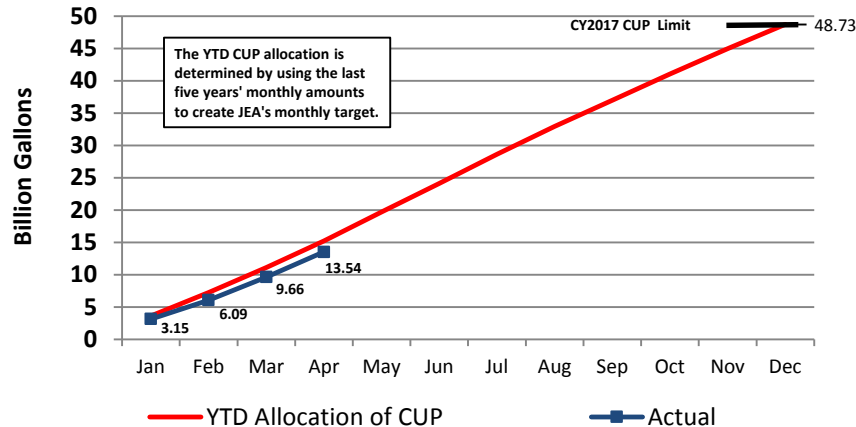


Environmental Compliance

Water System – Consumptive Use Permit (CUP)

Compliance	Metric – CY Basis	FY2017	2017 Target	2016	2015
Water	CUP Limits (MGD)	113	133 limit	112 (131 limit)	107 (131 limit)
South Grid	Wellfield Allocation (MGD)	48.35	< 50.23 limit	52.95 (<50.23 limit)	47.50 (<50.23 limit)
Reclaim	Usage (MGD)	20	15	16	13

2017 Consumptive Use Permit (CUP)



CUP Condition 44: South Grid Wellfield Allocation Limits

Actuals						Post Sep -14 Limit
Critical Wellfields	2013	2014	2015	2016	YTD 2017	
Deerwood III	6.96	7.01	6.67	7.88	7.45	7.00
Ridenour	5.97	6.39	6.66	7.64	6.42	6.85
Oakridge	8.78	6.23	4.99	5.79	4.92	5.65
Greenland	---	1.53	4.27	4.16	4.18	4.53
Brierwood	5.58	4.53	2.84	3.36	2.79	3.02
Subtotal	27.29	25.69	25.43	28.83	25.76	27.05
Other Wellfields	22.21	20.92	22.07	24.12	22.59	23.18
Total South Grid	49.50	46.61	47.50	52.95	48.35	50.23
Total System MGD	100	104	107	112	113	131

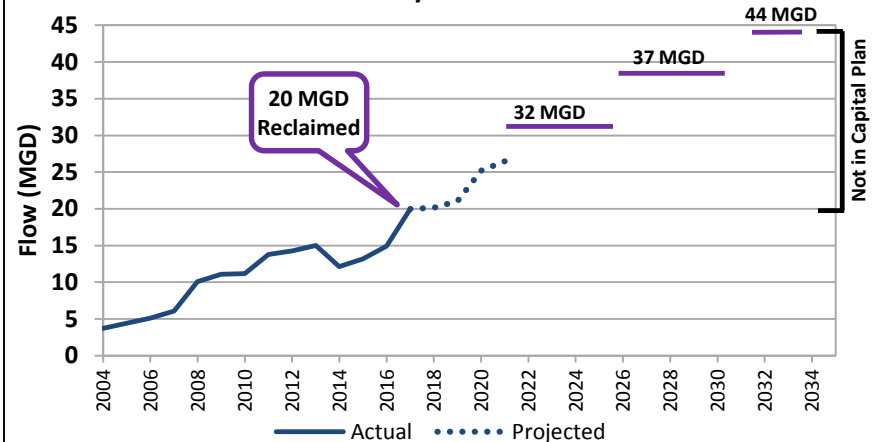
St. Johns River Water Management District CUP

Condition 12: YTD average daily flow is 15% below CY limit of 133 MGD

Condition 44: South Grid Wellfields were 6% above the base limit in FY16, yet have annual operational flexibility of 20% above allocation limits. FY17 is 3% below the limit.

Conditions 37/38: Use of reclaimed water "to the maximum extent technologically, economically, and environmentally feasible". The annual CUP limit continues to increase beginning in FY21 if 32 MGD is achieved.

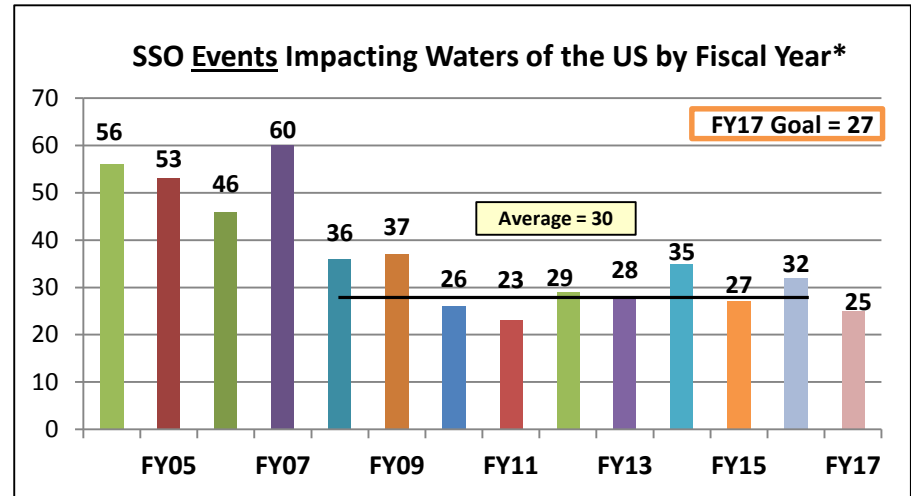
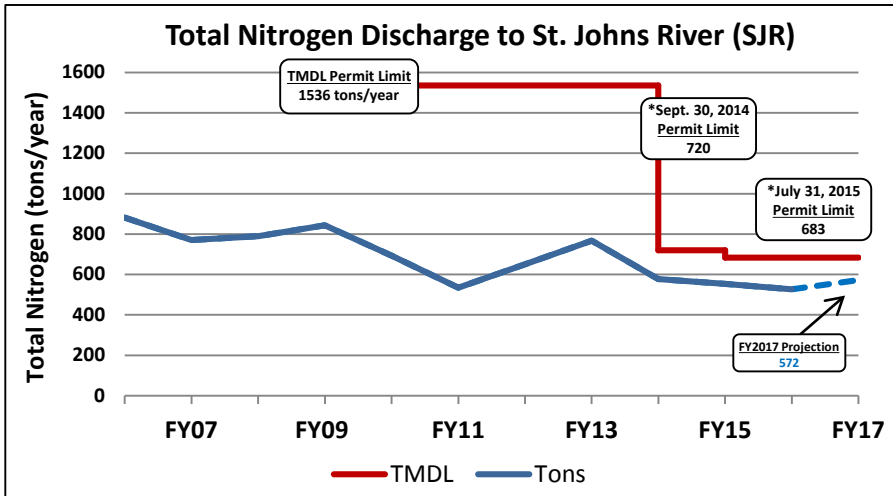
CUP Conditions 37/38: Reclaimed Water Use



Environmental Compliance

Wastewater System

Compliance	Metric	FY2017 YTD	FY2017 Target	FY2016	FY2015
Sewer	Nitrogen (N) Tons – FY basis	329	550	527 (TMDL of 683*)	553 (TMDL of 683*)

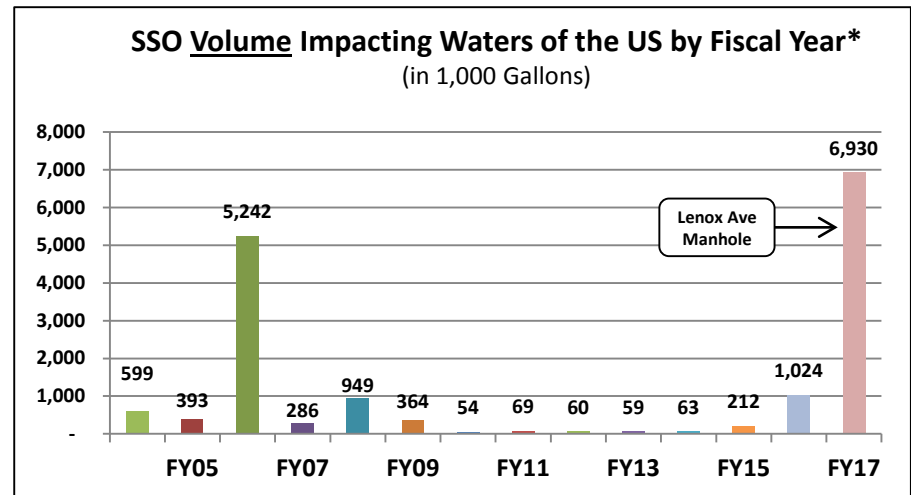


Nitrogen Discharge to St. Johns River

Florida Department of Environmental Protection (FDEP) has reduced the Total Maximum Daily Load (TMDL) to 683 tons with Water Quality Trading Credits allocated to the COJ

Sanitary Sewer Overflows (SSOs to US Waters)

FY08 - FY16 SSO's averaged 30 per year. Twenty-Five (25) SSO's year-to-date impacting US Waters excluding events occurring during Hurricane Matthew.



*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

Water and Sewer System: Financial Results and Cost Metrics

(\$ in thousands)

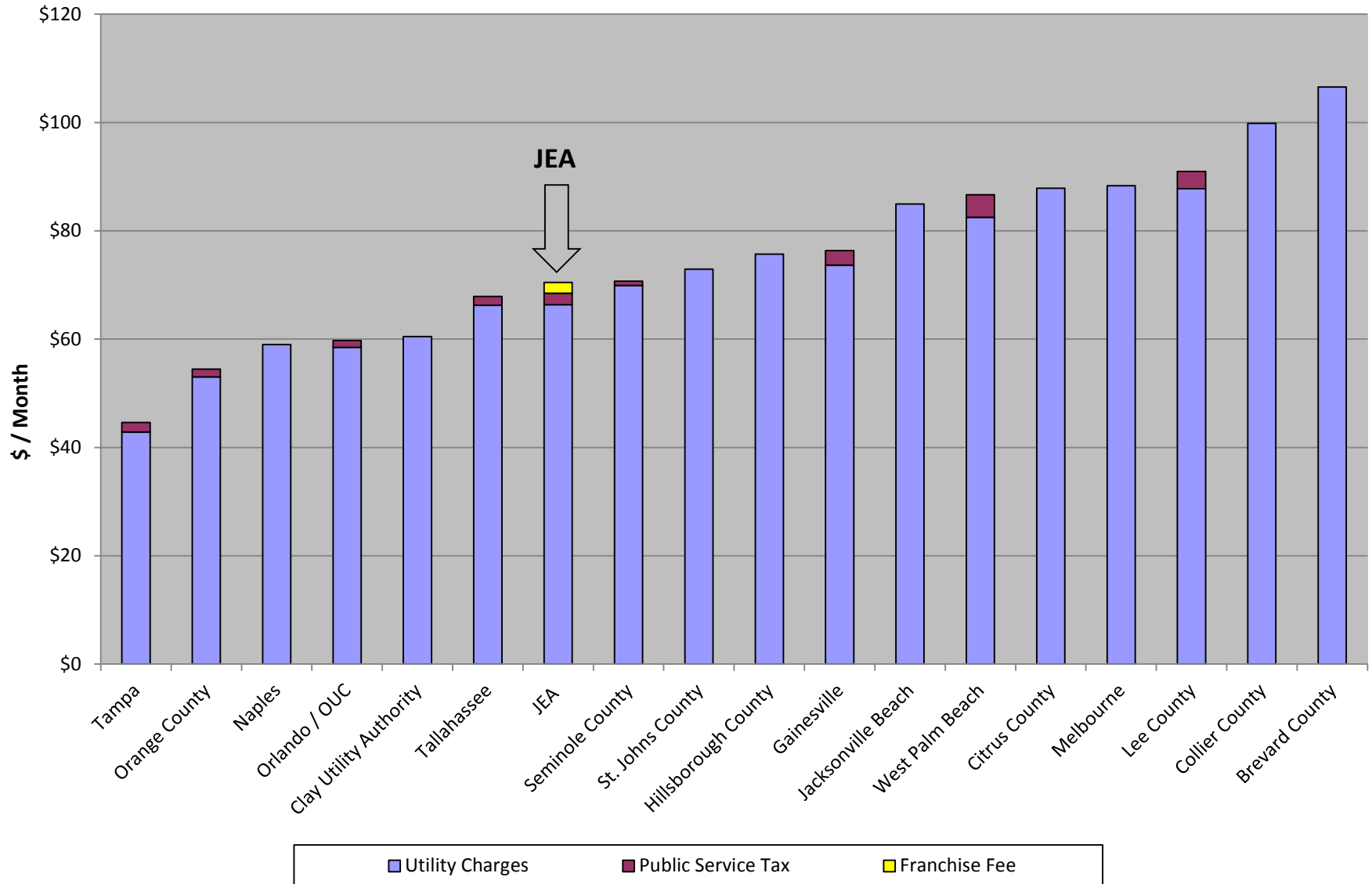
Revenues	FY17 Forecast	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Water & Sewer Revenues	\$ 413,886	\$ 409,889	\$ 394,430	\$ 3,997	1.0%
Other Revenue	38,006	40,070	33,792	(2,063)	-5.1%
Total Revenues	\$ 451,892 ①	\$ 449,959	\$ 428,222	\$ 1,933	0.4%
\$24M					
Select Expenses					
O & M Expense	\$ 137,400 ②	\$ 130,296	\$ 144,149	\$ (7,104)	-5.5%
Net Revenues	\$ 311,594	\$ 313,130	\$ 280,753	\$ (1,536)	-0.5%
\$31M					
Capital Expenditures	\$ 214,447 ③	\$ 147,363	\$ 205,000 ¹	\$ (67,084)	-45.5%
Debt Service	\$ 115,059	\$ 95,418	\$ 118,375	\$ (19,642)	-20.6%

Cost / Kgal	Water	Sewer
Target	\$ 4.75	\$ 10.27
Forecast	<u>4.66</u>	<u>10.32</u>
Difference	\$ 0.09	\$ (0.05)

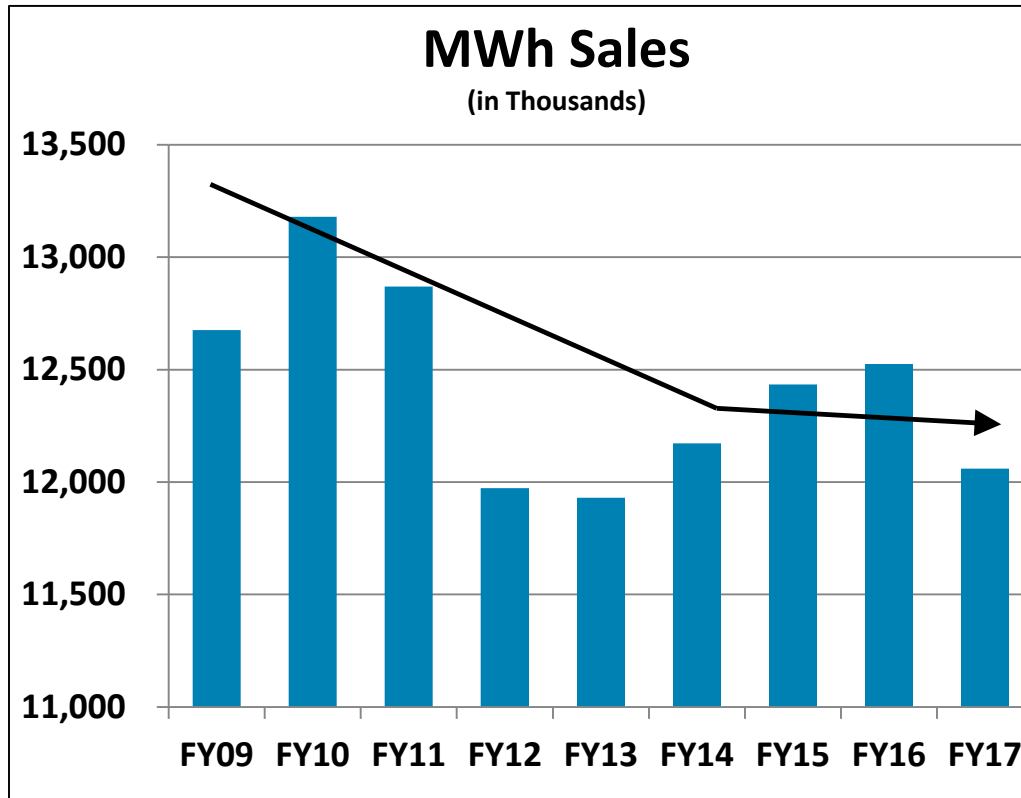
Metrics	FY17 Forecast
Coverage:	2.7x
Days Liquidity/Cash:	595 / 496
Debt/Asset:	50% (3% lower)
Total Debt:	\$1.6B (\$34M lower)

Water & Sewer Rates in Florida

Residential Service with a 5/8" meter and 6 kgals of Consumption
Residential Rates as of May 2017



Electric System: MWh Sales



Month	FY16	FY17	%
Oct	952,515	951,425	(0.1%)
Nov	923,705	863,238	(6.5%)
Dec	922,956	905,219	(1.9%)
Jan	1,049,897	932,807	(11.2%)
Feb	894,563	759,141	(15.1%)
Mar	893,954	914,242	2.3%
Apr	900,013	933,563	3.7%
YTD	6,537,603	6,259,638	(4.3%)
May	1,089,555		
Jun	1,231,251		
Jul	1,336,836		
Aug	1,254,240		
Sep	1,111,769		
Total/Forecast	12,561,253	12,060,150	

Unit Sales Driver: YTD MWh reduction due to moderate weather and decrease in FPU demand.



YTD Degree Days		
30-yr. Avg.	FY16	FY17
1,819	1,722	1,438

YTD Customer Accounts		
FY16	FY17	%
452,380	459,479	1.6%

Total System	(4.3%)
Residential	(3.8%)
Comm./Industrial	(1.9%)
Interruptible	(1.3%)
Wholesale (FPU)	(65.0%)

FY 2017 Performing Objectives

Electric Systems Reliability Metrics

T&D Grid Performance	Metric	FY2017 YTD	FY2017 Target	FY2016	FY2015
Customer Outage Frequency*	# of Outages per Year	1.26	1.8	1.4	1.8
Electric Outage Duration*	# of Minutes out per Year	73.6	80	71	99
Transmission Line Faults	# of Faults per 100 miles	1.1	2.5	0.7	2.8
CEMI ₅ *	% Customers > 5 outages per yr	0.7	1.5	1.4	2.1

Electric Service Reliability

- Outage frequency and duration have been reduced significantly over the last 8 years; running flat this year and near the FY2017 targets.
- The typical JEA customer sees 1.26 outages per year and a total outage duration of 73.6 minutes
- CEMI₅: 3,132 (.70%) of our customers have experienced more than 5 outages in the past 12 months

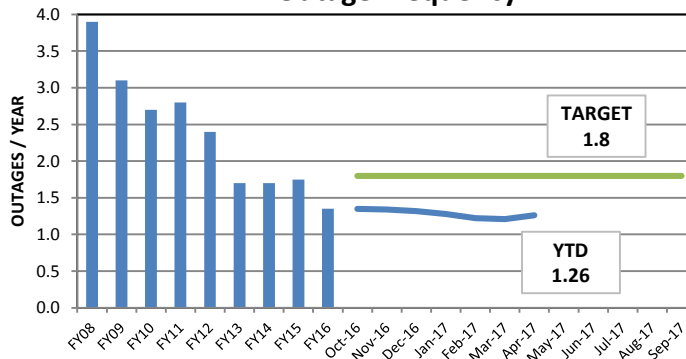
Transmission Line Reliability

- Overall downward trend over the last eight years
- YTD (1.1) running below the FY17 target

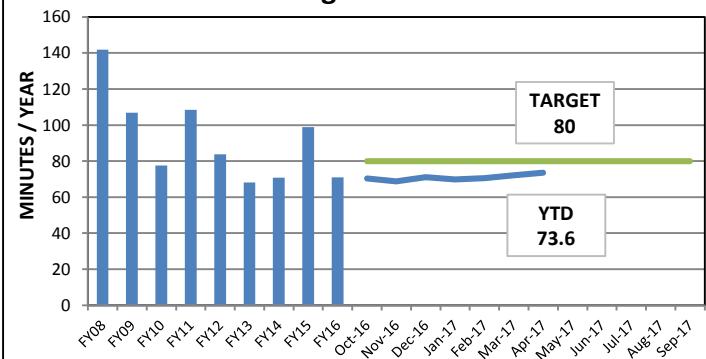
Other Operational Metrics

- Continue showing favorable trends over time

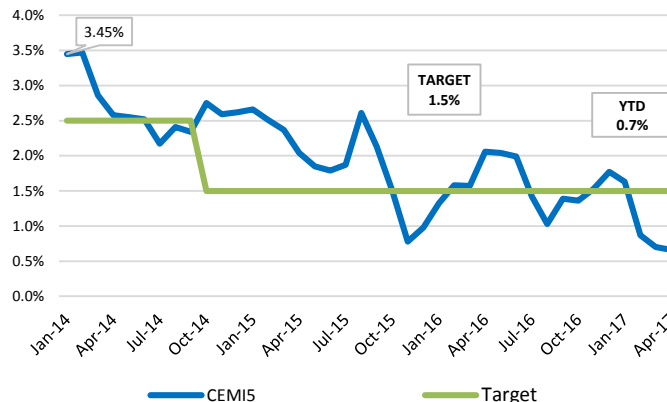
Electric Service Reliability Outage Frequency



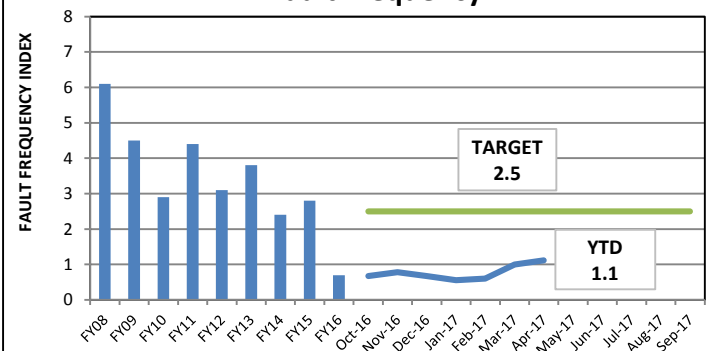
Electric Service Reliability Outage Duration



CEMI₅



Transmission Line Reliability Fault Frequency

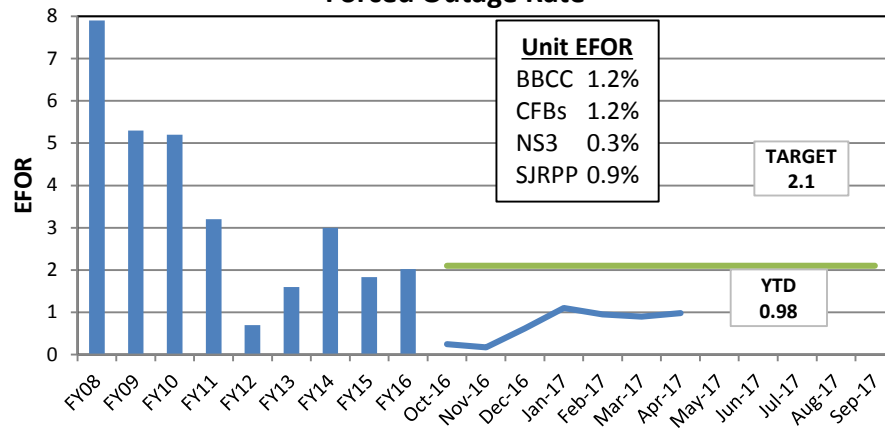


JEA FY 2017 Performing Objectives

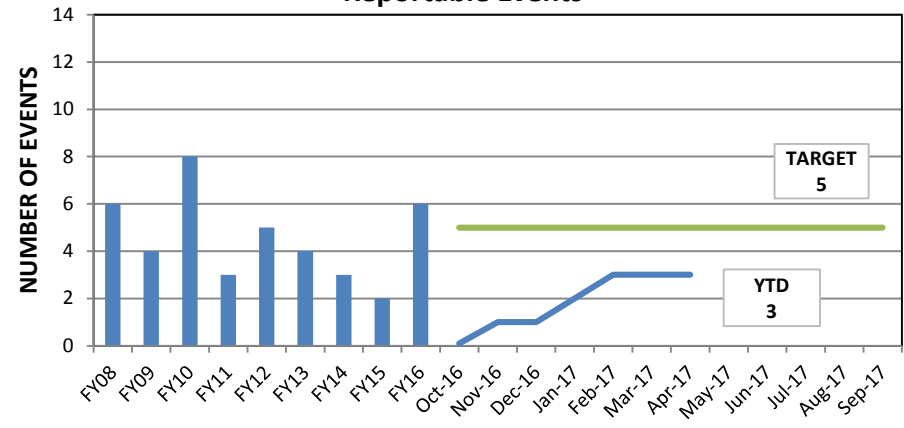
Electric Systems Reliability Metrics

Generating Plant Performance	Metric	FY2017 YTD	FY2017 Target	FY2016	FY2015
Generation Fleet Reliability	Forced Outages Rate	0.98	2.1	2.0	1.8
Environmental Compliance	Permit Exceedances	3	5	6	2

JEA Fleet Reliability
Forced Outage Rate



Environmental Compliance
Reportable Events



Generating Fleet Reliability

- The JEA fleet Forced Outage Rate is in line with prior 6-year performance and better than FY2017 target of 2.1
- Planned outage work completed this past fall on all 3 Northside steam units.
- High unit reliability contributes to lower fuel and non-fuel expenses
- Successful outage on the BBCC unit this spring.

Environmental Compliance

- Excellent environmental performance in prior years. No air permit exceedances occurred in FY16.
- Electric System's have experienced 3 reportable events during FY2017.
- JEA remains actively engaged in and preparing for all new and emerging environmental regulations.

Electric System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY17 Forecast	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Fuel Revenue	\$ 393,618 ¹	\$ 426,653 ²	\$ 449,776	\$ (33,035)	-7.7% ¹
Base Revenue	751,877 ¹	750,038	735,204	1,839	0.2%
Other Revenue	43,316	37,904	41,787	5,412	14.3%
Total Revenues	\$ 1,188,811	\$ 1,214,595	\$ 1,226,767	\$ (25,784)	-2.1%

\$-38M

Select Expenses					
Fuel Expense	\$ 443,811	\$ 397,280	\$ 411,903	\$ (46,531)	-11.7%
Fuel Fund Transfers	(50,193)	29,373	37,705	79,566	
O & M Expense	202,738	192,527	226,180	(10,211)	-5.3%
Non-fuel Purchased Power	79,669	87,426	83,394	7,757	8.9%
Net Revenues	\$ 513,504	\$ 496,092	\$ 454,939	\$ 17,412	3.5%

\$59M

Capital Expenditures	\$ 145,616	\$ 150,926	\$ 153,200 ³	\$ 5,310	3.5%
Debt Service	\$ 209,478 ⁴	\$ 171,506	\$ 179,654	\$ (37,972)	-22.1%

Electric Costs / MWh	Non-Fuel
Target	\$ 53.94
Forecast	53.99
Difference	\$ (0.05)

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 180
Surplus/(Deficit)	(50)
Ending Balance	\$ 130

Financial Metrics	FY17 Forecast
Coverage:	2.5x
Days Liquidity/Cash:	309 / 206
Debt/Asset:	62% (3% lower)
Total Debt:	\$2.8B (\$146M lower)



¹ Includes rate change in December 2016

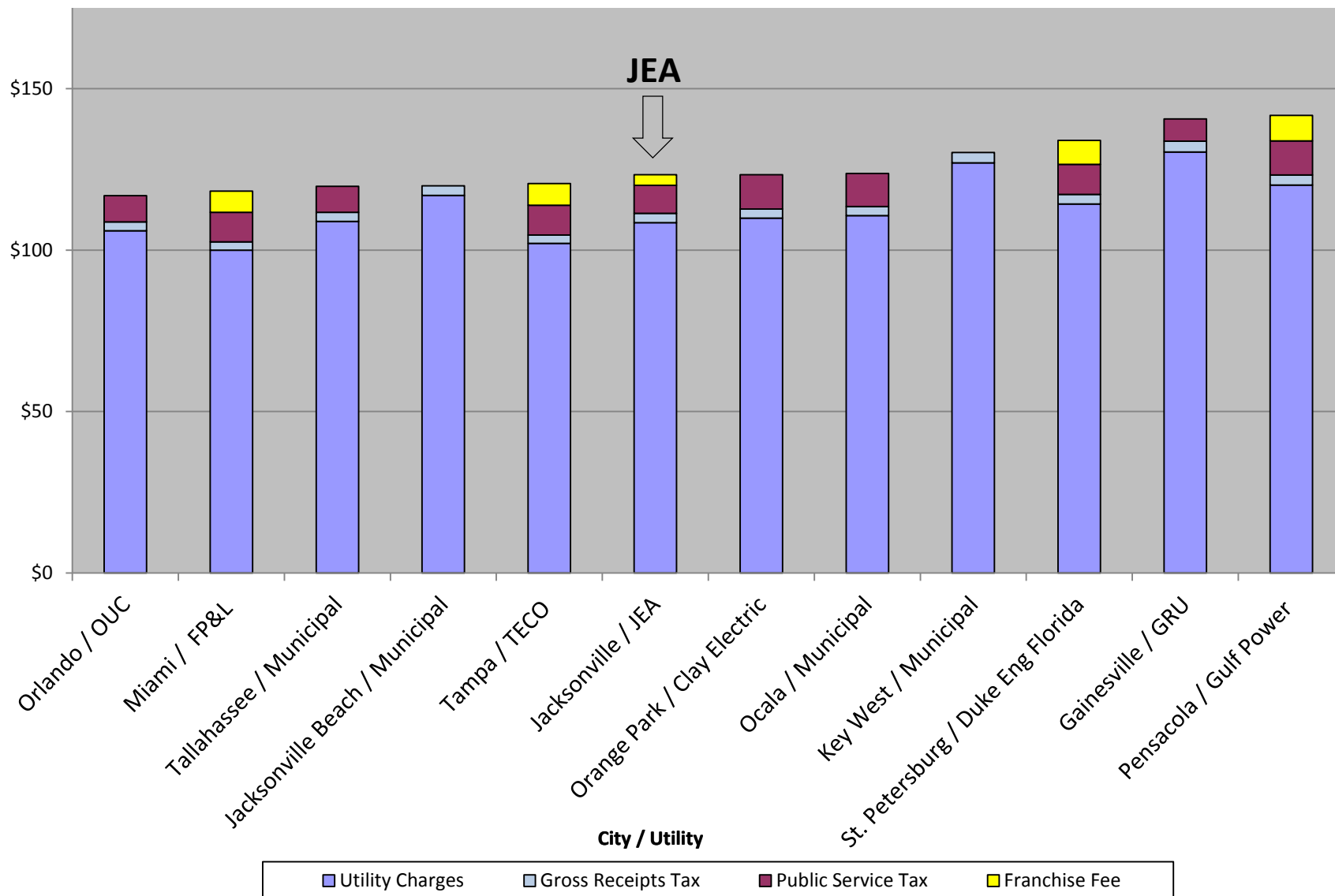
² Net of \$57 million fuel credit and fuel rate reduction

³ Council approved limit for capital expenditures in FY17 is \$170 million

⁴ Includes additional \$40 million related to advanced debt refunding approved by Board in November 2016

Florida Utilities Monthly Residential Electric Bill Comparison

(Consumption @ 1,000 kWh)
Residential Rates as of May 2017



Customer Experience

Presenter: Richard Vento

Date: May 2017



FY17 Customer Satisfaction Goal

Achieve 1st Quartile Ranking for JD Power
Customer Satisfaction Index for both
Residential and Business Studies

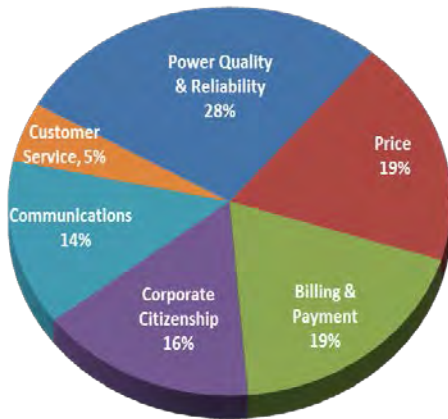
Residential (R)

FY15	FY16	Wave 1	Wave 2	Wave 3	Wave 4	FY17
1Q 692	2Q 703	1Q 749	1Q 782	2Q 739		1Q 757

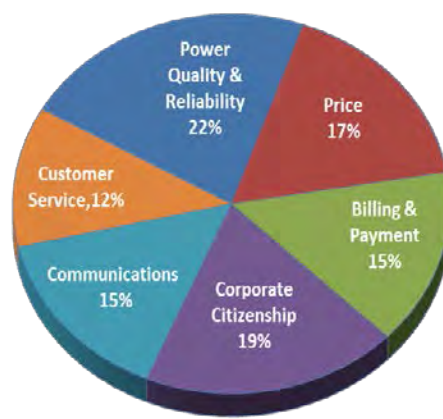
Business (B)

FY15	FY16	Wave 1	Wave 2	FY17
1Q 705	1Q 754	1Q 788	2Q 772	1Q 780

Residential



Business



FY17 Residential # of companies ranked: 138

FY17 Business # of companies ranked: 86

1Q= 1st quartile 2Q= 2nd quartile 3Q = 3rd quartile 4Q = 4th quartile

Achieve 1st Quartile Ranking on All Drivers

Be Easy to Do Business With

Customer Service

	FY16	Wave 1	Wave 2	Wave 3	Wave 4	FY17
R	1Q 782	1Q 808	1Q 840	2Q 800		1Q 818
B	1Q 782	2Q 817	1Q 841			1Q 829

Power Quality & Reliability

	FY16	Wave 1	Wave 2	Wave 3	Wave 4	FY17
R	2Q 749	2Q 791	1Q 827	2Q 781		1Q 800
B	1Q 794	1Q 826	2Q 807			1Q 816

Empower Customers to Make Informed Decisions

Billing & Payment

	FY16	Wave 1	Wave 2	Wave 3	Wave 4	FY17
R	1Q 763	1Q 818	1Q 827	2Q 797		1Q 814
B	1Q 785	1Q 806	2Q 801			2Q 803

Communication

	FY16	Wave 1	Wave 2	Wave 3	Wave 4	FY17
R	1Q 665	1Q 713	1Q 751	1Q 705		1Q 723
B	1Q 721	1Q 766	1Q 748			1Q 757

Price

	FY16	Wave 1	Wave 2	Wave 3	Wave 4	FY17
R	2Q 630	2Q 671	1Q 721	2Q 675		1Q 689
B	1Q 701	1Q 744	2Q 726			1Q 735

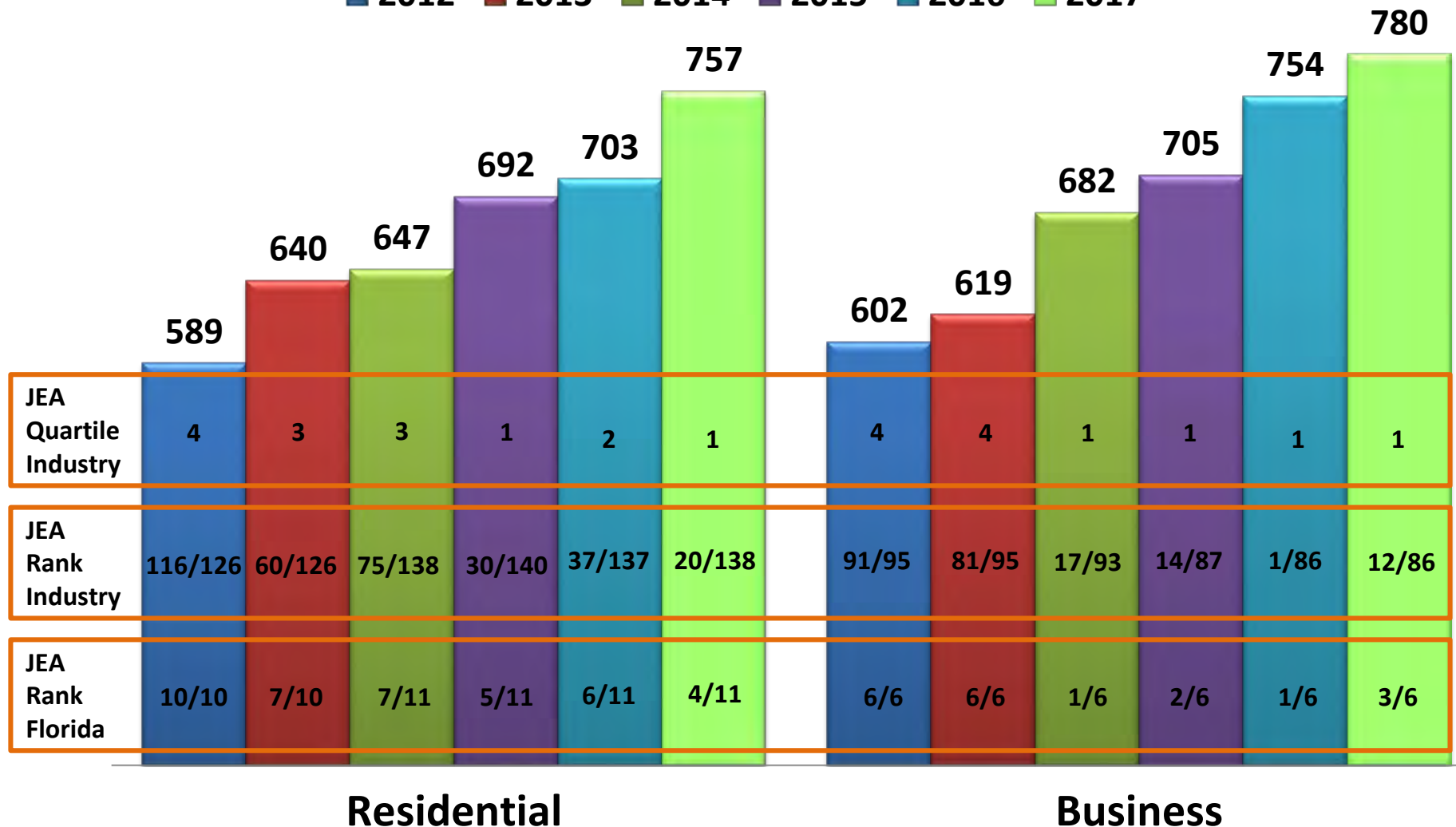
Demonstrate Community Responsibility

Corporate Citizenship

	FY16	Wave 1	Wave 2	Wave 3	Wave 4	FY17
R	2Q 645	2Q 685	1Q 725	2Q 681		1Q 697
B	1Q 731	1Q 758	2Q 738			1Q 748

Customer Satisfaction Index Scores

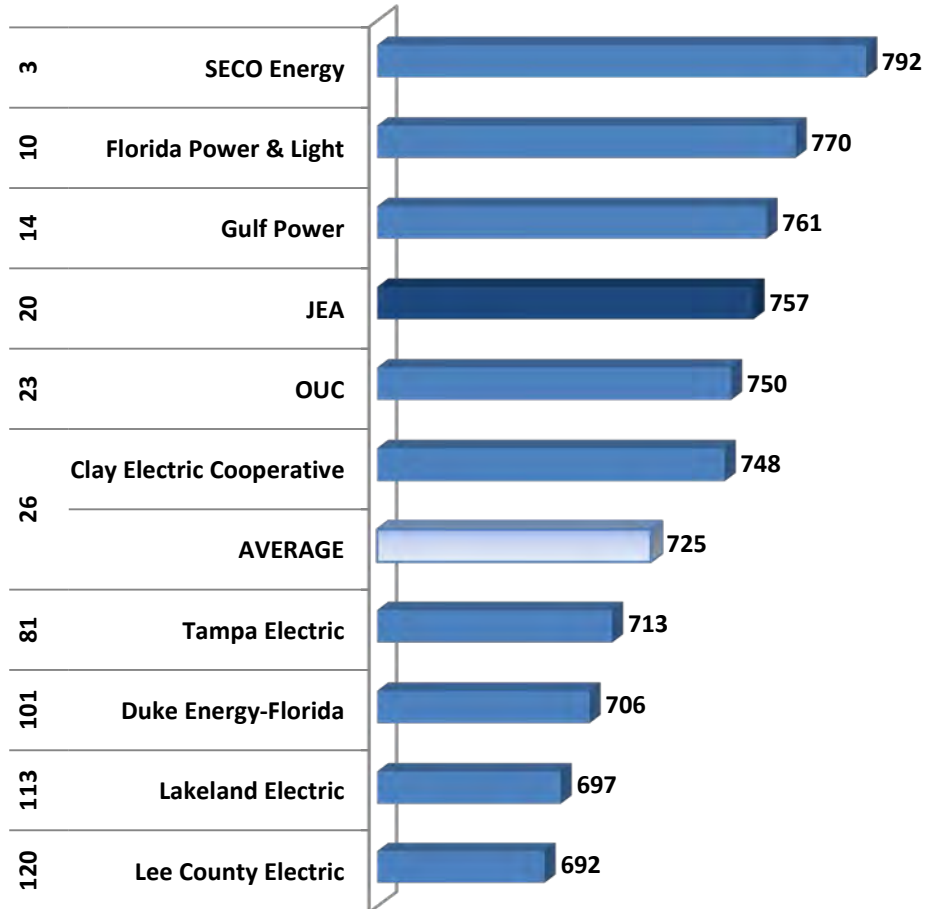
■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017*



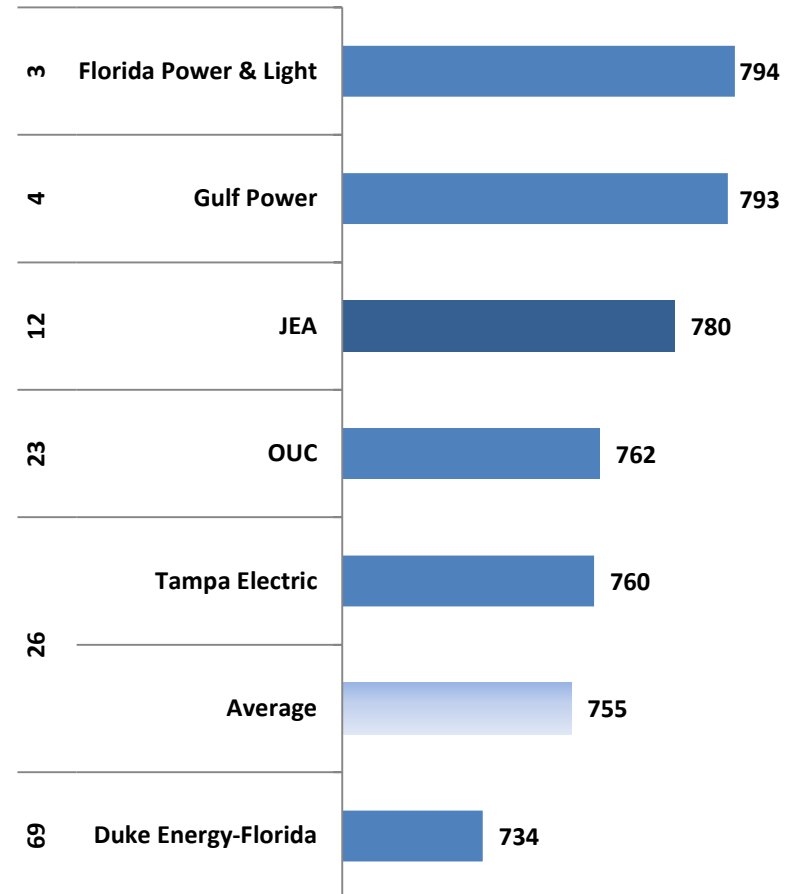
* Note: 2017 Wave 3 Residential and 2017 Final Business (now named CY2016)

Customer Satisfaction Index Scores – Florida Utilities

Residential FY17 YTD



Business CY16/ FY17



Note: 2017 Wave 3 YTD

Customer Service Easy to do Business With

Providing multiple contact channels allows the customer to interact with JEA in a way that's easiest for them.

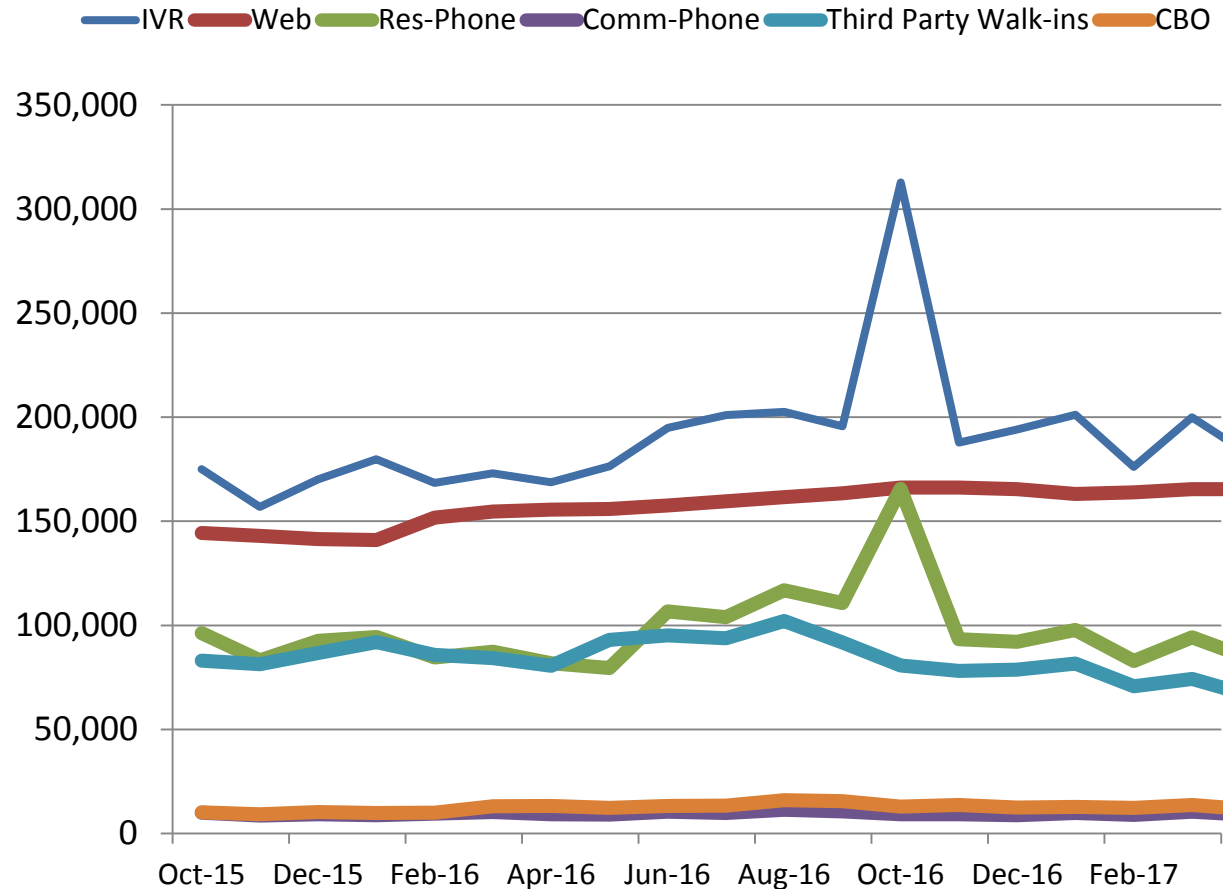
Customer Satisfaction
Rating: 8s-10s by Channel - JDP

	JEA FY16	JEA FY17	Industry FY17
Phone - CCC	57.0%	76.4%	70.7%
IVR	79.6%	80.2%	73.3%
Web	64.6%	80.2%	70.5%

Note: FY17 Wave 3 YTD



Transactional Volume



Customer Service Easy to do Business With

Accurately addressing a customer's needs the first time produces a positive customer experience

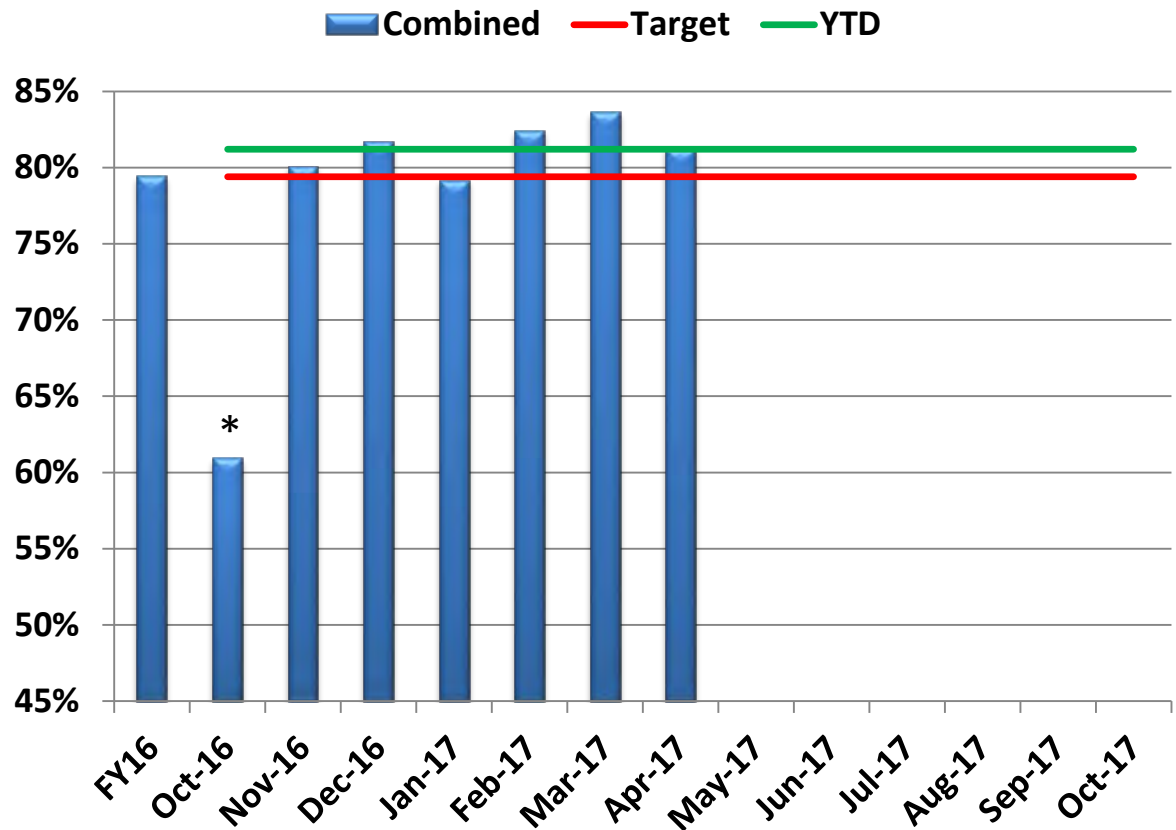
FY2017 YTD Transactional Study

Residential CC	79.1%
Branches	83.7%
Commercial CC	81.6%
IVR	80.2%
<u>jea.com</u>	<u>83.2%</u>
Overall	81.2%

JD Power FCR

	JEA FY16	JEA FY17	Industry FY17
Res CC/IVR	74.8%	70.2%	72.2%
Jea.com	77.7%	71.0%	72.4%
Bus CC/IVR	71.4%	82.1%	71.3%

First Contact Resolution Branches, Call Centers, and jea.com



* October decline result of Hurricane Mathew



Note: FY17 Wave 3 YTD

Power Quality & Reliability Easy to do Business With

Customers are more satisfied when receiving additional information when reporting an outage and when given updates when power is restored

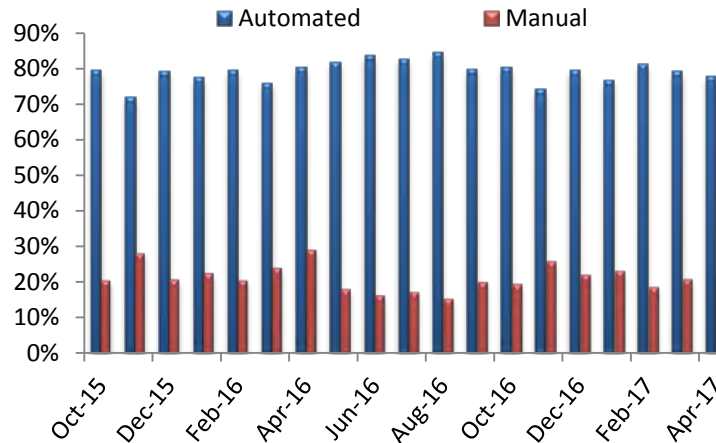
JD Power
“Keeping you informed about outage”

Score	JEA FY16	JEA FY17	Ind FY17
8 – 10	37.9%	58.2%	47.6%
< 5	20.0%	12.1%	15.7%

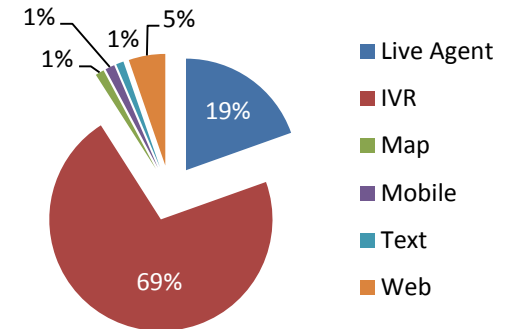
Outage Information Points

	FY16	FY17
JEA	2.3	2.6
Industry	2.1	2.3

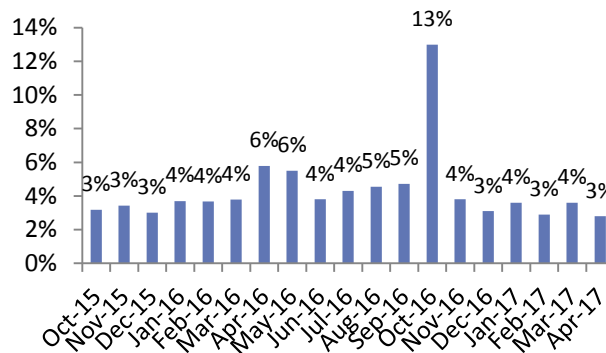
Outage Reporting



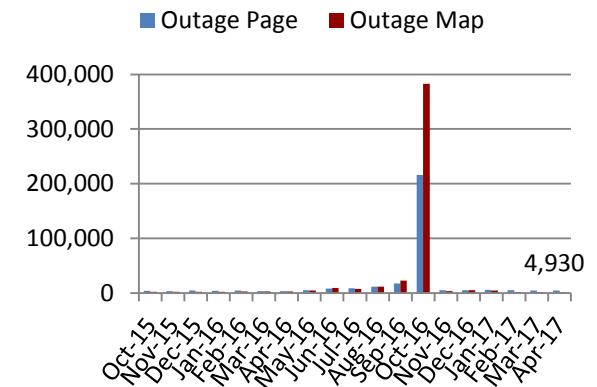
Outage Reporting by Channel



% Customers Receiving Outage Updates



jea.com Outage Page Volume



Note: FY17 Wave 3 YTD

Billing & Payment: Customer Solutions

Empowering Customers to Make Informed Decisions

Customer Solution Participation	FY17 Goal	FY17 YTD
e-Billing Participation	97,982	87,636
Levelized Bill Participation	25,592	20,772
AutoPay Participation	41,800	37,797
JEA MyWay Participation	19,418	16,023



The JEA Smart Home AutoPay Giveaway campaign in effect from April through end of May. We will be giving away a Google Home and Smart Lighting Starter kit to three lucky Customers who sign-up during the campaign.

	FY17 YTD	Industry Benchmark*
e-Bill	21.1%	18.5%
Budget Bill	5.0%	9.0%
Auto Pay	9.1%	13.0%
*2015 IOU Benchmark Average		



Empowering Customers to Make Informed Decisions

Communicating with customers is a key driver of satisfaction and impacts all drivers.

JDP Frequency of Received Communication

FY17 YTD

Not enough	5%
Just right	86%
Too much	9%

JDP Comm Awareness

Residential

FY13	48.8%
FY14	51.9%
FY15	54.6%
FY16	54.4%
FY17 YTD	60.0%

Commercial

FY13	53.4%
FY14	55.7%
FY15	68.7%
FY16	55.4%
FY17 YTD	64.2%



The Need to Conserve Water

The Need to Conserve Water

The water JEA delivers to your home comes from the Floridan aquifer deep underground. This resource is managed by a state agency, the St. Johns Water Management District (SJWMD). In March, the SJWMD asked everyone living in its district for additional, voluntary water conservation measures because of abnormally dry conditions.

SJWMD says rainfall, which replenishes the aquifer, is at historically low levels that are not expected to improve this summer—or in the year ahead.

Rainfall Facts

Over the past 12 months, rainfall remained below average—down 3.3 inches districtwide.

Dade, Duval, Nassau, Marion, Putnam, and Volusia counties all have 12-month deficits greater than 18 inches.

In February, Dade, Duval and Indian River counties all experienced rainfall that was 1.3 inches below average.

Look for Leaks

The EPA believes there are so many leaky faucets, toilets and toilets in America that we could raise more than 1 trillion gallons of water a year nationwide. Get those leaks fixed and saved!

Working Dishes

When washing dishes by hand, use a spray device to save water instead of running the water to rinse. Better yet, run the dishwasher instead of washing by hand. It uses less hot water and therefore less electricity.

Check for Leaks

The EPA believes there are so many leaky faucets, toilets and toilets in America that we could raise more than 1 trillion gallons of water a year nationwide. Get those leaks fixed and saved!

ELECTRIC RELIABILITY

JEA is just about done with its new Pinel Housenew installation serving the International Beach area and surrounding southeast Duval County. This installation will substantially improve reliability for residents and reduce the chance of unplanned power outages due to overloaded circuits. More at jea.com/pinelnewscade

COMMUNITY INVESTMENT

JEA announced bid out of their annual Community Health Challenge, giving away. Last year JEA residents gave \$75,000 to be spent to Jacksonville by local health charities and began to help that amount this year. Learn more at jea.com/healthchallenge

ELECTRIC SAFETY

Why is it a bad idea to use electric cords under your rug or carpet? Because if there's a problem with the cord (heat, sparks, etc.) you may not notice it until there's a fire. For more safety tips go to jea.com/electric-safety

Environment

Never pour oils, oil or grease down your drain. It can clog your pipes and lead to expensive cleanups. Instead, turn your grease into biodiesel, it's free and easy to do. Learn how at jea.com/grease

Communication Channels
FY17
Volume: 146,594,590

- **e-Com**
(jea.com, email, social)
33,826,940
- **Paid Media**
(Radio, TV, Print)
104,748,309
- **Community Engagement**
(Events, Workshops)
440,616
- **Other Communication**
(Bill Inserts, Brochures,
7,578,725



Empowering Customers to Make Informed Decisions

JEA Employee Volunteer Participation

JEA Ambassadors are engaging customers throughout our community in a greatly expanded way.

FY17 Activities:

- Speakers Bureau—69
- Facility Tours—41
- Community Events—77
- Educational Partnership Activities—10



JEA Ambassadors participated in the Reynolds Lane Elementary Career Fair and were deemed “heroes” by the students and staff.



JEA Ambassador participated in the Yulee Elem STEM Night to educate parents and students about electricity and the efficient ways to use it.

Giving back to our community through volunteering is foundational as a community-owned utility

**FY17 Total
Volunteers—526**

April— 102 Volunteers

- Greenscape Tree Festival
- Catty Shack Wildlife Sanctuary
- Special Olympics
- Hubbard House Annual Awareness Walk/Run
- Walk to End Lupus
- City Rescue Mission Community Closet
- National MS Walk
- Earth Day Downtown Clean-up
- Habijax Home Build
- Feeding NE Florida Food Bank
- MDA Muscle Walk
- Butterfly Festival at Tree Hill
- HandsOn Jacksonville “Celebrate Good” Festival

May—Vol. Events

- Aging True Cathedral Café – May 4
- Make a Wish “Walk for Wishes” – May 6
- Habijax Home Build – May 11, 12, 19
- Habijax “Women’s Build Day” – May 12
- American Cancer Society Relay for Life – May 18
- Sulzbacher Center – May 19
- Catty Shack Wildlife Sanctuary – May 19
- Rethreaded – May 23
- Jacksonville Jazz Festival – May 25 - 27
- Five Star Veterans Center – May 25
- Feeding NE Florida Food Bank – May 26



JEA Ambassador Program

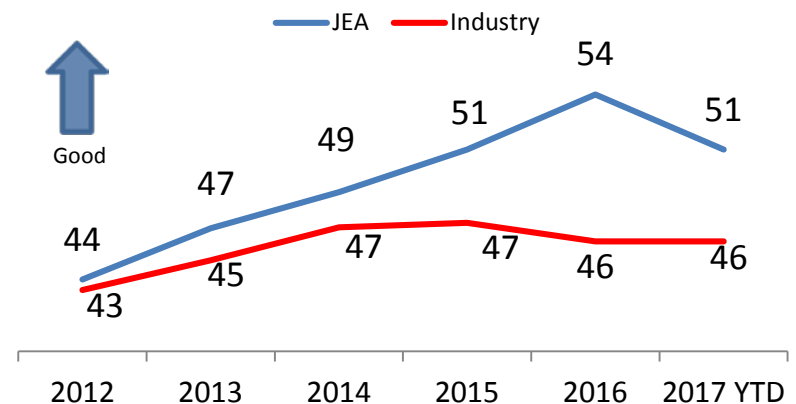
Demonstrating Community Responsibility

DSM Programs & Participation	FY17 Goal	FY17 YTD
Tracker Participation (Entering Site)	110,000	56,840
Invest Smart	395	346
Shop Smart	77,678	65,787
Neighborhood Energy Efficiency	1,262	681
Electric Vehicle Rebates	75	49

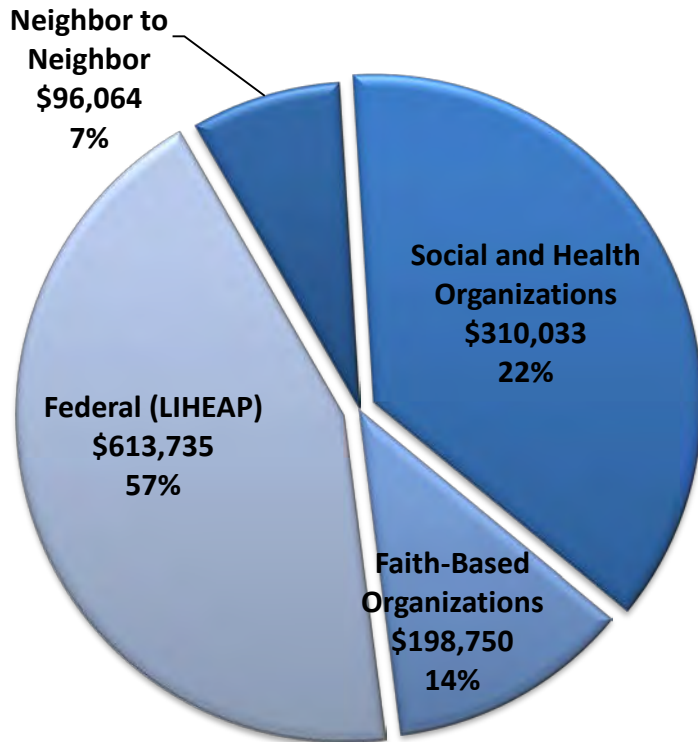
Customer Solutions Highlights for May and June

- On June 1st, 2017, JEA will launch its SolarSmart program with the opening of its first community solar farm. There are several customers on the waiting list to begin subscribing to solar energy.
- New Director of Customer Solutions was named: Vicki Nichols, previously of Georgia Power.

Familiarity with Utility Energy Efficiency or Conservation Programs (%)



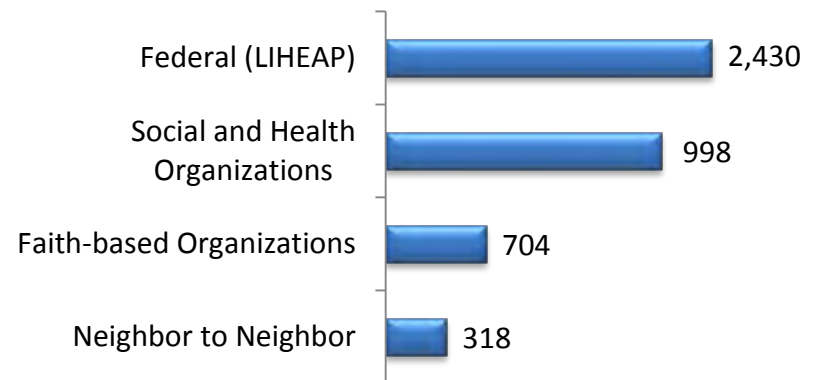
Demonstrating Community Responsibility



Agency & Federal
Customer Assistance
FY 17 YTD
\$1,393,486

26 agencies provided 251 utility payments on behalf of JEA customers in April 2017 totaling **\$73,667**

Customers Receiving Agency Assistance YTD

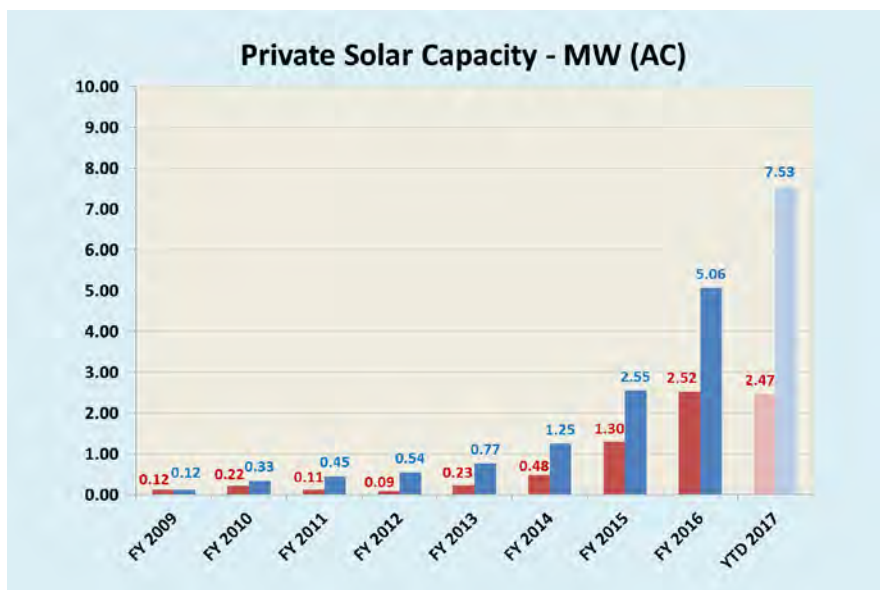


Number of Customers Receiving
Agency & Federal Utility Assistance
FY 17 YTD
4,450

Private Solar Program Status (Net-Metered Solar)

10MW Policy Limit for Private Solar To Be Reached by September

- The installation rate of private solar on the JEA system is growing
- Private solar capacity added in April was 0.32 MW, YTD 2.47 MW. Total aggregate capacity is 7.53 MW. At the current adoption rate the 10 MW cap may be reached by September.
- The annualized subsidy for the current 7.53 MW of installed private city is \$695,000 annually
- The table below reflects the current and future subsidy levels associated with private Solar:



	Current MW	10 MW Policy Limit	Each Future MW
Energy Subsidy	\$365,000	\$500,000	\$50,000
Capacity Subsidy	\$255,000	\$330,000	\$33,000
Taxes & Fees Subsidy	\$75,000	\$98,000	\$9,800
Subsidy Total	\$695,000	\$928,000	\$92,800
Subsidy 20-yr NPV	\$9,080,294	\$12,100,000	\$1,210,000

III. A. 6.

Monthly FY17 Communications & Engagement Calendar and Plan Update

JEA Community Engagement Calendar - April - June 2017
(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E	F
	Date	Event/Activity	Location	Time	Type	Opportunity for Public to Attend or Participate
1						
2	Apr-17					
3	4/1/2017	Arbor Day Tree Festival	Met Park	9am	Ambassador Event	Yes
4	4/3/2017	River City Homeschool	Main St Lab Tour	10am	Ambassador Facility Tour	No
5	4/4/2017	Arlington Middle School Career Day	8141 Lone Star Rd	9am	Ambassador Event	No
6	4/6/2017	Duval County Health Dept. Resource Fair	Schultz Center	11:30am - 3:30pm	Ambassador Event	Yes
7	4/8/2017	Party in the Park for Prevention	Edward Waters College	10am	Ambassador Event	Yes
8	4/10/2017	Girl Scout Troop 1464	Chimney Lakes Elem.	6:45pm	Ambassador Speaker	No
9	4/11/2017	National Assoc. of Women in Science	UNF	7pm	Ambassador Speaker	Yes
10	4/14/2017	Girl Scout Troop 1464	Main St Lab Tour	11am	Ambassador Facility Tour	No
11	4/17/2017	Confederate Point Civic Assoc.	5961 Swamp Fox Rd.	7pm	Ambassador Speaker	No
12	4/18/2017	Deutsche Bank	5022 Gate Parkway	12pm	Ambassador Speaker	No
13	4/22/2017	Fair Housing for House Seekers Conference	Main Library	9am	Ambassador Event	Yes
14	4/22 - 23/2017	Garden & Arts Fest	Jax Zoo	9am	Ambassador Event	Yes
15	4/22/2017	Earth Day at the Landing	Jax Landing	11am	Ambassador Event	Yes
16	4/25/2017	Yulee Primary School STEM Night	86426 Goodbread Rd.	6pm	Ambassador Event	Yes
17	4/25/2017	Jacksonville IT Council	FSCJ Downtown Campus	7:30am	Ambassador Speaker	Yes
18	4/27/2017	JEA Bring Your Child to Work/Earth Day	JEA Tower	9am	Ambassador Event	Yes
19	4/29/2017	Butterfly Festival	Tree Hill Nature Center	10am	Ambassador Event	Yes
20						
21						
22						
23						

JEA Community Engagement Calendar - April - June 2017

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

	A	B	C	D	E	F
24	May-17					
25	5/2/2017	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor	No
26	5/3/2017	JEA Power Pals	Henry Kite Elem.	9am	Ambassador Instructor	NO
27	5/6/2017	Jax Aqua Fest	MOSH	10am - 4pm	Ambassador Event	Yes
28	5/9/2017	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor	No
29	5/10/2017	JEA Power Pals	Henry Kite Elem.	9am	Ambassador Instructor	No
30	5/10/2017	Chaffee Trail Elem. Career Fair	11400 Sam Caruso Way	8:30am	Ambassador Event	No
31	5/10/2017	Biscayne Elem. Career Fair	12230 Biscayne Blvd.	9am	Ambassador Event	No
32	5/11/2017	JEA Power Pals	Tiger Academy	9am	Ambassador Instructor	No
33	5/12/2017	Mental Health Conference	Edward Waters College	9:30am	Ambassador Event	Yes
34	5/12/2017	Chimney Lakes Elem. Career Fair	9353 Staples Mill Dr.	9:30am	Ambassador Speaker	No
35	5/13/2017	Caregiver Expo	Hyatt Riverfront	10am	Ambassador Event	Yes
36	5/16/2017	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor	No
37	5/17/2017	JEA Power Pals	Henry Kite Elem.	9am	Ambassador Instructor	No
38	5/18/2017	JEA Power Pals	Tiger Academy	9am	Ambassador Instructor	No
39	5/18/2017	Arlington Heights STEM Night	1520 Sprinkle Dr.	6pm	Ambassador Event	Yes
40	5/19/2017	Young Women of Color Empowerment Conference	Douglas Anderson School of the Arts	8:30am - 10:30am	Ambassador Speaker	No
41	5/19/2017	Young Women of Color Empowerment Conference	Douglas Anderson School of the Arts	8:30am - 3:30pm	Ambassador Event	No
42	5/19/2017	Junior Achievement School Take Over	Greenland Pines Elem.	8am - 2pm	Ambassador Instructor	No
43	5/19/2017	Ruth Upson Elem. Career Day	1090 Dancy St	8:30am	Ambassador Event	No
44	5/19/2017	Rufus E Payne Elem. Career Day	6725 Hema St	8:30am	Ambassador Event	No

JEA Community Engagement Calendar - April - June 2017

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

	A	B	C	D	E	F
45	5/20/2017	FL STEM Expo	River City Science Academy	11am - 3pm	Ambassador Event	Yes
46	5/22 - 23/2017	Gardens & Arts Festival	Jax Zoo	10am - 4pm	Ambassador Event	Yes
47	5/23/2017	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor	No
48	5/24/2017	JEA Power Pals	Henry Kite Elem.	9am	Ambassador Instructor	No
49	5/25/2017	Jax Humane Society	8464 Beach Blvd.	1pm	Ambassador Speaker	No
50	5/25/2017	Bartram Springs Career Fair	14799 Batram Parkway	8:30am	Ambassador Event	No
51	5/25/2017	JEA Power Pals	Tiger Academy	9am	Ambassador Instructor	No
52	5/26/2017	Tiger Academy Career Day	6079 Bagley Rd	8am - 2pm	Ambassador Event	No
53	Jun-17					
54	6/1/2017	JEA Power Pals	Tiger Academy	9am	Ambassador Instructor	No
55	6/16/2017	Men's Health Fair	Lincoln Villas Senior Center	10am	Ambassador Event	Yes
56	6/23/2017	Jr. Engineering STEM Conference	UNF	8am - 2pm	Ambassador Event	Yes
57						
58						
59						
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FY17 Communications & Community Engagement Overview and April/May 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: In April, our JEA Smart Home AutoPay Giveaway kicked off. During the campaign, all JEA customers who enroll in JEA AutoPay from April 1st – May 31st, 2017 will automatically be entered into our JEA Smart Home AutoPay Giveaway for their chance to win a Google Home and Smart Lighting Starter Kit. On April 1 we partnered with Greenscape as they celebrated Arbor Day by handing out free trees to those in attendance. In May, Phase II of our OneWater campaign will begin. This campaign focuses on water conservation and encourages all JEA customers to try and use 10% less water each month to protect our water supply now and in the future. 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 April, Ambassadors spoke to several groups including Jax Chamber IT Council and National Society of Women in Science and Deutsch Bank. Ambassadors conducted several facility tours including a Girl Scout Troop and UNF Students. Ambassadors participated in a number of community events including Earth Day at the Landing, Garden & Arts Festival at the Zoo and the Fair Housing Expo.

Below, JEA Ambassadors participated in the Reynolds Lane Elementary Career Fair and were deemed "heroes" by the students and staff.



In April, JEA volunteers came out in support of the Greenscape Tree Festival, Catty Shack Wildlife Sanctuary, Special Olympics, Hubbard House Annual Awareness Walk/Run, Walk to End Lupus, City Rescue Mission Community Closet, National MS Walk, Earth Day Downtown Clean-up, Habijax Home Build, Feeding NE Florida Food Bank, MDA Muscle Walk, Butterfly Festival at Tree Hill, and the HandsOn Jacksonville “Celebrate Good” Festival.



Habijax Home Build



Catty Shack Wildlife Preserve



City Rescue Mission

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	146,594,590
• Number of Paid Communications Contacts (Radio, Television, Out of Home, Online, Print)	104,748,309
• Number of Other Communications Contacts (Bill Insert, Bill Envelop, Brochure, etc.)	7,578,725
• Number of E-communications Contacts (jea.com Visitors, Email, Social Media, Videos)	33,826,940
• Number of Community Engagement Communications Contacts (Events, Public Speaking, Presentations, Training, Workshops, etc.)	440,616

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

III. B.1.

St. Johns River Power Park (SJRPP) Shutdown and Termination Agreement

May 16, 2017

SUBJECT:	ST. JOHNS RIVER POWER PARK ("SJRPP") SHUTDOWN AND TERMINATION AGREEMENT
-----------------	--

Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
-----------------	---	---	---

Issue: JEA Staff is requesting an authorization and approval for signature of the SJRPP Asset Transfer and Contract Termination Agreement (ATA) between JEA and Florida Power & Light (FPL). The JEA Board was provided the term sheet for review of the ATA terms at the March 21, 2017 meeting. JEA has 80% ownership and FPL 20% of SJRPP.

Significance: The ATA will authorize shutdown of SJRPP, a 1,320 MW coal-fired station, on or about January 1, 2018. After shutdown the dismantlement and site remediation will take place. At closing, following dismantlement and remediation work, JEA will have 100% ownership of the SJRPP property.

Effect: Excess generation capacity due to customer conservation and increased effectiveness will be removed from the JEA system. Future uncertainty and risks surrounding environmental regulations will be eliminated for this asset.

Cost or Benefit: The transfer of the FPL Debt Service Reserves to JEA at shutdown along with JEA Debt Service Reserves, will defease the St. Johns River Power System Revenue Bonds. JEA will receive a payment of eighty nine million two hundred thousand dollars (\$89,200,000), plus the assignment of their cash reserves and the debt service reserve fund at shutdown. O&M expenses will be lower to the JEA budget starting in 2019.

Recommended Board action: Staff recommends the Board authorize and approve executing the SJRPP Asset Transfer and Contract Termination Agreement and each of the agreements included as exhibits in substantively the same form as presented in this agenda item.

For additional information, contact: Larry Pinkstaff 904.665.4566

Submitted by: PEM/MJB/LGP



Commitments to Action

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



INTER-OFFICE MEMORANDUM

May 16, 2017

SUBJECT: ST. JOHNS RIVER POWER PARK ("SJRPP") SHUTDOWN AND
TERMINATION AGREEMENT

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA and Florida Power & Light ("FPL") entered into an Agreement for Joint Ownership, Construction, and Operation of SJRPP Coal Units #1 and #2 ("JOA"), dated as of April 2, 1982. JEA owns 80% and FPL owns 20% of the facility. A Purchase Power Agreement ("PPA") in the JOA assigned 37.5% of JEA's 80% generation to FPL, which effectively provided 50% of the generation to both owners from the facility. The PPA agreement is projected to terminate in 2019, after which 80% of generation and cost would be allocated to JEA. The JOA ends in 2022.

DISCUSSION:

Due to declines in electric sales over the past decade, JEA has more generation capacity than needed to reliably serve our customers and community. The generation from SJRPP has decreased dramatically for both owners the last several years due to low natural gas prices and decreased overall energy needs.

At the March, 2017 JEA Board of Directors meeting, JEA staff presented a term sheet agreement reached between JEA and FPL to shut down and decommission SJRPP in January, 2018. The retirement of SJRPP provides JEA with operating cost savings and avoids costly future capital expenditure requirements for environmental compliance with an uncertain regulatory future. As outlined in the term sheet, FPL agrees to pay JEA \$134,000,000 in exchange for shutting down the facility (\$89,200,000 cash payment, plus the assignment of their portion of the debt service reserve fund). The documents included with this agenda item represent definitive agreements with FPL, including materially the same terms as the term sheet. Staff has also included a chart comparing the term sheet provisions against the definitive agreements and agreement section reference numbers.

The structure of the agreement is an overall governing agreement, the Asset Transfer and Contract Termination Agreement ("ATA"), which describes the facility shutdown, dismantlement and remediation, JEA retained assets excluded from dismantlement, bond defeasance, JOA termination, and other provisions related to the shutdown of SJRPP. This document includes as exhibits forms of the agreements needed at each stage of shutdown and remediation, including asset transfers. Exhibit A is the Services Management Agreement, providing for JEA to manage the dismantlement and remediation of the SJRPP site and the cost sharing of such activity. The remainder of the attached agreement exhibits effect asset and real estate transfers, assignments, and contract terminations.

RECOMMENDATION:

Staff recommends the Board authorize and approve executing the Asset Transfer and Contract Termination Agreement and each of the agreements included as exhibits in substantively the same form as presented in this agenda item.

Paul E. McElroy, Managing Director/CEO

PEM/MJB/LGP

Return
to Agenda

**RETIREMENT, DECOMMISSIONING AND DISMANTLEMENT
OF THE ST. JOHNS RIVER POWER PARK**

DRAFT DEFINITIVE AGREEMENTS

May 8, 2017

Contents:

- Summary of key transaction documents
- Draft timeline
- Comparison of Term Sheet against terms in definitive agreements
- Draft Asset Transfer and Contract Termination Agreement and all exhibits

Key Transaction Documents

Asset Transfer and Contract Termination Agreement

- Govern JEA and FPL's rights and obligations related to cessation of operations of SJRPP as a generating facility, the Dismantlement of SJRPP, and the Remediation of the SJRPP Site (collectively, "Decommissioning")
- The ATA will be executed following the receipt of approvals from the governing bodies of JEA and FPL

Services Management Agreement

- The agreement by and between JEA and FPL pursuant to which JEA will be designated manager of the Dismantlement Contract and Remediation Contract on behalf of SJRPP
- Detail the sharing of costs associated with the Dismantlement Contract and Remediation Contract
- The agreement will become effective upon the shutdown of SJRPP

Joint Ownership Agreement Termination

- Transaction document that terminate all rights and responsibilities of JEA and FPL under the Joint Operating Agreement
- The agreement will become effective upon the closing of the Transaction

Transmission Service Agreement Termination

- Agreement assigns the FPL Cash Reserves, the FPL Debt Service Reserves and FPL's portion of the Fuel Inventory from FPL to JEA as partial payment of the Shutdown Payment
- The agreement will become effective upon the shutdown of SJRPP

Shutdown Assignment & Assumption Agreement

- The agreement terminate all rights and responsibilities of JEA and FPL under the current transmission services agreement
- The agreement will become effective upon the shutdown of SJRPP

Closing Assignment & Assumption Agreement

- Agreement assigns the Permits from FPL to JEA
- The agreement will becomes effective upon closing of the Transaction

Bill of Sale

- Agreement transfers SJRPP and the Retained Assets from FPL to JEA
- The agreement will becomes effective upon closing of the Transaction

Transaction Timeline

Event	Month	Q2 2017			Q3 2017			Q4 2017			Q1 2018			Q2 2018			Q3 2018			Q4 2018			Q1 2019		
		1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
Pre-signing																									
Finalize all Transaction Related Documents																									
JEA / FPL to obtain all board level consents required																									
Signing																									
Parties to execute ATA and SMA																									
Pre-shutdown																									
FERC Order and FPSC Order.																									
Dismantlement Contract																									
Remediation Contract																									
Parties to deliver WARN Notices																									
Shutdown																									
FPL to fund Shutdown Payment																									
Transmission Service Agreement Termination																									
Bond Defeasance deliverables																									
Dismantlement Contract																									
Remediation Contract																									
Parties to legally defease the Bonds																									
Pre-Closing																									
Parties to consummate dismantlement and remediation																									
FPL to pay its portion of dismantlement related costs																									
Closing																									
Parties to complete the transfer of FPL's portion of SJRPP																									
Parties to execute assignment and Assumption Agreements, Bills of Sale and Deed																									
Parties to terminate or transfer to JEA any remaining Permits and/or Company Contracts																									
Joint Ownership Agreement Termination																									

**COMPARISON OF TERM SHEET
FOR THE RETIREMENT, DECOMMISSIONING AND DISMANTLEMENT
OF THE ST. JOHNS RIVER POWER PARK AGAINST DEFINITIVE AGREEMENTS**

The table below compares the term sheet terms as presented to the Board at its March 2017 Board of Directors meeting against the corresponding terms described in the definitive agreements presented to the Board for approval.

March 21, 2017 Board Meeting		May 16, 2017
SECTION 1: NONBINDING TRANSACTION TERMS		ATA
Contract Termination	The Parties will terminate the Agreement for Joint Ownership, Construction and Operation of St. John's River Power Park Coal Units #1 and #2 by and between FPL and JEA dated as of April 2nd, 1982, as amended through the date hereof (the "JOA"), and all other contracts, agreements, arrangements and understandings by and between the Parties with respect to SJRPP and the energy and capacity produced by and transmitted from the Facility.	No Change Preamble Page 1

Consideration	<p>Upon the Shutdown (as defined below) of SJRPP (the “Closing”), FPL will make a payment to JEA in cash in immediately available funds in an amount estimated (based on current assumptions) to be Eighty Nine Million One Hundred Thirty Thousand Dollars (\$89,130,000) (the “Consideration”), in consideration of the termination of all rights and obligations of the Parties under the JOA and all other contracts, agreements, arrangements and understandings by and between the Parties with respect to SJRPP including debt retirement obligations, the energy and capacity produced by and transmitted from the Facility and the assignment of all of FPL’s right, title and interest in and to the Land (as more fully discussed below). This Consideration excludes and is in addition to the other financial obligations of both FPL and JEA with respect to retirement, dismantlement, and remediation, discussed more fully below. As used herein, “Shutdown” means when the following have been completed: (1) all required regulatory approvals for the Transaction shall have been obtained and (2) the Parties have ceased operation of the Facility.</p>	<p>Change</p> <p>Ninety Million Four Hundred Thousand Dollars (\$90,400,000)</p> <p>Article 2.03 (a) Page 11</p> <p>Amount increased to reflect gross funding of defeasance escrow and eliminate that portion of the true-up</p>
Dismantlement	<p>The Parties plan to dismantle the Facility (“Full Dismantlement”). At its option, however, JEA may elect to defer dismantlement of those portions of the Facility which have beneficial use to other portions of JEA operations (“Partial Dismantlement”). The costs for each of Full Dismantlement (the “Full Dismantlement Costs”) and Partial Dismantlement (the “Partial Dismantlement Costs”) will be determined through a mutually agreed methodology prior to Closing, proposed today to be a</p>	<p>Simplified</p> <p>Article 2.03 (a) Page 11 & Schedule of Retained Assets</p> <p>No Change Article 2.08 Page 15</p>

	<p>market solicitation involving qualified and experienced contractors. At JEA's option, FPL, on behalf of the Parties, will (for a reasonable fee to be negotiated by the Parties) contract for and manage the dismantlement of the Facility. If the Parties elect Full Dismantlement, the Full Dismantlement Costs will be shared in accordance with the Ownership Interests of the Parties as detailed in the JOA. If JEA exercises its option for Partial Dismantlement and the Partial Dismantlement Costs are less than the Full Dismantlement Costs then FPL shall pay to JEA an amount equal to FPL's portion of the difference of such costs (determined in accordance with the Ownership Interests of the Parties as detailed in the JOA) in complete satisfaction of any and all future dismantlement obligations with respect to SJRPP; provided, however, that if the Partial Dismantlement Costs are greater than the Full Dismantlement Costs then all amounts above the Full Dismantlement Costs shall be solely for the account of JEA.</p>	
Environmental Remediation	<p>All costs associated with remediation of all above and below ground regulated hazardous materials on any dismantled portion and any ongoing regulatory monitoring (the "Remediation Costs") will be determined through a mutually agreed methodology prior to Closing, proposed today to be a market solicitation involving qualified and experienced contractors. This solicitation will request an itemized breakdown of the costs associated with remediating each discrete portion of the Facility. All Remediation Costs associated with those portions of the Facility actually dismantled or remediated will be contracted for and shared in accordance with the Ownership Interests of the Parties as detailed in the JOA. At JEA's option, FPL, on behalf of the Parties, will (for a reasonable fee to be</p>	<p>No Change Article 2.08 & Service Management Agreement</p>

	<p>negotiated by the Parties) contract for and manage the remediation of the Facility. JEA agrees to waive recovery of remediation costs associated with portions of the Facility that JEA preserves for its beneficial use and which are therefore excluded from the scope of remediation and dismantlement. JEA will indemnify FPL against any and all claims arising in connection with the Land (including environmental claims) after the assignment and transfer of the Land, except for claims related to any remediation required upon closure of the landfills or resulting from ongoing monitoring of groundwater in those portions of the Facility which are not Retained Facilities.</p>	<p>Simplified Article 11.01 Page 29</p>
Assignment and Assumption of Interests in the Land	<p>Upon conclusion of the dismantlement (whether it be partial or full dismantlement as elected by JEA), FPL will assign and transfer and JEA will assume and accept all of FPL's right, title and interest in and to the Land.</p>	<p>No Change Article 2.04 Page 12 Article 6.05 Page 22 Special Warranty Deed</p>
Pre-funding Debt Service Obligations	<p>On or before the Closing, FPL will deposit an amount (the "Debt Service Amount"), together with FPL's portion of funds on deposit in the debt service reserve fund, to (i) legally defease its portion of outstanding debt issued in accordance with the St. Johns River Power Park System Revenue Bond Resolution adopted by JEA on March 30, 1982 and (ii) pay associated transaction costs.</p>	<p>No Change Article 2.01 (b) Page 10 & Debt Service Assignment & Assumption Agreement</p>
Inventory	<p>The Parties will work together to minimize the amount of fuel and other fuel related inventories remaining at the Facility by the proposed shutdown date. Remaining fuel and other fuel related inventories are to be liquidated on or about December 31, 2017 and the proceeds will go to JEA.</p> <p>Other materials and supplies will be liquidated on or about December 31, 2017,</p>	<p>No Change Article 2.07 Page 15</p> <p>No Change</p>

	and the proceeds will be divided based on Ownership Interests in SJRPP.	
Post-Closing True-Up	All payables, receivables, cash, other cash reserves and other working capital amounts (other than Inventory) will be trued up on a net basis on or before 90 days after the assignment and assumption of interests in the Land.	No Change Article 2.06 (a) Page 14
Other Cash Reserves	On or about January 1, 2018, JEA will return to FPL its portion of the various cash reserves established under the JOA (other than the debt service reserve) which as of February 28, 2017 were estimated to be Thirty Four Million Nine Hundred Thousand Dollars (\$34,900,000).	No Change Article 2.03 (b) Page 12
Litigation	FPL will continue in the defense of, participate in or contribute toward settlement proceeds, if any, with respect to ongoing litigation or litigation matters that arise out of operation of SJRPP up until and through dismantlement and remediation, including but not limited to, the CSX and the Westside Electric matters.	No Change Article 12.07 Page 33
Property Taxes	FPL will work directly with Duval County under its current property tax agreement regarding its 2018 payment for the portion of such payment associated with FPL's Ownership Interests in SJRPP.	No Change Article 10.01 Page 27

SECTION 2: BINDING TRANSACTION TERMS		ATA
Approval	No Party shall be bound to enter into any agreement relating to any part of the Transaction until (i) such Party's governing body shall have approved the final Transaction Documents, (ii) such Party shall have executed the applicable Transaction Document, and (iii) all conditions precedent to the effectiveness of any of such Transaction Document shall have been satisfied, including the obtaining of any and all requisite federal, state, or territorial regulatory orders or approvals, if any, which are satisfactory in form and substance to the Party requiring such approval.	<p>No Change</p> <p>Asset Transfer and Contract Termination Agreement ("ATA") cannot be executed until approved by JEA Board of Directors</p> <p>No Change</p> <p>Article 2.02 (b) & (c) Page 11</p>
Entire Agreement	This Term Sheet constitutes the entire agreement of the Parties relating to the subject matter hereof and supersedes all prior discussions, agreements or understandings, whether oral or written, relating to such subject matter. There are no other written or oral agreements or understandings between the Parties. Any amendment of this Term Sheet must be written and signed by both Parties.	<p>N/A</p> <p>(The ATA will supersede all previous agreements)</p>
Governing Law	THIS TERM SHEET SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES.	<p>No Change</p> <p>Article 14.13 Page 38</p>
Non-Inclusive; Non-Binding	This Term Sheet does not contain all matters upon which agreement must be reached in order for the Transaction to be completed. Except for the terms in this Section 2, this Term Sheet does not create and is not intended to create a binding and enforceable contract between the Parties, and may not be relied upon by a Party as the basis for a contract by estoppel or otherwise for	No Change

	the completion of the Transaction. A binding commitment with respect to the Transaction can only result from the execution and delivery of the Transaction Documents.	
Costs	Each Party shall assume its own counsel costs, fees and expenses incurred in the preparation and negotiation of this Term Sheet and the Transaction Documents, and the Parties shall not have the right to claim any compensation and/or damages in connection therewith.	No Change
Remedies	In the event of a violation of a binding term of this Term Sheet, the aggrieved Party may apply to a court of competent jurisdiction to restrain further violation and to obtain any relief that may be appropriate or available under the circumstances, including specific performance without posting a bond therefor. This paragraph is not intended to and shall not restrict the rights or remedies of either Party otherwise available under applicable law or in equity in respect of any such violation. Notwithstanding anything contained in this Term Sheet, each Party's liability to the other Party in connection with this Term Sheet and any activities undertaken in connection with the evaluation of the Transaction shall be limited to direct damages and shall exclude any other liability, including without limitation liability for special, indirect, punitive or consequential damages in contract, tort, warranty, strict liability or otherwise.	N/A (Term sheet superseded by ATA following execution)
Termination	This Term Sheet shall remain effective until the earliest of (1) the full execution of the Transaction Documents, (2) termination of this Term Sheet in a signed writing delivered by either of the Parties or (3) September 30, 2017.	N/A (Execution of ATA ends this paragraph)

Counterparts	This Term Sheet may be executed in counterparts, including transmission by facsimile or .PDF, and all such counterparts together shall constitute but one agreement.	N/A
Confidentiality	Each Party agrees that the contents of this Term Sheet and any information relating to negotiations of the Transaction are confidential and shall be treated as confidential. Neither Party, except as required by law, shall disclose such confidential information to any Person. Notwithstanding the foregoing, FPL acknowledges that meetings of JEA's Board of Directors are duly noticed public meetings and that JEA will provide this Term Sheet to its Board of Directors in connection with such public setting.	No Change Article 14.03 Page 36
Public Statements	Neither Party shall make or authorize any news release, advertisement, or other disclosure which shall confirm the existence or convey any aspect of this Term Sheet without the prior written consent of the other Party. FPL acknowledges that JEA is subject to Florida Sunshine laws, and as such, meetings of its Board of Directors are duly noticed public meetings, and such discussions are exempt from this clause.	No Change Article 14.04 Page 36

Example of items in ATA and not detailed in Term Sheet	
Definitions	Service Management Agreement "A"
Principles of Interpretation	Assignment & Assumption Agreements "B,C,D"
Shutdown Adjustment Details	Termination Agreements "E, F"
Closing Adjustment Details	Bill of Sale "G"
Representations and Warranties	Special Warranty Deed

**ASSET TRANSFER
AND
CONTRACT TERMINATION AGREEMENT
by and between
FLORIDA POWER & LIGHT COMPANY
and
JEA
Dated as of May __, 2017**

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EXHIBITS

Exhibit A	Form of Services Management Agreement (for Management of Dismantlement and Remediation)
Exhibit B	Form of Shutdown Assignment & Assumption Agreement
Exhibit C	Form of Debt Service Assignment & Assumption Agreement
Exhibit D	Form of Closing Assignment & Assumption Agreement
Exhibit E	Form of Transmission Service Agreement Termination
Exhibit F	Form of JOA Termination
Exhibit G	Form of Bill of Sale
Exhibit H	Form of Deed

ASSET TRANSFER AND CONTRACT TERMINATION AGREEMENT

This **ASSET TRANSFER AND CONTRACT TERMINATION AGREEMENT** is made as of May [___], 2017 (this "Agreement"), by and between Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida ("FPL"), and JEA, a body politic and an independent agency of the City of Jacksonville, Florida, organized and existing under the laws of the State of Florida ("JEA"). Each of FPL and JEA shall be referred to herein as a "Party" and together as the "Parties."

WITNESSETH:

WHEREAS, FPL and JEA are party to that certain Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park Coal Units #1 and #2, dated as of April 2, 1982, as amended through the date hereof (the "JOA"); and

WHEREAS, pursuant to the JOA, the Parties jointly developed and constructed the St. Johns River Power Park System comprised of two coal fired electric generating units, each with nameplate capacity of 661 megawatts and the associated facilities required for the operation of the generating units and the transmission of electric energy from Units #1 and #2 (collectively, "SJRPP"); and

WHEREAS, pursuant to the JOA, FPL owns an undivided twenty percent (20%) interest in SJRPP and the SJRPP Site (as defined herein); and

WHEREAS, pursuant to the JOA, JEA owns an undivided eighty percent (80%) interest in SJRPP and the SJRPP Site; and

WHEREAS, to finance the cost of the development and construction of SJRPP, JEA issued and sold revenue bonds (the "Bonds") pursuant to that certain St. Johns River Power Park System Revenue Bond Resolution, adopted by JEA on March 30, 1982 (the "Bond Resolution"); and

WHEREAS, the Parties now agree that it is in the best interest of their customers to (i) cease operation of SJRPP as a generating facility, (ii) dismantle and Remediate (as defined herein) the SJRPP Site (other than the Retained Assets (as defined herein)), (iii) terminate the JOA and (iv) defease the Bonds (the "Bond Defeasance").

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

Article I

DEFINITIONS

1.01 Definitions. As used in this Agreement, the following defined terms have the meanings indicated below:

“Actions or Proceedings” means any demand, petition, complaint, notice of violation, action, suit, proceeding, claim, arbitration, investigation or other litigation or similar proceeding, including any civil, criminal, administrative or appellate proceeding, in each case, conducted by or before any Governmental or Regulatory Authority, including any arbitrator or arbitration panel exercising comparable authority.

“Affiliate” means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, “control” (including the terms “controlled by” and “under common control with”) of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through ownership of voting securities or ownership interests, by contract or otherwise, and specifically with respect to a corporation, partnership or limited liability company, means direct or indirect ownership of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

“Agreement” has the meaning set forth in the preamble hereto.

“Ancillary Agreements” means the Closing Assignment & Assumption Agreement, the Dismantlement Contract, the Shutdown Assignment and Assumption Agreement, the Debt Service Assignment & Assumption Agreement, the Transmission Services Agreement Termination, the JOA Termination, the Services Management Agreement, the Deed, the Bill of Sale, the Remediation Contract and any of the other agreements, instruments and documents contemplated to be entered into on or prior to the Closing in connection with this Agreement, including all such agreements, instruments and documents entered into in connection with the Shutdown.

“Bill of Sale” has the meaning set forth in Section 2.01(f).

“Bonds” has the meaning set forth in the preamble hereto.

“Bond Defeasance” has the meaning set forth in the recitals hereto.

“Bond Defeasance Amount” has the meaning set forth in Section 2.03(e).

“Bond Resolution” has the meaning set forth in the recitals hereto.

“Business Day” means any day, other than Saturday, Sunday or any other day on which commercial banks in New York, New York or Jacksonville, Florida are authorized or required by applicable Law to close.

“Claim” has the meaning set forth in Section 12.03(a)(iii).

“Claiming Party” has the meaning set forth in Section 12.05(b).

“Closing” has the meaning set forth in Section 2.04.

“Closing Assignment & Assumption Agreement” has the meaning set forth in Section 2.01(c).

“Closing Date” means the date and time on which the Closing occurs.

“Closing Date Environmental Remediation and Dismantlement Costs” has the meaning set forth in Section 2.06(a).

“Closing Payment Adjustment Statement” has the meaning set forth in Section 2.06(a).

“Closing Payment Objections Statement” has the meaning set forth in Section 2.06(a).

“Contamination” means the presence of any Hazardous Substance at or affecting the SJRPP Site, provided, such Hazardous Substances are present in such concentrations or under such conditions as to create a violation, liability or duty to conduct a response under any Environmental Law.

“Debt Service Assignment & Assumption Agreement” has the meaning set forth in Section 2.01(b).

“Deed” has the meaning set forth in Section 2.01(g).

“Dismantlement Contract” means that certain contract by and among JEA, FPL and a third-party to be chosen using a competitive bidding process, pursuant to which the third party contractor will dismantle SJRPP, except for the Retained Assets.

“Effective Date” has the meaning set forth in Section 2.01.

“Environmental Activity” means any use, storage, holding, existence, Release, emission, discharge, generation, processing, abatement, removal, disposition, handling or transportation of any Hazardous Substance.

“Environmental Claim” means any written complaint, summons, action, citation, notice of violation, directive, order, claim, litigation, investigation, judicial or administrative proceeding or action, judgment, Lien, demand, letter or communication from any Person alleging non-compliance with any Environmental Law relating to any actual or threatened Release, or arising from an Environmental Activity.

“Environmental Laws” means any and all applicable Laws, Orders, Permits or other binding determinations of any judicial or regulatory authority, now or hereafter in effect, of any Governmental or Regulatory Authority, imposing liability, establishing standards of conduct or otherwise relating to protection of the environment (including natural resources, surface water, groundwater, soils and indoor and ambient air), health and safety, land use matters or the presence, use, generation, treatment, storage, disposal, Release or threatened Release, transport or handling of Hazardous Substances.

"Environmental Remediation and Dismantlement Costs" has the meaning set forth in Section 2.09.

"Estimated Materials & Supplies Inventory Amount" means an amount equal to twenty percent (20%) of the book value of the Materials & Supplies Inventory, calculated as of the most recent available monthly financial statement.

"Estimated Shutdown Payment" has the meaning set forth in Section 2.03(c).

"Existing Litigations" has the meaning set forth in Section 12.07(a)(i).

"FERC" means the Federal Energy Regulatory Commission, and any successor thereto.

"FERC Order" means an Order from the FERC, pursuant to Section 203 of the FPA, authorizing the transfer of FPL's ownership stake in the Retained Assets to JEA that shall have been issued and shall be in full force and effect.

"FPA" means the Federal Power Act, as amended.

"FPL" has the meaning set forth in the preamble hereto.

"FPL Cash Reserves" means FPL's portion of the cash balance of the Renewal and Replacement Funds equal to thirty-three million seven hundred and thirty-two thousand five hundred and seven dollars (\$33,732,507.00), as defined in the JOA. It is the intent of JEA to fully utilize the FPL operating account and inventory account balances which currently exist for expenses incurred prior to Shutdown. If they are unable to do so and FPL balances remain, any remaining balance will be utilized to fund the FPL portion of post shutdown activities as set forth in Section 2.05(d).

"FPL Debt Service Reserves" means as of 11:59 PM on the Business Day prior to the Shutdown, FPL's portion of the cash balance of the Debt Service Reserve Account, as defined in the JOA.

"FPL Disclosure Schedules" has the meaning set forth in Article IV.

"FPL Indemnified Parties" has the meaning set forth in Section 12.03(a)(i).

"FPSC" means the Florida Public Service Commission, and any successor thereto.

"FPSC Order" means a final non-appealable Order from the FPSC approving the FPSC Petition without modification.

"FPSC Petition" has the meaning set forth in Section 7.01(a)(ii).

"Fuel Inventory" means all fuel and fuel related inventory (including limestone and limestone additives) of SJRPP, as reflected on SJRPP's balance sheet as the "Fuel inventory."

“GAAP” means United States generally accepted accounting principles, consistently applied throughout the relevant period.

“Governmental or Regulatory Approval” means any authorization, consent, approval, ruling, tariff, rate, certification, waiver, exemption, filing, variance or Order of, or any notice to or registration by or with, any Governmental or Regulatory Authority.

“Governmental or Regulatory Authority” means any entity exercising executive, legislative, judicial, regulatory or administrative functions of government, including any such governmental authority, agency, department, board, commission or instrumentality of the United States, including FERC, the Federal Communications Commission, North American Electric Reliability Corporation and any of its regional entities, any state of the United States or any political subdivision thereof, the FPSC, and any tribunal, court or arbitrator(s) of competent jurisdiction.

“Hazardous Substance” means any chemical, material, substance or waste that is regulated under or defined as hazardous or toxic under any Environmental Law or with respect to which liability or standards of conduct are imposed under any Environmental Law.

“Indemnified Party” has the meaning set forth in Section 12.03(a)(iii).

“Indemnifying Party” has the meaning set forth in Section 12.03(a)(iii).

“JEA” has the meaning set forth in the preamble hereto.

“JEA Disclosure Schedules” has the meaning set forth in Article III.

“JEA Indemnified Parties” has the meaning set forth in Section 12.03(a)(ii).

“JOA” has the meaning set forth in the recitals hereto.

“JOA Termination” has the meaning set forth in Section 2.01(e).

“Laws” means all laws (including common laws), statutes, rules, regulations, ordinances, codes, guidance documents and other pronouncements (i) having the effect of law of the United States or any state, county, city, tribal or other political subdivision thereof or (ii) of any Governmental or Regulatory Authority.

“Legal Opinion” has the meaning set forth in Section 2.02(a).

“Lien” means any lien, mortgage, pledge, conditional or installment sale agreement, encumbrance, covenant, condition, restriction, charge, option, right of first refusal, easement, security interest, deed of trust, right-of-way, encroachment, occupancy right, or other similar restriction of any nature, including any voting restriction or transfer restriction.

“Loss” means any and all damages, fines, penalties, deficiencies, losses and expenses (including reasonable costs for environmental investigation and remediation, interest, court costs and reasonable fees of attorneys, accountants and other experts) but excluding (a) indirect,

special, incidental, consequential or punitive damages, or lost profits or diminutions in value, other than such damages payable to third-parties that are actually imposed or otherwise incurred or suffered and (b) amounts for which reimbursement is actually received from an insurance company or other third-party.

“Materials & Supplies Inventory” means , without duplication of any Fuel Inventory, the materials & supplies inventory (as defined in the FERC Uniform System of Accounts) balance of SJRPP and the SJRPP Site.

“Material & Supplies Inventory Amount” means, with respect to the Material & Supplies Inventory used by the SJRPP Site between the Shutdown Date and eighty (80) days after the Shutdown Date or sold within eighty (80) days after the Shutdown Date, an amount equal to twenty percent (20%) of the sum of (i) the sales price of any such Material & Supplies Inventory minus (ii) all documented costs and expenses incurred by JEA in connection with any such sale. For the avoidance of doubt, any remaining Materials & Supplies Inventory not sold prior to the post-Shutdown reconciliation will be assigned a zero dollar (\$0.00) value in the Materials & Supplies Inventory Amount and subsequent sales shall be settled in accordance with Section 2.07(b).

“Monthly Payment Process” means (i) a continuation of the estimate, advance and true up process codified in Sections 5.5.1.9 and 5.5.1.10 and Appendix B of the JOA through the Shutdown Date and up to the Closing Date, subject to a final true-up, which process shall be incorporated by reference herein.

“Neutral Auditor” has the meaning set forth in Section 2.05(b).

“Order” means any writ, judgment, decree, injunction or award issued, or otherwise put into effect, by or under the authority of any court, administrative agency or other Governmental or Regulatory Authority (in each such case whether preliminary or final); provided, that “Order” shall not include any Permit.

“Party” or “Parties” each have the meaning set forth in the preamble hereto.

“Permits” means all licenses, permits, certificates of authority, authorizations, approvals, variances, waivers, registrations, franchises and similar consents obtained from or otherwise made available by any Governmental or Regulatory Authority.

“Permitted Liens” means (a) Liens in favor of carriers, warehousemen, repairmen, mechanics, workmen, materialmen, construction or similar statutory liens arising by operation of Law in the ordinary course of business for amounts not yet due and payable or that are being contested in good faith by appropriate Actions or Proceedings, in each case for which adequate reserves have been established in accordance with GAAP, (b) Liens arising from transfer restrictions under securities Laws or similar Laws, (c) Liens on the SJRPP Site created by JEA, and (d) Liens set forth on Schedule 1.01(a) hereto.

“Person” means any individual, corporation, company, voluntary association, partnership, joint venture, trust, limited liability company, other business or similar entity or Governmental or Regulatory Authority.

“Property Taxes” means real property Taxes, personal property Taxes and similar ad valorem Taxes.

“Release” when used with respect to the SJRPP Site or adjoining properties, means the presence of or any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, seeping, migrating, dumping or disposing of any Hazardous Substance into the environment including the abandonment or discarding of barrels, drums, tanks and similar receptacles and containers containing Hazardous Substances.

“Remediation” or “Remedial Action” and their derivatives (such as “Remediate”) means and includes any investigation, clean-up, corrective action or monitoring required to comply with applicable Environmental Laws including all actions within the definition of “removal” and “remedial” actions as those terms are defined in applicable Environmental Laws.

“Remediation Contract” means that certain contract by and among JEA, FPL and a third-party to be chosen using a competitive bidding process, pursuant to which the third party contractor will Remediate certain portions of the SJRPP Site to the specifications determined by the Parties and in accordance with Environmental Laws.

“Representatives” means, as to any Person, its officers, directors, employees, agents, partners, members, stockholders, counsel, accountants, financial advisors, engineers, consultants and other advisors.

“Responding Party” has the meaning set forth in Section 12.05(b).

“Retained Assets” means those portions of the SJRPP Site identified on Schedule 1.01(b) hereto.

“Separation Benefits” means those separation benefits previously agreed between the Parties to be paid to each SJRPP Employee whose employment is terminated as a result of the Shutdown.

“Services Management Agreement” means that certain agreement by and between JEA and FPL, in substantially the form attached hereto as Exhibit A, pursuant to which JEA will be designated manager of the Dismantlement Contract and Remediation Contract on behalf of SJRPP and the Parties and which will detail the sharing of costs associated with the Dismantlement Contract and Remediation Contract consistent with those obligations as established in the JOA and this Agreement.

“Shutdown” has the meaning set forth in Section 2.02.

“Shutdown Assignment & Assumption Agreement” has the meaning set forth in Section 2.01(a).

“Shutdown Cash Payment” has the meaning set forth in Section 2.03(c).

“Shutdown Date” has the meaning set forth in Section 2.02.

“Shutdown Payment” has the meaning set forth in Section 2.03(a).

“Shutdown Payment Adjustment Amount” means the sum (which may be positive or negative) of the Materials & Supplies Inventory Amount (as finally determined in accordance with Section 2.05), minus the Estimated Materials & Supplies Inventory Amount.

“Shutdown Payment Objections Statement” has the meaning set forth in Section 2.05(a).

“Shutdown Payment Adjustment Statement” has the meaning set forth in Section 2.05(a).

“SJRPP” has the meaning set forth in the recitals hereto.

“SJRPP Contracts” means the contracts pursuant to which JEA provides services to or on behalf of SJRPP set forth on Schedule 1.01(c) hereto.

“SJRPP Employees” shall mean the employees of SJRPP.

“SJRPP Pension Fund” means St. Johns River Power Park System Employees’ Retirement Plan.

“SJRPP Site” means all or any portion of the real property as legally described in Exhibit H, including all improvements, fixtures and equipment, soil, ground water, surface water, air, waterways and bodies of water associated with the real property.

“Tax” means (i) any and all federal, state, provincial, local, foreign and other taxes, levies, fees, imposts, duties and similar governmental charges (including any interest, fines, assessments, penalties or additions to tax imposed in connection therewith or with respect thereto) including (a) taxes imposed on, or measured by, income, franchise, profits or gross receipts, and (b) ad valorem, value added, capital gains, sales, goods and services, use, real or personal property, capital stock, license, branch, payroll, estimated withholding, employment, social security (or similar), unemployment, compensation, utility, severance, separation, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes and customs duties and (ii) any obligation to indemnify or otherwise assume or succeed to the tax liability of any other Person by contract or by operation of Law.

“Tax Return” means any return, report, information return, declaration, claim for refund, or other document, together with all schedules, attachments, amendments and supplements thereto (including all related or supporting information), supplied to or required to be supplied to any Governmental or Regulatory Authority responsible for the administration of Taxes.

“Tax Third-Party Claim” has the meaning set forth in Section 10.01(b).

“Third-Party” has the meaning set forth in Section 12.03(a)(iii).

“Third-Party Claim” has the meaning set forth in Section 12.03(a)(iii).

“Transfer Taxes” means all transfer, real property transfer, sales, use, goods and services, documentary, stamp duty, gross receipts, excise, conveyance and other similar Taxes.

“Transmission Service Agreement Termination” has the meaning set forth in Section 2.01(d).

“U.S. Dollars” means the lawful currency of the United States.

“Verification Letter” has the meaning set forth in Section 2.02(a).

1.02 Certain Principles of Interpretation. Each Party hereto has participated in the drafting of this Agreement, which each Party acknowledges is the result of extensive negotiations between the Parties. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision. In this Agreement, unless otherwise indicated: all words defined in the singular have the corresponding meaning in the plural and vice versa; words importing any gender include the other gender; references to statutes or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation referred to; references to “writing” include printing, typing, e-mail and other means of reproducing words in a tangible visible form; the words “including,” “includes” and “include” shall be deemed to be followed in each instance by the words “without limitation”; the words “shall” and “will” have the same meaning; the word “or” is not exclusive; references to articles, sections (or subdivisions of sections), exhibits, annexes or schedules are to articles, sections (or subdivisions of sections), exhibits, annexes or schedules of or to this Agreement; references to agreements and other contractual instruments shall be deemed to include all amendments, extensions and other modifications to such instruments (without, however, limiting any prohibition on any subsequent amendments, extensions and other modifications by the terms of this Agreement); and references to Persons include their respective successors and permitted assigns and, in the case of Governmental or Regulatory Authorities, Persons succeeding to their respective functions and capacities; references to “\$” are intended to refer to U.S. Dollars.

Article II

EFFECTIVENESS, FACILITY SHUTDOWN AND CLOSING

2.01 Effective Date Transactions. On the date hereof (the “Effective Date”), the Parties have executed the Services Management Agreement and this Agreement. The Parties have also negotiated the following form agreements to be executed and delivered at either the Shutdown or the Closing (as applicable):

(a) an assignment and assumption agreement, in substantially the form attached hereto as Exhibit B (the “Shutdown Assignment & Assumption Agreement”), assigning the FPL Cash Reserves, FPL’s portion of the Fuel Inventory and FPL’s portion of the Materials & Supply Inventory from FPL to JEA as partial payment of the Estimated Shutdown Payment, with such Shutdown Assignment & Assumption Agreement effective upon the Shutdown;

(b) an assignment and assumption agreement, in substantially the form attached hereto as Exhibit C (the “Debt Service Assignment & Assumption Agreement”), assigning the FPL Debt Service Reserves from FPL to JEA, with such Debt Service Assignment & Assumption Agreement effective upon the Shutdown;

(c) an assignment and assumption agreement, in substantially the form attached hereto as Exhibit D (the “Closing Assignment & Assumption Agreement”), assigning the Permits from FPL to JEA, with such Closing Assignment & Assumption Agreement effective upon the Closing;

(d) a termination agreement, in substantially the form attached hereto as Exhibit E (the “Transmission Service Agreement Termination”), which will terminate all rights and responsibilities of the Parties under the Transmission Services Agreement, with such Transmission Service Agreement Termination effective upon the Shutdown;

(e) a termination agreement, in substantially the form attached hereto as Exhibit F (the “JOA Termination”), which will terminate all rights and responsibilities of the Parties under the JOA, with such JOA Termination effective upon the Closing;

(f) a bill of sale, in substantially the form attached hereto as Exhibit G (the “Bill of Sale”), transferring SJRPP and the Retained Assets from FPL to JEA, with such Bill of Sale effective upon the Closing; and

(g) a special warranty deed, in substantially the form attached hereto as Exhibit H (the “Deed”), transferring FPL’s interest in the SJRPP Site from FPL to JEA, with such Deed effective upon the Closing.

2.02 Facility Shutdown. The Parties agree that all operation of SJRPP as a generating facility shall cease (the “Shutdown”) on the later of (such date, the “Shutdown Date”) (x) January 5, 2018, and (y) three (3) Business Days after (i) each of the Parties shall have delivered to the other Party written notice (which shall not be unreasonably withheld, conditioned or delayed) that such Party is ready to commence the Shutdown and (ii) the satisfaction or valid waiver of each of the conditions set forth in Sections 8.01 and 9.01 and each of the following conditions (other than any such conditions that by their terms are not capable of satisfaction until the Shutdown, but subject to the satisfaction or valid waiver of such conditions at the Shutdown):

(a) JEA shall have received evidence in form and substance reasonably satisfactory to JEA and FPL that, upon payment of the Bond Defeasance Amount in accordance with Section 2.03(e), the Bond Defeasance shall be consummated, including (i) an executed copy or copies of an escrow deposit agreement or escrow deposit agreements, as applicable, under which JEA and a trustee have agreed to take actions set forth in such escrow deposit agreement(s) necessary to satisfy the requirements to defease the Bonds under the applicable Bond Resolution and related documentation, (ii) an executed copy of a verification letter of GNP Services, CPA, PA or an alternative verification agent reasonably acceptable to JEA, FPL, the law firm providing the Legal Opinion and, if necessary, the insurer of any of the Bonds being defeased, dated as of the Shutdown Date, in form and substance reasonably satisfactory to JEA, the law firm providing the Legal Opinion and, if necessary, the insurer of any of the Bonds being

defeased and to the effect that the amount required to be deposited into the escrow account to consummate the Bond Defeasance on the Shutdown Date is sufficient to pay the Bonds in full on the applicable maturity or redemption dates, as specified in the escrow deposit agreement(s) (the “Verification Letter”), and (iii) a legal opinion of Nixon Peabody LLP or an alternative law firm reasonably acceptable to JEA and FPL, dated as of the Shutdown Date, in form and substance reasonably satisfactory to JEA and, if necessary, the insurer of any of the Bonds being defeased and to the effect that, (A) based upon assumptions and limitations typically made by such counsel in these types of opinions, provision having been made for the payment of the redemption price of the Bonds and the payment of interest thereon in accordance with the terms of the section specifying defeasance requirements in the Bond Resolution, the Bonds have ceased to be entitled to any lien, benefit or security under the Bond Resolution, and all covenants, agreements and obligations of JEA to the holders of the Bonds have ceased, terminated and become void and have been discharged and satisfied and (B) based upon assumptions and limitations typically made by such counsel in these types of opinions the defeasance of the Bonds as provided in the escrow deposit agreement or escrow deposit agreements, as applicable, will not in and of itself, cause interest on the Bonds to be included in gross income for federal income tax purposes (the “Legal Opinion”);

(b) the FERC Order shall have been issued and shall be in full force and effect; and

(c) the FPSC Order shall have been issued and shall be in full force and effect.

2.03 Shutdown Payment.

(a) At Shutdown, among other things, FPL shall pay to JEA an aggregate amount equal to Ninety Million Four Hundred Thousand Dollars (\$90,400,000.00) (such amount, the “Shutdown Payment”) in accordance with Section 2.03(c), following which the Parties acknowledge and agree Section 8 of the JOA shall no longer apply.

(b) No later than three (3) Business Days prior to the Shutdown Date, JEA will deliver to FPL in writing JEA’s good faith estimate of (i) the FPL Cash Reserves, (ii) the Estimated Materials & Supplies Inventory Amount, and (iii) the resulting Shutdown Cash Payment.

(c) At the Shutdown, FPL shall pay JEA (such amount, the “Estimated Shutdown Payment”) (i) the FPL Cash Reserves, which shall be assigned at the Shutdown in accordance with the Shutdown Assignment & Assumption Agreement, and (ii) an amount in cash (the “Shutdown Cash Payment”) by wire transfer of immediately available funds to an account (or accounts) designated in writing by JEA equal to the Shutdown Payment minus (A) the FPL Cash Reserves, minus (B) the Estimated Materials & Supplies Inventory Amount.

(d) At the Shutdown, FPL shall pay JEA the FPL Debt Service Reserves, which shall be assigned at Shutdown in accordance with the Debt Service Assignment & Assumption Agreement.

(e) At the Shutdown, JEA shall pay to an escrow account designated by US Bank, as trustee of the Bonds, the amount required to consummate the Bond Defeasance set forth in the Verification Letter, which amount shall include the FPL Debt Service Reserves assigned to JEA in accordance with Section 2.03(d) (the “Bond Defeasance Amount”).

2.04 Closing. The Parties agree that FPL shall transfer its twenty percent (20%) undivided ownership interest in the Retained Assets to JEA in accordance with Exhibit G hereto, and transfer its twenty percent (20%) undivided ownership interest in the SJRPP Site to JEA in accordance with Exhibit H hereto (collectively the “Closing”), upon the satisfaction or valid waiver of each of the conditions set forth in Sections 8.02 and 9.02 and each of the following conditions (other than any such conditions that by their terms are not capable of satisfaction until the Closing, but subject to the satisfaction or valid waiver of such conditions at the Closing):

(a) all activities to be undertaken under the Dismantlement Contract shall have been fully performed to the reasonable satisfaction of the Parties; and

(b) all activities to be undertaken under the Remediation Contract shall have been fully performed to the reasonable satisfaction of the Parties.

2.05 Post-Shutdown Reconciliation.

(a) JEA’s Shutdown Estimate. JEA will prepare and deliver to FPL not later than ninety (90) days after the Shutdown Date a statement (the “Shutdown Payment Adjustment Statement”) setting forth JEA’s good faith computation of the Material & Supplies Inventory Amount, and resulting Shutdown Payment Adjustment Amount, which computation shall be prepared first, in accordance with the applicable definitions thereof and second, in accordance with the accounting principles used in the regular management of SJRPP accounts as set forth in the JOA, together with a reasonably detailed explanation of, and documentation sufficient to confirm the accuracy of, the computation of such adjustment. If FPL requests, JEA will provide FPL with reasonable access to the books and records of SJRPP for purposes of FPL’s evaluation of the Shutdown Payment Adjustment Statement. If FPL has any objections to the Shutdown Payment Adjustment Statement, FPL will deliver to JEA a written statement setting forth its objections thereto, which shall include a reasonably detailed explanation of, and documentation sufficient to confirm the accuracy of the computation of, such adjustment (a “Shutdown Payment Objections Statement”). If within forty-five (45) days following delivery of such Shutdown Payment Adjustment Statement, FPL does not deliver to JEA a Shutdown Payment Objections Statement, then the Materials & Supplies Inventory Amount, and the Shutdown Payment Adjustment Amount as set forth in the Shutdown Payment Adjustment Statement shall be final, binding and non-appealable by the Parties and the applicable Party shall make payment to the other in accordance with Section 2.05(c). If, within forty-five (45) days following delivery of such Shutdown Payment Adjustment Statement, FPL delivers a Shutdown Payment Objections Statement, the proposed adjustment shall be subject to the objection and resolution provisions set forth in Section 2.05(b) below.

(b) Post-Shutdown Dispute Resolution. If FPL timely delivers a Shutdown Payment Objections Statement to object to JEA’s Shutdown Payment Adjustment Statement pursuant to Section 2.05(a), then FPL and JEA shall negotiate in good faith and attempt to

resolve such dispute over a twenty (20) day period commencing on delivery of written notice of objection pursuant to Section 2.05(a). Should such negotiations not result in an agreement within such twenty (20) day period (or such longer period as FPL and JEA may mutually agree), then either Party may submit such disputed items and values to a nationally recognized firm of independent certified public accountants agreed upon by JEA and FPL (the “Neutral Auditor”). Each Party agrees to promptly execute a reasonable engagement letter, if requested to do so by the Neutral Auditor. FPL and JEA shall, and shall instruct their respective Representatives to, use their commercially reasonable efforts to cooperate with the Neutral Auditor. The Neutral Auditor, acting as an expert and not an arbitrator, shall (i) resolve such dispute and make its determination in a manner consistent, first, with the applicable definitions of the Materials & Supplies Inventory Amount and the Shutdown Payment Adjustment Amount and second, with the accounting principles used in the regular management of SJRPP accounts as set forth in the JOA, (ii) only base its determination on the written submissions of the Parties and not conduct an independent investigation, and (iii) resolve any disputed item (if not in accordance with the position of either JEA or FPL) so that it is not in excess of the higher, nor less than the lower, of the amounts presented in JEA’s Shutdown Payment Adjustment Statement or FPL’s Shutdown Payment Objections Statement. The Neutral Auditor shall be directed to resolve such disputes and calculate, as applicable, the Materials & Supplies Inventory, and the Shutdown Payment Adjustment Amount within thirty (30) days after being retained. All fees and expenses relating to the work, if any, to be performed by the Neutral Auditor will be borne equally by FPL and JEA. The determination of the Neutral Auditor shall be final, conclusive and binding on the Parties.

(c) Shutdown Payment Settlement.

(i) If the Shutdown Payment Adjustment Amount (as determined pursuant to this Section 2.05) is a positive number, then on or before the fifth (5th) Business Day after such determination, JEA shall deliver to an account or accounts specified by FPL an amount equal to the Shutdown Payment Adjustment Amount by wire transfer of immediately available funds in U.S. Dollars; and

(ii) If the Shutdown Payment Adjustment Amount (as determined pursuant to this Section 2.05) is a negative number, then on or before the fifth (5th) Business Day after such determination, FPL shall deliver to an account or accounts specified by JEA an amount equal to the absolute value of the Shutdown Payment Adjustment Amount by wire transfer of immediately available funds in U.S. Dollars.

(d) Monthly Payment Process. Subsequent to the Shutdown Date and through the Closing Date, FPL will continue to remit estimated costs attributable to its obligations associated with the Environmental Remediation and Dismantlement Costs pursuant to Section 2.08 and will pay or receive true ups in accordance with the existing process outlined in the JOA Sections 5.5.1.9 and 5.5.1.10 and Appendix B. JEA will establish a new account titled the Environmental Remediation and Dismantlement account for purposes of this ongoing billing process which will continue through the Closing Date. To the extent cash amounts remain in FPL’s operating and inventory accounts established and maintained by JEA in accordance with

the JOA after shutdown, any remaining balance will be applied to monthly payments owed by FPL under Section 2.08.

2.06 Post-Closing Adjustment.

(a) JEA's Closing Estimate. JEA will prepare and deliver to FPL not later than ninety (90) days after the Closing Date, a statement (the "Closing Payment Adjustment Statement") setting forth JEA's good faith computation of the final true up of costs associated with Environmental Remediation and Dismantlement Costs incurred prior to the Closing Date (the "Closing Date Environmental Remediation and Dismantlement Costs"), together with a reasonably detailed explanation of, and documentation sufficient to confirm the accuracy of the computation of such adjustment. If FPL requests, JEA will provide FPL with reasonable access to the books and records of SJRPP for purposes of FPL's evaluation of the Closing Payment Adjustment Statement. If FPL has any objections to the Closing Payment Adjustment Statement, FPL will deliver to JEA a written statement setting forth its objections thereto, which shall include a reasonably detailed explanation of, and documentation sufficient to confirm the accuracy of the computation of such adjustment (a "Closing Payment Objections Statement"). If within forty-five (45) days following delivery of such Closing Payment Adjustment Statement, FPL does not deliver to JEA a Closing Payment Objections Statement, then the Closing Amount as set forth in the Closing Payment Adjustment Statement shall be final, binding and non-appealable by the Parties and the applicable Party shall make payment to the other in accordance with Section 2.06(a). If, within forty-five (45) days following delivery of such Closing Payment Adjustment Statement, FPL delivers a Closing Payment Objections Statement, the proposed adjustment shall be subject to the objection and resolution provisions set forth in Section 2.06(b) below.

(b) Post-Closing Dispute Resolution. If FPL timely delivers a Closing Payment Objections Statement to object to JEA's Closing Payment Adjustment Statement pursuant to Section 2.06(a), then FPL and JEA shall negotiate in good faith and attempt to resolve such dispute over a twenty (20) day period commencing on delivery of written notice of objection pursuant to Section 2.06(a). Should such negotiations not result in an agreement within such twenty (20) day period (or such longer period as FPL and JEA may mutually agree), then either Party may submit such disputed items and values to the Neutral Auditor. Each Party agrees to promptly execute a reasonable engagement letter, if requested to do so by the Neutral Auditor. FPL and JEA shall, and shall instruct their respective Representatives to, use their commercially reasonable efforts to cooperate with the Neutral Auditor. The Neutral Auditor, acting as an expert and not an arbitrator, shall (i) resolve such dispute and make its determination in a manner consistent, first, with the applicable definition of the Closing Environmental Remediation and Dismantlement Costs and second, with the accounting principles used in the regular management of SJRPP accounts as set forth in the JOA, (ii) only base its determination on the written submissions of the Parties and not conduct an independent investigation, and (iii) resolve any disputed item (if not in accordance with the position of either JEA or FPL) so that it is not in excess of the higher, nor less than the lower, of the amounts presented in JEA's Closing Payment Adjustment Statement or FPL's Closing Payment Objections Statement. The Neutral Auditor shall be directed to resolve such disputes and calculate the Environmental Remediation and Dismantlement Costs within thirty (30) days after being retained. All fees and expenses

relating to the work, if any, to be performed by the Neutral Auditor will be borne equally by FPL and JEA. The determination of the Neutral Auditor shall be final, conclusive and binding on the Parties.

(c) Closing Payment Settlement.

(i) If the Closing Environmental Remediation and Dismantlement Costs (as determined pursuant to this Section 2.06) is less than the amounts paid by FPL to JEA prior to the Closing Date pursuant to Section 2.08, then on or before the fifth (5th) Business Day after such determination, JEA shall deliver to an account or accounts specified by FPL an amount equal to such difference; and

(ii) If the Closing Environmental Remediation and Dismantlement Costs (as determined pursuant to this Section 2.06) is greater than the amounts paid by FPL to JEA prior to the Closing Date pursuant to Section 2.08, then on or before the fifth (5th) Business Day after such determination, FPL shall deliver to an account or accounts specified by JEA an amount equal to such excess.

2.07 Inventory.

(a) Fuel Inventory. From and after the date hereof until the Shutdown, the Parties shall use their good faith efforts to minimize additional acquisitions of Fuel Inventory; provided, however, that nothing in this Section 2.07 is intended to restrict either Party from operating SJRPP as a generating facility in the ordinary course of business consistent with the JOA. At the Shutdown Date, FPL shall assign its ownership interest in any remaining Fuel Inventory to JEA pursuant to the Shutdown Assignment & Assumption Agreement. Without limiting FPL's obligation under Section 2.08, the Services Management Agreement, the Dismantlement Contract and the Remediation Contract, JEA will be responsible for any and all costs associated with removal and transportation expenses with respect to the assigned Fuel Inventory, along with any and all disposal and disposal related expenses.

(b) Materials & Supplies Inventory. From and after the Shutdown, JEA shall use its commercially reasonable efforts to either (a) cause the SJRPP Site to use any remaining Material & Supplies Inventory or (b) sell the Material & Supplies Inventory. To the extent that any Material & Supplies Inventory not taken into account in the calculation of the Shutdown Payment Adjustment Amount is either used by the SJRPP Site or sold after the Shutdown Date, then within five (5) Business Days of its receipt of payment of any such Material & Supplies Inventory, JEA shall remit to FPL an amount equal to twenty (20%) of the sum of (i) the sales price of any such Material & Supplies Inventory minus (ii) all documented costs and expenses incurred by JEA in connection with any such sale. For the avoidance of doubt, any such Materials & Supply Inventory that is either used by the SJRPP Site or sold to JEA or FPL or any of their respective Affiliates shall be valued at the book value of such Materials & Supply Inventory, calculated as of the date of such use or sale.

2.08 Environmental Remediation and Dismantlement Costs. For the avoidance of doubt, and notwithstanding anything contained in this Agreement (including Section 11.01), FPL shall pay to JEA an amount equal to 20% of all fees, costs and expenses incurred or payable by

JEA and/or SJRPP or the SJRPP Site in connection with the Services Management Agreement, the Dismantlement Contract and the Remediation Contract, as more fully set forth in the Services Management Agreement, including any such fees, costs and expenses incurred or payable from and after the Closing Date (the "Environmental Remediation and Dismantlement Costs").

2.09 Adjustment to Shutdown Payment. All payments required pursuant to Section 2.05(c) will be deemed to be adjustments for Tax purposes to the aggregate Shutdown Payment paid by FPL pursuant to this Agreement.

Article III

REPRESENTATIONS AND WARRANTIES OF JEA

Except for those representations and warranties that are made as of a specific date or as disclosed in the disclosure schedules delivered by JEA to FPL on the date hereof (the "JEA Disclosure Schedules"), JEA hereby represents and warrants to FPL as follows as of the date hereof, the Shutdown Date and the Closing Date:

3.01 Legal Existence; Power. JEA is a body politic and an independent agency of the City of Jacksonville, Florida, organized and existing and in good standing under the laws of the State of Florida. JEA has all requisite right, power and authority and full legal capacity to execute and deliver this Agreement and to perform its obligations hereunder, including the consummation of the transactions contemplated hereby.

3.02 Authority. The execution and delivery by JEA of this Agreement, the performance by JEA of its obligations under this Agreement and the consummation by JEA of the transactions contemplated hereby have been duly and validly authorized by all necessary action of JEA, including by JEA's Board of Directors. This Agreement has been duly and validly executed and delivered by JEA and (assuming the due authorization, execution and delivery thereof by FPL) constitutes the legal, valid and binding obligation of JEA enforceable against JEA in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar Laws of general applicability related to or affecting creditors' rights, and to general equitable principles, including specific performance and injunctive and other forms of equitable relief).

3.03 No Conflicts. Except (i) as set forth on Schedule 3.03 or Schedule 3.04 or (ii) in the case of clauses (b) or (c), as would not prevent or materially impair or delay JEA from performing its obligations hereunder, the execution and delivery by JEA of this Agreement, the performance by JEA of its obligations under this Agreement and the consummation by JEA of the transactions contemplated hereby do not and will not (with or without notice or lapse of time, or both): (a) conflict with or result in a violation or breach of any of the terms, conditions or provisions of the bylaws, or other organizational or governing documents, of JEA, (b) conflict with or result in a violation or breach of any term or provision of any Law or Order applicable to JEA or SJRPP or (c) conflict with, result in a violation or breach of any term or provision of, result in any breach or loss of any benefit under, give to others any right of termination, amendment, acceleration or cancelation of, or result in the creation or imposition of any Lien (other than a Permitted Lien) upon any portion of SJRPP or the SJRPP Site pursuant to any

contract or Permit to which JEA or any of its Affiliates is a party or any portion of SJRPP or the SJRPP Site is subject.

3.04 Governmental or Regulatory Approvals; Filings. Except as set forth in Schedule 3.04 or as would not prevent or materially impair or delay JEA from performing its obligations hereunder, no Governmental or Regulatory Approval is required in connection with the execution and delivery by JEA of this Agreement or the consummation of the transactions contemplated hereby.

3.05 Compliance with Laws. JEA is not in violation of or in default under any Law or Order applicable to JEA, the effect of which, in the aggregate, would prevent or materially impair or delay JEA from performing its obligations hereunder.

3.06 Legal Proceedings. There are no Actions or Proceedings about which JEA has received written notice pending or, to the knowledge of JEA, threatened in writing against JEA, SJRPP or the SJRPP Site that would, if successful, (i) result in the issuance of an Order restraining, enjoining or otherwise prohibiting or making illegal the transactions contemplated under this Agreement or the performance by JEA of its obligations under this Agreement or (ii) prevent or materially impair or delay JEA from performing its obligations hereunder.

3.07 Bankruptcy. There are no bankruptcy, reorganization, or arrangement proceedings pending against, being contemplated by, or to the knowledge of JEA, threatened against JEA.

3.08 Brokers. Neither JEA nor any of its Affiliates has any liability or obligation to pay fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement, any Ancillary Agreement or any other agreement or instrument contemplated hereby and thereby for which FPL or its Affiliates could become liable or obliged.

3.09 Taxes. Other than Taxes that will be paid by JEA, (a) JEA will not incur any Tax obligations in connection with the consummation of the transactions contemplated by this Agreement, and (b) there are no unpaid Taxes that are or may become due and payable associated with JEA's eighty percent (80%) interest in SJRPP and the SJRPP Site.

Article IV

REPRESENTATIONS AND WARRANTIES OF FPL

Except for those representations and warranties that are made as of a specific date or as disclosed in the disclosure schedules delivered by FPL to JEA on the date hereof (the "FPL Disclosure Schedules"), FPL hereby represents and warrants to JEA as follows as of the date hereof, the Shutdown Date and the Closing Date:

4.01 Legal Existence; Power. FPL is a corporation duly formed, validly existing and in good standing under the Laws of the State of Florida. FPL has all requisite right, power and authority and full legal capacity to execute and deliver this Agreement and to perform its obligations hereunder, including the consummation of the transactions contemplated hereby.

4.02 Authority. The execution and delivery by FPL of this Agreement, the performance by FPL of its obligations under this Agreement and the consummation by FPL of the transactions contemplated hereby have been duly and validly authorized by all necessary action of FPL. This Agreement has been duly and validly executed and delivered by FPL and (assuming the due authorization, execution and delivery thereof by JEA) constitutes the legal, valid and binding obligation of FPL enforceable against FPL in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar Laws of general applicability related to or affecting creditors' rights, and to general equitable principles, including specific performance and injunctive and other forms of equitable relief).

4.03 No Conflicts. Except (i) as set forth on Schedule 4.03 or Schedule 4.04 or (ii) in the case of clauses (b) or (c), as would not prevent or materially impair or delay FPL from performing its obligations hereunder, the execution and delivery by FPL of this Agreement, the performance by FPL of its obligations under this Agreement and the consummation by FPL of the transactions contemplated hereby do not and will not (with or without notice or lapse of time, or both): (a) conflict with or result in a violation or breach of any of the terms, conditions or provisions of the bylaws, or other organizational or governing documents, of FPL, (b) conflict with or result in a violation or breach of any term or provision of any Law or Order applicable to FPL or SJRPP or (c) conflict with, result in a violation or breach of any term or provision of, result in any breach or loss of any benefit under, give to others any right of termination, amendment, acceleration or cancelation of, or result in the creation or imposition of any Lien (other than a Permitted Lien) upon any portion of SJRPP or the SJRPP Site pursuant to any contract or Permit to which FPL or any of its Affiliates is a party or any portion of SJRPP or the SJRPP Site is subject.

4.04 Governmental or Regulatory Approvals. Except as set forth in Schedule 4.04 or as would not prevent or materially impair or delay FPL from performing its obligations hereunder, no Governmental or Regulatory Approval is required in connection with the execution and delivery by FPL of this Agreement or the consummation of the transactions contemplated hereby.

4.05 Assets. FPL owns good and valid title in an undivided twenty-percent (20%) interest of all of the personal properties and assets, tangible and intangible, used in connection with the operation of SJRPP or the SJRPP Site in the ordinary course of business consistent with past practices, free and clear of all Liens, except for Permitted Liens.

4.06 Real Property. FPL has a good, valid and insurable undivided twenty-percent (20%) interest in and to the SJRPP Site, free and clear of all Liens other than Permitted Liens.

4.07 Compliance with Laws. FPL is not in violation of or in default under any Law or Order applicable to FPL, the effect of which, in the aggregate, would prevent or materially impair or delay FPL from performing its obligations hereunder.

4.08 Legal Proceedings. There are no Actions or Proceedings about which FPL has received written notice pending or, to the knowledge of FPL, threatened in writing against FPL or SJRPP or the SJRPP Site that would, if successful, (i) result in the issuance of an Order

restraining, enjoining or otherwise prohibiting or making illegal the transactions contemplated under this Agreement or the performance by FPL under this Agreement or (ii) materially impair or delay the ability of FPL from performing its obligations hereunder.

4.09 Financing. FPL has and will have at the Shutdown Date sufficient cash on hand or other immediately available funds in the aggregate to enable it to consummate the transactions contemplated by this Agreement on the terms contemplated hereby, including the payment of the Estimated Shutdown Payment and the other amounts owing to JEA pursuant to Article II.

4.10 Taxes.

(a) FPL has duly filed with the appropriate Governmental or Regulatory Authority exercising taxing authority all Tax Returns required to be filed by it or its Affiliates in connection with its twenty percent (20%) ownership interest in SJRPP, and such Tax Returns are true, correct and complete in all material respects.

(b) FPL has duly paid in full any and all Taxes owed by it or its Affiliates in connection with its twenty percent (20%) ownership interest in SJRPP.

(c) As of the date hereof, to FPL's knowledge, there are no pending or threatened in writing Tax audits, examinations or Actions or Proceedings with respect to FPL's twenty percent (20%) ownership interest in SJRPP.

4.11 Bankruptcy. There are no bankruptcy, reorganization, or arrangement proceedings pending against, being contemplated by, or to the knowledge of FPL, threatened against, FPL.

4.12 Brokers. Neither FPL nor any of its Affiliates has any liability or obligation to pay fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement, any Ancillary Agreement or any other agreement or instrument contemplated hereby and thereby for which JEA or its Affiliates could become liable or obliged.

Article V

COVENANTS OF JEA

JEA agrees for the benefit of FPL, except to the extent FPL may otherwise consent in writing, as follows:

5.01 Conduct of Business. From the date hereof until the Shutdown Date and except as permitted, contemplated or required by this Agreement or any Ancillary Agreement, JEA shall use all commercially reasonable efforts, in its role as lead manager, to execute and implement all decisions from the various committees established under the JOA and according to the policies and procedures mutually agreed by the Parties therein, including maintaining accounting and recordkeeping principles, maintaining insurance coverages, procurement and any other policies and procedures agreed to by the Parties.

5.02 Governmental Approvals; Third-Party Consents.

(a) From the date hereof until the Closing, JEA shall proceed diligently and in good faith and use all commercially reasonable efforts to, as promptly as practicable, (i) obtain and maintain in full force and effect all Governmental or Regulatory Approvals required by JEA in connection with the transactions contemplated by this Agreement, (ii) cooperate in good faith with the applicable Governmental or Regulatory Authorities and provide promptly such other information and communications to such Governmental or Regulatory Authorities as such Governmental or Regulatory Authorities may reasonably request in connection therewith, (iii) defend against all Actions or Proceedings challenging this Agreement or the consummation of the transactions contemplated hereby, (iv) (A) lift any permanent or preliminary injunction or restraining order or other Order issued or entered by any court or Governmental or Regulatory Authority of any type that would cause any condition to the Shutdown or the Closing under this Agreement not to be satisfied and (B) resolve any objections asserted with respect to the transactions contemplated by this Agreement raised by any Governmental or Regulatory Authority and (v) obtain all material consents and approvals of any Person (other than any Governmental or Regulatory Authority) that JEA is required to obtain in order to consummate the transactions contemplated hereby.

(b) Notwithstanding Section 5.02(a), under no such circumstance shall (i) JEA be required to agree to dispose of, license, hold separate, or acquire any assets or lines of business or enter into, terminate, amend or assign any contracts, contractual rights or existing relationships (other than as expressly contemplated by this Agreement) or (ii) JEA be obligated to bear any expense or pay any fee or grant any concession in connection with obtaining any consents, authorizations or approvals pursuant to the terms of any contract applicable to JEA, SJRPP or the SJRPP Site in order to consummate the transactions contemplated hereby. To the extent legally permitted, JEA will provide prompt notification to FPL when any such approval referred to in this Section 5.02 is obtained or denied, as applicable, and will advise FPL of any material communications with any Governmental or Regulatory Authorities or other Person regarding any of the transactions contemplated by this Agreement.

5.03 Bond Defeasance. Assuming the payment by FPL of all amounts required to be paid by FPL pursuant to Section 2.03(d) on the Shutdown Date, JEA shall use all commercially reasonable efforts to cause the Bond Defeasance to be consummated on the Shutdown Date or as soon as practicable thereafter.

5.04 SJRPP Contracts. Following the Shutdown Date and on or prior to the Closing, JEA will use commercially reasonable efforts to (i) terminate all SJRPP Contracts or (ii) provide FPL a written release from all future obligations (including financial contributions) related to any surviving SJRPP Contracts.

5.05 Fulfillment of Conditions. JEA shall (a) execute and deliver at the Closing each document that it is required to execute and deliver as a condition to the Closing under this Agreement and (b) subject to Section 5.02, use commercially reasonable efforts to take, or cause to be taken, all appropriate actions necessary or desirable to satisfy each other condition to the obligations of JEA contained in this Agreement.

Article VI

COVENANTS OF FPL

FPL agrees for the benefit of JEA, except to the extent JEA may otherwise consent in writing, as follows:

6.01 Conduct of Business.

(a) From the date hereof until the Shutdown Date and except as reasonably required to comply with the terms of this Agreement or any Ancillary Agreement, FPL shall conduct its operations at SJRPP and the SJRPP Site in the ordinary course consistent with past practices and in accordance with the JOA and all applicable Laws and Permits. Without limiting the generality of the previous sentence of this Section 6.01, prior to the Closing, except as JEA may otherwise agree in writing or as reasonably required to comply with the terms of this Agreement or any Ancillary Agreement, FPL shall not:

(i) cause SJRPP or the SJRPP Site to (A) create, incur, guarantee or assume any indebtedness for borrowed money or (B) subject any material portion of the properties or assets of SJRPP or the SJRPP Site to any Liens, except for Permitted Liens;

(ii) sell, lease, transfer, assign, license, abandon, permit to lapse or otherwise dispose of, directly or indirectly, any of the material assets of SJRPP or the SJRPP Site; or

(iii) enter into, terminate, amend, modify, waive or change any material contract of SJRPP or the SJRPP Site or enter into any contract that would be material to SJRPP or the SJRPP Site.

(b) From and after the Shutdown until the Closing and except as reasonably required to comply with the terms of this Agreement, the JOA or any Ancillary Agreement or as otherwise expressly permitted by the Services Management Agreement or the JOA, FPL shall cease all operations with respect to SJRPP and the SJRPP Site.

6.02 Governmental Approvals; Third-Party Consents.

(a) From the date hereof until the Closing, FPL shall, and shall cause its Affiliates to, proceed diligently and in good faith and use all commercially reasonable efforts to, as promptly as practicable, (i) obtain and maintain in full force and effect all Governmental or Regulatory Approvals (including the FPSC Petition) required by FPL in connection with the transactions contemplated by this Agreement, (ii) cooperate in good faith with the applicable Governmental or Regulatory Authorities and provide promptly such other information and communications to such Governmental or Regulatory Authorities as such Governmental or Regulatory Authorities may reasonably request in connection therewith, (iii) defend against all Actions or Proceedings challenging this Agreement or the consummation of the transactions contemplated hereby, (iv) (A) lift any permanent or preliminary injunction or restraining order or any other Order issued or entered by any court or Governmental or Regulatory Authority of any type that would

cause any condition to the Shutdown or the Closing under this Agreement not to be satisfied and (B) resolve any objections asserted with respect to the transactions contemplated by this Agreement raised by any Governmental or Regulatory Authority, and (v) obtain all material consents and approvals of any Person (other than any Governmental or Regulatory Authority) that FPL is required to obtain in order to consummate the transactions contemplated hereby.

(b) Notwithstanding Section 6.02(a), under no such circumstance shall (i) FPL be required to agree to dispose of, license, hold separate, or acquire any assets or lines of business or enter into, terminate, amend or assign any contracts, contractual rights or existing relationships (other than as expressly contemplated by this Agreement) or (ii) FPL be obligated to bear any expense or pay any fee or grant any concession in connection with obtaining any consents, authorizations or approvals pursuant to the terms of any contract applicable to FPL, SJRPP or the SJRPP Site in order to consummate the transactions contemplated hereby. To the extent legally permitted, FPL will provide prompt notification to JEA when any approval referred to in this Section 6.02 is obtained, taken, made, given or denied, as applicable, and will advise JEA of any material communications with any Governmental or Regulatory Authorities or other Person regarding any of the transactions contemplated by this Agreement.

6.03 Permit Transfers. Between the Shutdown Date and the Closing Date, FPL shall cooperate in good faith with JEA to transfer from SJRPP to JEA any Permits required by JEA for continued ownership and operation of the Retained Assets and the SJRPP Site.

6.04 Fulfillment of Conditions. FPL shall (a) execute and deliver at the Closing each document that it is required to execute and deliver as a condition to the Closing under this Agreement and (b) use commercially reasonable efforts to take, or cause to be taken, all appropriate actions necessary or desirable to satisfy each other condition to the obligations of FPL contained in this Agreement.

6.05 Title Insurance. FPL shall obtain, from a nationally recognized title insurance company, an owner's title insurance policy for FPL's twenty percent (20%) undivided ownership interest in the SJRPP Site, excluding survey coverage. FPL shall deliver any affidavits, including customary owner's affidavits, survey affidavits (no new improvements), gap affidavits and non-imputation affidavits, that such title insurance company shall reasonably require, in form and substance reasonably satisfactory to the title company and FPL, in order to deliver the title insurance policies. For the avoidance of doubt, the Parties agree that JEA may provide any surveyors reasonable access to the SJRPP Site for the purposes of updating or producing surveys with respect to the SJRPP Site.

Article VII

GOVERNMENTAL FILINGS

7.01 Governmental Filings.

(a) FPSC.

(i) As soon as practicable, and in any event no later than ten (10) days after the Effective Date, FPL will provide to JEA and its Representatives a draft form of the FPSC Petition that FPL intends to file with the FPSC for their review.

(ii) As soon as practicable, and in any event no later than fifteen (15) days after the Effective Date, FPL shall make a filing with the FPSC seeking Governmental or Regulatory Approval of FPL's proposed cost recovery associated with the material terms of this Agreement and setting forth FPL's arguments for approval of the filing (the "FPSC Petition") and thereafter shall use commercially reasonable efforts to comply with the requirements of the FPSC in conducting the hearings and other proceedings in connection with the FPSC Petition in order to obtain any Governmental or Regulatory Approval related thereto, including by promptly complying with any relevant request for additional information received by FPL or its Affiliates from the FPSC with respect thereto, provided, that FPL shall not be required to, and shall not be required to cause its Affiliates to, provide any such information where the provision of access or furnishing of such information would (A) violate any Law, Order, material contract, Permit or Governmental or Regulatory Approval applicable to FPL or Affiliates of FPL, or any of their assets and properties; (B) result in the waiver of any attorney/client, work product, or similar privilege or (C) disclose any confidential information concerning the activities of FPL or its Affiliates that is unrelated to the Agreement. FPL agrees that it will file the FPSC Petition with the express request that the FPSC grant the FPSC Petition without any modification to this Agreement or conditions to the consummation of the transactions contemplated thereunder other than the conditions specified in the FPSC Petition or this Agreement. If requested by FPL but subject to Section 5.02(b), JEA shall reasonably cooperate with FPL in connection with FPL's filing with the FPSC, which may include (i) filing testimony if provided an opportunity to do so and such testimony is requested by FPL to come from JEA in support of the FPSC Petition (at FPL's sole cost and expense; provided, that (i) FPL shall have the right to consent (not to be unreasonably withheld, conditioned or delayed) to any outside counsel hired by JEA and (ii) JEA shall use its good faith efforts to cause any such outside counsel to provide FPL with periodic updates on its costs, fees and expenses), (ii) providing information regarding the transactions contemplated by this Agreement that has otherwise been provided or made available to FPL, including information that may be confidential, provided that appropriate notices, requests or other filings necessary and appropriate to protect and preserve the confidentiality, and protection from disclosure, of such information are made with the FPSC and (iii) such other actions that will not unduly burden JEA, provided, that JEA shall not be required to provide any such information where the provision of access or furnishing of such information would (A) violate any Law, Order, material contract, Permit or Governmental or Regulatory Approval applicable to JEA, or any of its assets and properties; (B) result in the waiver of any attorney/client, work product, or similar privilege or (C) disclose any confidential information concerning the activities of JEA unrelated to SJRPP.

(b) FERC. As soon as practicable, and in any event no more than thirty (30) days after the Effective Date, JEA and FPL shall file or cause to be filed any application required to be filed with FERC pursuant to Section 203 of the FPA, and thereafter shall use commercially reasonable efforts to comply with the requirements of FERC in order to obtain any Governmental or Regulatory Approval related thereto. Without limiting the foregoing and to the extent legally permitted, FPL and JEA shall use commercially reasonable efforts to consult and

cooperate with each other as to the contents of such application, the applicants thereto and the appropriate time of filing such application and shall use commercially reasonable efforts to respond promptly to any requests for additional information made by FERC.

(c) In furtherance of the foregoing:

(i) To the extent legally permitted, the Parties will provide prompt notification to each other when any such approval referred to in this Article VII is obtained, taken, made, given or denied, as applicable, and will advise each other of any material communications with any Governmental or Regulatory Authority or other Person regarding any of the transactions contemplated by this Agreement;

(ii) The Parties shall use commercially reasonable efforts to promptly make any appropriate or necessary subsequent or supplemental filings and cooperate with each other in the preparation of such filings in such manner as is reasonably necessary and appropriate. The Parties shall consult with each other and shall agree in good faith upon the timing of such filings;

(iii) Neither Party shall, and each Party shall cause its Affiliates not to, take any action intended to materially and adversely affect or materially delay the approval of any Governmental or Regulatory Authority of any of the aforementioned filings; provided, however, that neither Party shall be precluded from making routine regulatory filings with the FPSC unrelated to the transactions contemplated by this Agreement; and

(iv) Subject to applicable confidentiality restrictions or restrictions required by Law, FPL and JEA will notify the other promptly upon the receipt of (A) any material comments or questions from any officials of any Governmental or Regulatory Authority in connection with the filings made pursuant to Article VII, (B) any request by any officials of any Governmental or Regulatory Authority for material amendments or supplements to the filings made pursuant to Article VII, or (C) any Order requiring the production of any documents, relating to an investigation of the transactions contemplated by this Agreement by any Governmental or Regulatory Authority. Whenever any event occurs that is required to be set forth in an amendment or supplement to any filing made pursuant to this Article VII, each Party will promptly inform the other of such occurrence and use commercially reasonable efforts to cooperate in filing promptly with the applicable Governmental or Regulatory Authority such amendment or supplement. Without limiting the generality of the foregoing, but to the extent legally permitted, each Party shall provide to the other (or the other's respective advisors) upon request copies of all material correspondence between such Party and any Governmental or Regulatory Authority relating to the transactions contemplated by this Agreement. In addition, to the extent reasonably practicable and legally permitted, all material discussions, telephone calls and meetings with a Governmental or Regulatory Authority to the extent regarding the transactions contemplated by this Agreement shall include representatives of both Parties. Subject to applicable Law, the Parties will consult and cooperate with each other in good faith in connection with any analyses, appearances, presentations, memoranda, briefs, arguments and proposals that are to be made or submitted to any Governmental or Regulatory Authority regarding the transactions contemplated by this Agreement by or on behalf of any Party or made

or submitted in response to material comments, questions or requests for supplements or amendments received from any officials of any Governmental or Regulatory Authority.

(d) Each of the Parties expressly acknowledges, agrees and reaffirms its respective commitments and undertakings pursuant to Sections 5.02 and 6.02 to use commercially reasonable efforts to obtain any Governmental or Regulatory Approval and agrees that this Article VII is in furtherance, and not in any way in limitation, of its obligations pursuant to Sections 5.02 and 6.02, as applicable.

Article VIII

CONDITIONS TO OBLIGATIONS OF FPL

8.01 Shutdown Obligations. The obligation of FPL to consummate the transactions described in Section 2.02 is subject to the fulfillment, at or before the Shutdown, of each of the following conditions (all or any of which may be waived in whole or in part by FPL in its sole discretion):

(a) Representations and Warranties. The representations and warranties of JEA contained in this Agreement shall be true and correct in all material respects (without regard to any materiality qualifications therein) as of the Shutdown as though such representations and warranties were made on and as of the Shutdown (or, to the extent such representations and warranties expressly relate to an earlier date and time, on and as of such earlier date and time);

(b) Performance. JEA shall have performed and complied in all material respects with the agreements, covenants and obligations required by this Agreement to be so performed or complied with by JEA at or before the Shutdown;

(c) Orders and Laws. There shall not be in effect on the Shutdown Date any Order or Law enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Agreement;

(d) Shutdown Certificate. JEA shall have delivered or caused to be delivered to FPL a certificate of JEA signed by an executive officer of JEA, in a form reasonably satisfactory to FPL, dated as of the Shutdown Date, stating that the conditions specified in Sections 8.01(a) and 8.01(b) have been satisfied;

(e) Shutdown Contracts. Each of the parties to the Dismantlement Contract and the Remediation Contract (other than FPL) shall have delivered or caused to be delivered their signature pages thereto; and

(f) Other Deliverables. JEA shall have delivered or caused to be delivered its signature page to each of the Shutdown Assignment & Assumption Agreement, the Debt Service Assignment & Assumption Agreement and the Transmission Service Agreement Termination.

8.02 Closing Obligations. The obligation of FPL to consummate the transactions described in Section 2.04 is subject to the fulfillment, at or before the Closing, of each of the

following conditions (all or any of which may be waived in whole or in part by FPL in its sole discretion):

(a) Orders and Laws. There shall not be in effect on the Closing Date any Order or Law enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Agreement;

(b) SJRPP Contract Assignment. Each of the SJRPP Contracts shall have been terminated or JEA shall have provided to FPL a written release from all future obligations (including financial contributions) related to any surviving SJRPP Contracts in accordance with Section 5.04; and

(c) Other Deliverables. JEA shall have delivered or caused to be delivered its signature page to each of the Closing Assignment & Assumption Agreement, the Bill of Sale, the Deed and the JOA Termination.

Article IX

CONDITIONS TO OBLIGATIONS OF JEA

9.01 Shutdown Obligations. The obligation of JEA to consummate the transactions described in Section 2.02 is subject to the fulfillment, at or before the Shutdown, of each of the following conditions (all or any of which may be waived in whole or in part by JEA in writing in its sole discretion):

(a) Representations and Warranties. The representations and warranties of FPL contained in this Agreement shall be true and correct as of the Shutdown as though such representations and warranties were made on and as of the Shutdown (or, to the extent such representations and warranties expressly relate to an earlier date and time, on and as of such earlier date and time), except where the failure of such representations and warranties to be true and correct (in each case disregarding all qualifications and exceptions contained therein relating to materiality) would not or would not reasonably be expected to prevent or materially impair FPL from performing its obligations hereunder;

(b) Performance. FPL shall have performed and complied in all material respects with the agreements, covenants and obligations required by this Agreement to be performed or complied with by FPL at or before the Shutdown;

(c) Orders and Laws. There shall not be in effect on the Shutdown Date any Order or Law enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Agreement;

(d) Shutdown Certificate. FPL shall have delivered or caused to be delivered to JEA a certificate of FPL signed by an executive officer of FPL, in a form reasonably satisfactory to JEA, dated as of the Shutdown Date, stating that the conditions specified in Sections 9.01(a) and 9.01(b) have been satisfied;

(e) Shutdown Contracts. Each of the parties to the Dismantlement Contract and the Remediation Contract (other than JEA) shall have delivered or caused to be delivered their signature pages thereto; and

(f) Other Deliverables. FPL shall have delivered or caused to be delivered its signature page to each of the Shutdown Assignment & Assumption Agreement, the Debt Service Assignment & Assumption Agreement and the Transmission Service Agreement Termination.

9.02 Closing Obligations. The obligation of JEA to consummate the transactions described in Section 2.04 is subject to the fulfillment, at or before the Closing, of each of the following conditions (all or any of which may be waived in whole or in part by JEA in its sole discretion):

(a) Orders and Laws. There shall not be in effect on the Closing Date any Order or Law enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Agreement;

(b) Surviving Permits. Each of the surviving Permits currently in the name of SJRPP shall have been transferred or assigned to JEA, as applicable;

(c) Other Deliverables. FPL shall have delivered or caused to be delivered its signature page to each of the Closing Assignment & Assumption Agreement, the Bill of Sale, the Deed and the JOA Termination; and

(d) Release of Liens. All Liens on or with respect to SJRPP, the SJRPP Site or any assets of SJRPP caused by or as a result of FPL, including any Liens created by the Mortgage and Deed of Trust with Deutsche Bank Trust Company Americas, shall have been released, except for such Liens that are Permitted Liens.

Article X TAX MATTERS

10.01 Indemnity for Taxes.

(a) Upon and subject to the terms and conditions set forth in this Agreement, FPL shall indemnify JEA against and hold them harmless from and against any and all Losses in respect of Taxes of FPL or its Affiliates for any period or otherwise imposed on or with respect to FPL's twenty percent (20%) interest in SJRPP, including all Property Taxes imposed on or otherwise relating to FPL's interest in SJRPP and the SJRPP Site up through and including the year in which the transaction is closed.

(b) For any claim for indemnification under this Agreement in respect of Taxes arising out of or involving a claim or demand made by any Person, including a Governmental or Regulatory Authority, against FPL (a "Tax Third-Party Claim"), JEA must notify FPL in writing of the Tax Third-Party Claim as promptly as possible but in no event later than ten (10) days (or sooner, if a response is required prior to such date) after receipt by JEA of written notice of the Tax Third-Party Claim; provided, however, that failure to give such

notification shall not affect the indemnification except to the extent FPL shall have been prejudiced as a result of such failure (except that the FPL shall not be liable for any expenses incurred during the period in which JEA failed to give such notice). Thereafter, JEA shall deliver to FPL, as promptly as possible but in no event later than ten (10) days (or sooner, if a response is required prior to such date) after JEA's receipt thereof, copies of all notices and documents (including court papers) received relating to the Tax Third-Party Claim.

(c) If a Tax Third-Party Claim is made, FPL shall be entitled to participate in the defense thereof and to assume the defense thereof with its counsel or other Tax advisors and to settle, compromise or discharge such Tax Third-Party Claim; provided, however, that the FPL's rights under this Section 10.01(c) shall apply only to the extent that the Tax Third-Party Claim addresses Taxes for which FPL would be responsible under this Agreement. If FPL assumes such defense, FPL shall not be liable to JEA for legal or other expenses subsequently incurred by JEA in connection with the defense thereof.

(d) If FPL assumes such defense, JEA shall have the right to participate in the defense thereof and to employ counsel or other Tax advisors, at its own expense separate from the counsel or other Tax advisors employed by FPL. Whether or not FPL chooses to defend or prosecute any Tax Third-Party Claim, FPL and JEA shall reasonably cooperate in the defense or prosecution thereof. Such cooperation shall include the provision to FPL of records and information which are reasonably relevant to such Tax Third-Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

10.02 Time Limits. Any claim for indemnity under this Article X may be made at any time prior to thirty (30) days after the expiration of the applicable Tax statute of limitations with respect to the relevant taxable period (including all periods of extension, whether automatic or permissive). FPL shall pay JEA the amount shown as due and payable in the Tax Third-Party Claim, to the extent FPL is responsible for such amount under this Agreement, within ten (10) days of receipt by FPL of written notice of the Tax Third-Party Claim; provided, however, if the Tax Third-Party Claim is disputed in accordance with Section 10.01, FPL shall pay JEA the amount finally determined to be due and payable by a Governmental or Regulatory Authority within ten (10) days of receipt of the issuance of such final determination.

10.03 Control. In the event of a conflict between the provisions of this Article X, on the one hand, and the provisions of Article XII, on the other, the provisions of this Article X shall control, provided, that for the avoidance of doubt, Section 12.04 shall apply to the indemnification provisions contained in this Article X.

10.04 Transfer Taxes, Recording Fees and Expenses.

(a) Transfer Taxes incurred in connection with this Agreement and the transactions contemplated hereby, if any, shall be shared equally by the Parties.

(b) Recording fees and the cost of any title insurance policy endorsements required by JEA incurred in connection with this Agreement and the transactions contemplated hereby, if any, shall be paid by JEA.

(c) The cost of title insurance (absent endorsements required by JEA discussed above) and the cost to secure a partial release of the SJRPP Site from the encumbrance of FPL's Mortgage and Deed of Trust with Deutsche Bank Trust Company Americas incurred in connection with this Agreement and the transactions contemplated hereby, if any, shall be paid by FPL. Further, FPL shall be responsible for all Property Taxes imposed on or otherwise relating to its ownership share of SJRPP and the SJRPP Site up through and including the year in which the transaction is closed and FPL shall pay its share of all assessments and Liens, if any, for public improvements at or prior to the Closing.

Article XI

ENVIRONMENTAL MATTERS

11.01 Environmental Indemnification.

(a) From and after the Closing Date, JEA shall indemnify, defend and hold harmless FPL and its Affiliates from and against any and all Environmental Claims associated with or arising from claims relating to Contamination on the SJRPP Site or any claims arising in connection or related to the presence, suspected presence, or threat of Contamination from the SJRPP Site migrating to neighboring land(s), where the source of the Contamination is determined by the Parties, a regulatory authority with jurisdiction over such matters or a court of competent jurisdiction, to have originated on or after the Closing Date.

(b) From and after the Closing Date, JEA shall indemnify, defend and hold harmless FPL and its Affiliates from and against any and all past, current and future Environmental Claims associated with or arising from Contamination of the Retained Assets on the SJRPP Site.

(c) If FPL is seeking indemnification provided for under this Article XI, FPL must notify JEA in writing as promptly as possible but in no event later than ten (10) days (or sooner, if a response is required prior to such date) after receipt by FPL of an Environmental Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent JEA shall have been prejudiced as a result of such failure (except that the JEA shall not be liable for any expenses incurred during the period in which the FPL failed to give such notice). Thereafter, FPL shall deliver to JEA, as promptly as possible but in no event later than ten (10) days (or sooner, if a response is required prior to such date) after the FPL's receipt thereof, copies of all notices and documents (including court papers) received by FPL relating to JEA.

(d) If an Environmental Claim is made against FPL, JEA shall be entitled to participate in the defense thereof and to assume the defense thereof with counsel or other advisors selected by the JEA and to settle, compromise or discharge such Environmental Claim. If JEA assumes such defense, JEA shall not be liable to FPL for legal or other expenses subsequently incurred by FPL in connection with the defense thereof.

(e) If JEA assumes such defense, FPL shall have the right to participate in the defense thereof and to employ counsel or other advisors, at its own expense separate from the counsel or other advisors employed by JEA. Whether or not JEA chooses to defend or prosecute

any Environmental Claim, the Parties hereto shall reasonably cooperate in the defense or prosecution thereof. Such cooperation shall include, but not be limited to, making employees available on a mutually convenient basis to provide additional information and explanation of any information reasonably required.

Article XII

INDEMNIFICATION; ASSUMPTION OF LIABILITIES; LITIGATION

12.01 Survival. The representations and warranties and pre-Closing (a) covenants and agreements of FPL and JEA contained in this Agreement will survive the Closing until the twelve (12) month anniversary of the Closing Date; provided, however, that the representations and warranties (i) in Sections 3.01, 3.02, 3.06, 3.08, 4.01, 4.02, 4.05, 4.06, 4.08 and 4.12 shall survive indefinitely and (ii) in Section 3.09 and Section 4.08 shall survive for thirty (30) days after the expiration of the applicable Tax statute of limitations with respect to the relevant taxable period (including all periods of extension, whether automatic or permissive), as applicable and (b) all other covenants and agreements to be performed following Closing will survive in accordance with their terms, except that any representation, warranty, covenant or agreement that would otherwise terminate in accordance with this Section 12.01 will continue to survive if the requisite claim notice shall have been properly and timely given in good faith based on facts reasonably expected to establish a valid claim under this Article XII on or prior to such termination date, until the related claim for indemnification shall have been satisfied or otherwise resolved as provided in this Article XII.

12.02 Assumption of Liabilities. Following the Shutdown Date, JEA shall assume all payment obligations and other liabilities related to (i) Separation Benefits for any qualifying SJRPP Employees, and (ii) any amounts due to be deposited into the SJRPP Pension Fund.

12.03 Indemnification.

(a) Subject to Section 12.01 from and after the Closing:

(i) JEA shall indemnify, defend and hold harmless FPL and its respective Affiliates and Representatives (collectively, the “FPL Indemnified Parties”) from and against all Losses actually incurred or suffered by the FPL Indemnified Parties to the extent resulting from any breach of any (A) representation or warranty of JEA contained in Article III of this Agreement, (B) covenant or agreement of JEA contained in this Agreement or (C) claims related to Separation Benefits, and amounts due to be deposited into the SJRPP Pension Fund.

(ii) FPL shall indemnify, defend and hold harmless JEA and its Affiliates and Representatives (collectively, the “JEI Indemnified Parties”) from and against all Losses actually incurred or suffered by the JEA Indemnified Parties arising out of, relating to or resulting from any breach of any (A) representation or warranty of FPL contained in Article IV of this Agreement or (B) covenant or agreement of FPL contained in this Agreement.

(iii) Any indemnification obligations actually determined to be owed and to be satisfied by either Party (the “Indemnifying Party”) to the other (the “Indemnified

Party”) hereunder shall be promptly paid by wire transfer of immediately available funds to the account, or accounts, designated by the Party to which such payment is due at least one (1) day prior to such payment. The Indemnifying Party shall pay the Indemnified Party the amount due and payable, to the extent the Indemnifying Party is responsible for such amount under this Agreement, within ten (10) days of the final resolution of the applicable claim of Losses (each, a “Claim”) by the Indemnified Party or by a third-party (a “Third-Party”; a Claim brought by a Third-Party, a “Third-Party Claim”).

12.04 Exclusive Remedy.

(a) FPL and JEA acknowledge and agree that from and after the Closing, except in the case of fraud or as set forth in Section 13.04, the indemnification provisions in this Article XII, Article XI and Article X shall be the sole and exclusive remedy of FPL and JEA with respect to any breach of this Agreement or the transactions contemplated hereby.

(b) If any fact, circumstance or condition forming a basis for a claim for indemnification under this Article XII, Article XI or Article X shall overlap with any fact, circumstance, condition, agreement or event forming the basis of any other claim for indemnification under this Article XII, Article XI or Article X, there shall be no duplication in the calculation of the amount of the Losses.

(c) No Party from which indemnification is being sought shall have any liability or obligation of indemnification under this Agreement for any Losses that a court of competent jurisdiction or arbitrator shall have determined by final judgment to have resulted from the fraud, gross negligence or willful misconduct of the Party seeking indemnification, or its respective Affiliates and Representatives.

12.05 Procedure With Respect to Claims.

(a) Notwithstanding Section 12.05(b) to the contrary, no Claim may be asserted pursuant to this Article XII or Article XI unless written notice of such Claim is promptly delivered in accordance with Section 12.05(a) by the Indemnified Party prior to the date on which the representation, warranty, covenant or agreement on which such Claim is based ceases to survive as set forth in this Article XII.

(b) If any FPL Indemnified Party or JEA Indemnified Party becomes subject to a pending or threatened Claim and such Person (the “Claiming Party”) in good faith believes it has a claim for indemnification with respect thereto against FPL or JEA, as applicable (the “Responding Party”), then the Claiming Party shall deliver to the Responding Party promptly, and in no event later than ten (10) Business Days after it first learns of such Claim, written notice thereof. Such notice by the Claiming Party shall specify the basis for indemnification, describe the Claim in reasonable detail, include copies of all material written evidence and documentation thereof and indicate the amount sought in the Claim. Subject to Section 12.05(a), with respect to any Third-Party Claims, the failure or delay of the Claiming Party to so notify the Responding Party shall not relieve the Responding Party of liability hereunder except to the extent that the defense of such Third-Party Claim is prejudiced by the failure or delay in giving such notice.

(c) A Responding Party may elect at any time to assume and thereafter conduct the defense of any Third-Party Claim with counsel of the Indemnifying Party's choice and to settle or compromise any such Third-Party Claim, and each Indemnified Party shall cooperate in all respects with the conduct of such defense by the Indemnifying Party (including the making of any related claims, counterclaim or cross complaint against any Person in connection with the Third-Party Claim) and/or the settlement of such Third-Party Claim by the Indemnifying Party. If the Responding Party notifies the Claiming Party that it desires to defend a Third-Party Claim in accordance with the previous sentence, then the Responding Party shall have control of such defense and proceedings; provided, however, that (i) the Responding Party shall not enter into any settlement that provides for any relief other than the payment of monetary damages as to which the Claiming Party shall be indemnified in full, subject to the limitations set forth in this Article XII, without the prior written consent of the Claiming Party (which consent shall not be unreasonably withheld, conditioned or delayed) and (ii) if requested by the Responding Party, the Claiming Party shall cooperate with the Responding Party and its counsel in contesting any Third-Party Claim that the Responding Party elects to contest, or, if appropriate and related to the Third-Party Claim in question, in making any counterclaim against the Person asserting the Third-Party Claim, or any cross-complaint against any Person (other than the Claiming Party or any of its Affiliates). The Claiming Party may elect to participate in such proceedings, negotiations or defense at any time at its own expense (provided, however, that the reasonable attorneys' fees of the Claiming Party shall, subject to the limitations set forth in this Article XII, constitute Losses hereunder if the Claiming Party's counsel shall have advised the Claiming Party in writing, with a copy delivered to the Responding Party, that there is a conflict of interest that would make it inappropriate under applicable standards of professional conduct for the Responding Party and the Claiming Party to have common counsel).

(d) If the Responding Party elects not to defend such Third-Party Claim or notifies the Claiming Party that it elects to defend but subsequently fails to defend or fails to notify the Claiming Party of its election to defend such Third-Party Claim, the Claiming Party may, subject to Section 12.05(c), undertake the defense, compromise or settlement of such Third-Party Claim and seek indemnification for any and all Losses, subject to the limitations set forth in this Article XII, based upon, arising from or relating to such Third-Party Claim; provided, that if the Claiming Party has assumed the defense pursuant to this Section 12.05(d), it shall not agree to any settlement without the written consent of the Responding Party (which consent shall not be unreasonably withheld, conditioned or delayed). The Responding Party may elect to participate in such proceedings, negotiations or defense at any time at its own expense with counsel selected by it.

(e) Notwithstanding anything to the contrary, the procedures and provisions set forth in this Section 12.05 shall not apply to any matter covered by Article X (which matters shall instead be governed by the procedures and provisions set forth in Article X) but shall apply to any matter covered by Article XI.

12.06 Mitigation of Damages. An Indemnified Party shall use its reasonable best efforts to mitigate any Losses for which it is entitled to indemnification pursuant to this Article XII, Article XI or Article X. The Indemnifying Party shall have the right, but not the obligation, and shall be afforded the opportunity by the Indemnified Party to the extent reasonably possible, to

take all available steps to minimize Losses for which the Indemnified Party is entitled to indemnification before such Losses actually are incurred by the Indemnified Party.

12.07 Additional Litigation Matters.

(a) The Parties hereby agree and acknowledge that:

(i) as of the date hereof there are ongoing or threatened Actions or Proceedings involving their ownership and operation of SJRPP, each such matter is listed on Schedule 12.07 (collectively such matters the “Existing Litigations”);

(ii) they will each continue to participate jointly in their defense in respect of the Existing Litigations;

(iii) they will each pay their own legal fees and other costs associated with such defense, and

(iv) they will each contribute towards any judgment, award, or settlement to be paid to a plaintiff or complainant, if any, in each of the Existing Litigations in accordance with the existing agreements between the Parties, including the JOA.

(b) The Parties hereby agree and acknowledge that if after the date of this Agreement, any Actions or Proceedings are instituted or threatened against the Parties arising from their ownership and operation of SJRPP the Parties will each;

(i) participate jointly in their defense in respect of such Action or Proceedings,

(ii) pay their own legal fees and other costs associated with such defense, and

(iii) contribute towards any judgment, award, or settlement to be paid to a plaintiff or complainant, if any, in each such Action or Proceedings in accordance with the existing agreements between the Parties, including the JOA (which the Parties agree will survive the Closing Date solely for the purposes of this Section 12.07).

(c) For the avoidance of doubt, the Parties acknowledge and agree that each of FPL and JEA shall be responsible for 50% of all Losses incurred by the Parties or SJRPP in connection with the lease of the CitiRail cars leased to SJRPP, any breach of such lease and any repairs to be made to such CitiRail cars, regardless of when paid.

12.08 No Other Representations or Warranties. Except for the representations and warranties expressly set forth in Article III and Article IV of this Agreement (as qualified by the JEA Disclosure Schedules and the FPL Disclosure Schedules attached hereto), each of JEA and FPL acknowledges that (i) neither the other Party nor any of its Affiliates nor any other Person makes any representation or warranty, express or implied, at law or in equity, with respect to the matters set forth herein or with respect to any other information provided, or made available to,

JEA, FPL or their respective Affiliates, officers, directors, employees, accountants, consultants, legal counsel, investment bankers, advisors, Representatives or authorized agents, including the accuracy or completeness thereof, in connection herewith and (ii) there is and has been no reliance by JEA or FPL or any of their respective Affiliates, officers, directors, employees, accountants, consultants, legal counsel, investment bankers, advisors, Representatives or authorized agents on any such representation or warranty or any such representation or warranty, express or implied, at law or in equity.

Article XIII

TERMINATION

13.01 Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, by mutual written consent of FPL and JEA, or at any time by written notice from either Party to the other Party as follows

(a) by either FPL or JEA:

(i) if the Shutdown has not occurred on or before the first (1st) anniversary of the date of this Agreement, which period may be extended for three (3) months by either Party that is not then in material breach of its covenants in this Agreement upon written notice to the other Party if necessary to obtain any of the Governmental or Regulatory Approvals set forth in Article VII; provided, that the terminating Party shall not then be in material breach under this Agreement; or

(ii) if any court of competent jurisdiction in the United States or other Governmental or Regulatory Authority shall have issued a final Order or enacted any Law enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement and such Order or Law is or shall have become final and non-appealable; provided, however, that the Party seeking to terminate this Agreement pursuant to this Section 13.01(a)(ii) shall have used commercially reasonable efforts to prevent the entry of and to remove such Order or final action and otherwise complied in all material respects with its obligations pursuant to Sections 5.02, 6.02 and Article VII;

(b) at any time before the Shutdown, by FPL;

(i) provided, that FPL shall not then be in material breach under this Agreement, if (A) there has been a breach by JEA of any representation, warranty, covenant or agreement contained in this Agreement such that the conditions set forth in Section 8.01(a) or 8.01(b) could not be satisfied, and (B) such breach is not curable, or, if curable, is not cured within thirty (30) days after written notice of such breach is given to JEA by FPL; or

(ii) if after considering the FPSC Petition, the FPSC does not issue an order that meets the requirements for the FPSC Order as defined in Section 1.01; or

(c) at any time before the Shutdown, by JEA (provided, that JEA shall not then be in material breach under this Agreement) if (A) there has been a breach by FPL of any

representation, warranty, covenant or agreement contained in this Agreement such that the conditions set forth in Section 9.01(a) or 9.01(b) could not be satisfied, and (B) such breach is not curable, or, if curable, is not cured within thirty (30) days after written notice of such breach is given to FPL by JEA; provided, however, that no cure period shall apply to FPL's obligation to pay the Estimated Shutdown Payment or effect the Closing.

13.02 Fees and Expenses. In addition to and without limiting any other rights of JEA hereunder, in the event that this Agreement is terminated by either Party pursuant to Sections 13.01(a)(i), 13.01(a)(ii), or 13.01(c) and at the time of such termination the conditions to Closing set forth in Sections 8.01(a) and 8.01(b) were satisfied (or would have been satisfied had the Shutdown then occurred), then FPL shall, no later than two (2) Business Days after the later of the date of such termination and JEA's request therefor, pay to JEA all reasonably documented fees and expenses (including attorneys' and advisors' fees) incurred by JEA or its Affiliates (and its and their respective Representatives) in connection with this Agreement (including the negotiation thereof) or the transactions contemplated hereby.

13.03 Effect of Termination. If this Agreement is validly terminated pursuant to Section 13.01, this Agreement will forthwith become null and void and there will be no liability or obligation on the part of either FPL or JEA (or any of their respective Affiliates or Representatives) in respect of this Agreement; provided, that Section 13.02, this Section 13.03, Section 13.04 and Article XIV will continue to apply following any termination hereof; provided, further, that nothing herein shall release any Party from liability for fraud, or for any willful and intentional breach of any covenant or agreement in this Agreement by such Party prior to the termination hereof.

13.04 Remedies. Notwithstanding anything in this Agreement to the contrary, (a) JEA recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement may cause FPL to sustain irreparable harm for which it may not have an adequate remedy at Law, and therefore in the event of any such breach FPL may be entitled to the remedy of specific performance of JEA's covenants and agreements, including JEA's covenants to consummate the Closing, in addition to any other remedy to which FPL may be entitled, (b) FPL recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement may cause JEA to sustain irreparable harm for which it may not have an adequate remedy at Law, and therefore in the event of any such breach JEA may be entitled to the remedy of specific performance of any of FPL's covenants and agreements, including FPL's covenants and agreements to consummate the Closing and (c) FPL may be entitled to an injunction or injunctions to prevent breaches of this Agreement and JEA may be entitled to an injunction or injunctions to prevent breaches of this Agreement.

Article XIV

MISCELLANEOUS

14.01 Entire Agreement. This Agreement (together with the Ancillary Agreements) supersedes all prior discussions and agreements between the Parties with respect to the subject

matter hereof, and contains the sole and entire agreement between the Parties hereto with respect to the subject matter hereof.

14.02 Expenses.

(a) Except as otherwise specified in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party shall pay its own costs and expenses.

(b) Each Party shall pay its own costs and expenses associated with filings and proceedings with and before the FERC.

(c) FPL shall pay all costs and expenses associated with its filings with and its proceedings and appearances before the FPSC.

14.03 Confidentiality. Each Party shall hold, and shall use all commercially reasonable efforts to cause its Affiliates and Representatives to hold, in strict confidence, all documents and information concerning the other Party or any of its Affiliates furnished to it by the other Party or such other Party's Affiliates or Representatives in connection with this Agreement or the transactions contemplated hereby, provided, that nothing in this Section 14.03 shall limit the disclosure by any Party of any documents or information (a) to its Affiliates and Representatives to the extent reasonably necessary or advisable in connection with the consummation of the transactions contemplated hereby, (b) to the extent required by Law or Order, including but not limited to Florida Sunshine Laws, (c) to the extent reasonably necessary in an Action or Proceeding brought by a Party in pursuit of its rights or in the exercise of its remedies under this Agreement or the transactions contemplated hereby, (d) to the extent that such documents or information can be shown to have come within the public domain, other than in connection with any required submission seeking any Governmental or Regulatory Approval that is filed as confidential (including any redacted information), through no action or omission of the disclosing Party or its Affiliates or Representatives, and (e) later acquired by the receiving Party from another source if the receiving Party is not aware that such source is under an obligation to keep such documents and information confidential. Notwithstanding anything contained herein, this Section 14.03 shall remain in full force and effect following the execution of this Agreement and shall survive any termination of this Agreement in accordance with its terms. Notwithstanding the foregoing, FPL acknowledges that meetings of JEA's Board of Directors are duly noticed public meetings and that JEA will provide this Agreement and the Ancillary Agreements to its Board of Directors in connection with such public setting.

14.04 Public Announcements. Except as may be required by Florida Sunshine Laws, so long as this Agreement is in effect, neither Party shall, and shall use all reasonable best efforts to cause their respective Representatives not to, issue or make any reports, statements, comments whether in response to any inquiry or otherwise, or releases to the public or generally to the employees with respect to this Agreement or the transactions contemplated hereby without the consent of the other, such consent not to be unreasonably withheld, conditioned or delayed. FPL acknowledges that JEA is subject to Florida Sunshine Laws, and as such, meetings of its Board of Directors are duly noticed public meetings, and such discussion are exempt from this clause.

14.05 No Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion.

14.06 Amendments. Any provision of this Agreement may be modified, supplemented or waived only by an instrument in writing duly executed by FPL and JEA. Any such modification, supplement or waiver shall be for such period and subject to such conditions as shall be specified in the instrument effecting the same and shall be binding upon each of FPL and JEA, and any such waiver shall be effective only in the specific instance and for the purposes for which given.

14.07 Addresses for Notices. All notices and other communications required or permitted to be given or made under this Agreement shall be given or made in writing, by physical (including by certified mail, return receipt requested or courier) or facsimile or electronic mail delivery to the address specified below or such other address as shall be designated in a notice in writing. Notices will be effective upon receipt.

If to JEA:

JEA
21 West Church Street (T-16)
Jacksonville, Florida 32202
Attn: Jody Brooks, Chief Legal Officer

and with a copy to (which shall not constitute notice):

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Attn.: David Kurzweil, Esq.
Facsimile: (212) 906-1307
E-mail: David.Kurzweil@lw.com

If to FPL:

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
Attn: Vice President, Energy Marketing and Trading

with a copy to:

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
Attn: General Counsel

14.08 Captions. The captions and section headings appearing in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement.

14.09 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law while giving effect to the original intent of the Parties hereto. Any provision or part of any provision of this Agreement that is deemed prohibited or unenforceable by a court of competent jurisdiction shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability of any portion of a provision shall not invalidate or render unenforceable the remainder of such provision (in each case so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party). Upon such determination that any provision or part of any provision is prohibited or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

14.10 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement or any of the rights, interests or obligations of the Parties under this Agreement are not assignable (by contract, operation of Law or otherwise) without the prior written consent of the other Party, which such Party may withhold in its discretion, and any attempted assignment, without such consent, shall be null and void.

14.11 No Third-Party Beneficiary. The terms and provisions of this Agreement are intended solely for the benefit of each Party hereto and their respective successors or permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

14.12 Counterparts. This Agreement may be executed in any number of counterparts, including by facsimile or other electronic transmission, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument and all of which taken together shall constitute one and the same instrument and any of the Parties to this Agreement may execute this Agreement by signing any such counterpart.

14.13 Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Florida applicable to a contract executed and

performed in such State, without giving effect to any choice of law or conflict of law rules or principles thereof that would require the application of the rules of another jurisdiction.

14.14 Consent to Jurisdiction.

(a) For all purposes of this Agreement, and for all purposes of any Action or Proceeding arising out of or relating to the transactions contemplated hereby or for recognition or enforcement of any judgment, each Party hereto submits to the personal jurisdiction of the courts of the State of Florida sitting in Duval County and the United States District Court for the Middle District of the State of Florida, and hereby irrevocably and unconditionally agrees that any such Action or Proceeding may be heard and determined in such Florida court or, to the extent permitted by law, in such federal court. Each Party hereto agrees that a final judgment in any such Action or Proceeding may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by Law.

(b) Each Party hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so:

(i) any objection which it may now or hereafter have to the laying of venue of any Action or Proceeding arising out of or relating to this Agreement or any related matter in any Florida state court located in Duval County or the United States District Court for the Middle District of the State of Florida; and

(ii) the defense of an inconvenient forum to the maintenance of such Action or Proceeding in any such court.

(c) Each Party hereto irrevocably consents to service of process by registered mail, return receipt requested, as provided in Section 14.07. Nothing in this Agreement will affect the right of any Party hereto to serve process in any other manner permitted by Law.

14.15 Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HEREBY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR INTERPRET THE PROVISIONS OF THIS AGREEMENT OR THAT OTHERWISE RELATES TO OR ARISES OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF OR THEREOF (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE).

14.16 Exhibits and Disclosure Schedules. All Exhibits, Schedules, the JEA Disclosure Schedules and the FPL Disclosure Schedules attached hereto are hereby incorporated herein by reference and made a part hereof.

14.17 Further Assurances. Following the Closing, the Parties shall, for no additional consideration, execute and deliver such further instruments of conveyance and transfer and take such additional action as the other Party may reasonably request to effect, consummate, confirm or evidence the transactions contemplated by this Agreement, including the transfer to JEA of all

instruments, deeds of title, assignments and other documents and records which may be necessary or appropriate for (i) conveying to JEA good and legal title to SJRPP, the Retained Assets and the SJRPP Site free and clear of all Liens except Permitted Liens and (ii) JEA's conduct of SJRPP and the SJRPP Site after the date of this Agreement (including with respect to obtaining all consents necessary or desirable in connection therewith).

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

JEA

By: _____

Name:

Title:

FLORIDA POWER & LIGHT COMPANY

By: _____

Name:

Title:

III. B. 1.
5/16/2017

Schedule 1.01(a)
Permitted Liens

TO BE AGREED FOLLOWING RECEIPT OF TITLE COMMITMENT

Schedule 1.01(b)
Retained Assets

Switchyard with Relay House and Security Fencing

Asset Location

ST. JOHNS RIVER PARK SWITCHYARD (JEA) - 1991283870

Retirement Unit

120.117 : BREAKER, 240KV
126.375 : STRUCTURE, MAIN TRANSFOR
126.375 : STRUCTURE, MAIN TRANSFOR
128.411 : FOUNDATION, AF-STRUCTURE
133.605 : SWITCH DISCONNECT 230KV
119.065 : TRANSFORMER, ENCLOSURE
124.428 : BUS SYSTEM ALUMINUM
112.200 : RELAY VAULT (BUILDING)
140.892 : TRANSFORMER, CURRENT FRE
133.605 : SWITCH DISCONNECT 230KV
120.117 : BREAKER, 240KV
133.605 : SWITCH DISCONNECT 230KV
128.400 : FOUNDATION, TRANSFORMER
134.617 : SWITCH FAULT INTERRUPT/C
128.400 : FOUNDATION, TRANSFORMER
120.117 : BREAKER, 240KV
120.117 : BREAKER, 240KV
136.645 : LIGHTNING ARRESTOR 139-2
105.120 : FILL & GRADE-SUBSTATION
083.820 : COUPLING CAPACITOR VOLTA
124.542 : BUS SYSTEM ACSR
114.789 : CONDUIT SYSTEM
120.117 : BREAKER, 240KV
120.117 : BREAKER, 240KV
120.117 : BREAKER, 240KV
133.605 : SWITCH DISCONNECT 230KV
140.892 : TRANSFORMER, CURRENT FRE
128.415 : FOUNDATION, PIPE COLUMN
102.150 : SITE DRAINAGE SYSTEM
084.874 : FAULT LOCATOR
119.890 : FIRE FOG PROTECTION SYST
139.689 : TRANSFORMER, POTENTIAL 2
114.796 : CABLE TRENCH
119.890 : FIRE FOG PROTECTION SYST
083.820 : COUPLING CAPACITOR VOLTA
139.689 : TRANSFORMER, POTENTIAL 2
127.482 : STRUCTURE, AF-230KV

110.775 : BATTERY CHARGER
114.790 : CABLE TRAY
128.410 : FOUNDATION, DISCONNECT S
107.410 : FENCE
120.117 : BREAKER, 240KV
141.738 : PANEL, LINE RELAY
000.000 : Non-Unitized
129.527 : YARDLIGHT SYSTEM-TRAN/SU
113.665 : GROUND SYSTEM
119.067 : TRANSFORMER, EQUIPMENT O
127.397 : STRUCTURE, PIPE COLUMN O
119.067 : TRANSFORMER, EQUIPMENT O
110.779 : BATTERY SET WITH RACK
141.720 : PANEL, ALTERNATING CURRE
112.230 : AIR CONDITIONING DUCT WO
110.779 : BATTERY SET WITH RACK
011.110 : CLEARING
139.689 : TRANSFORMER, POTENTIAL 2
138.671 : METER VOLTAGE
112.231 : AIR CONDITION COMPRESSOR
127.472 : STRUCTURE, DISCONNECT SW
128.404 : FOUNDATION, BREAKER 230-
011.100 : SITE PREPARATION-TRAN/SU
110.775 : BATTERY CHARGER
105.140 : ROCK SURFACE
127.813 : STRUCTURE, E-COUPPING CA
128.392 : FOUNDATION, LIGHTNING AR
083.820 : COUPLING CAPACITOR VOLTA
112.201 : ROOF (BUILDING)
141.738 : PANEL, LINE RELAY
131.662 : INSULATORS
141.744 : PANEL, LOCAL BACKUP
460.199 : COMMUNICATION EQUIPMENT
127.517 : STRUCTURE, LPT-LINE POTE
128.412 : FOUNDATION, E-STRUCTURE
118.901 : TRANSFORMER, STATION SER
083.820 : COUPLING CAPACITOR VOLTA
124.428 : BUS SYSTEM ALUMINUM
107.005 : FENCE-EQUIPMENT
131.662 : INSULATORS
107.005 : FENCE-EQUIPMENT
141.742 : PANEL, TRANSFER TRIP
141.740 : PANEL, DIFFERENTIAL RELA
141.725 : PANEL, SUPERVISORY EQUIP
141.723 : PANEL, DIRECT CURRENT LO
137.701 : CABINET, JUNCTION BOX

141.750 : PANEL, SYNCHRONIZING
141.634 : RELAY FRAME RACK
124.662 : INSULATOR (inactive)
124.662 : INSULATOR (inactive)
124.662 : INSULATOR (FOR SUB BUS
008.795 : CONT CABLE SYSTEM - MINO
000.000 : FPL Conversion 000
000.000 : FPL Conversion 000
000.000 : FPL Conversion 000
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084.874 : FAULT LOCATOR
120.117 : BREAKER, 240KV
120.117 : BREAKER, 240KV
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120.125 : BREAKER, 240KV GAS INSTA
120.126 : BREAKER, 69-240KV OIL IN
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120.126 : BREAKER, 69-240KV OIL IN
000.000 : FPL Conversion 000
000.000 : FPL Conversion 000
000.000 : FPL Conversion 000
110.779 : BATTERY SET WITH RACK
112.201 : ROOF (BUILDING)

083.820 : COUPLING CAPACITOR VOLTA
117.009 : TRANSFORMER, PLANT MAIN
117.009 : TRANSFORMER, PLANT MAIN
117.009 : TRANSFORMER, PLANT MAIN
117.009 : TRANSFORMER, PLANT MAIN
117.013 : TRANSFORMER, AUTO 1-20 M
117.013 : TRANSFORMER, AUTO 1-20 M
117.013 : TRANSFORMER, AUTO 1-20 M
117.013 : TRANSFORMER, AUTO 1-20 M
117.108 : TRANSFORMER, AUTO 1-120
117.108 : TRANSFORMER, AUTO 1-120
117.108 : TRANSFORMER, AUTO 1-120
117.108 : TRANSFORMER, AUTO 1-120
117.115 : TRANSFORMER, PLANT MAIN
117.115 : TRANSFORMER, PLANT MAIN
117.115 : TRANSFORMER, PLANT MAIN
117.115 : TRANSFORMER, PLANT MAIN
141.768 : PANEL, REMOTE COMM. PROC
460.199 : COMMUNICATION EQUIPMENT
460.199 : COMMUNICATION EQUIPMENT

Railroad Tracks

Asset Location

ST JOHNS RIVER POWER PARK (JEA) COMMON - 5991250026

Retirement Unit

209.1169 : TRACK SYSTEM
209.1169 : TRACK SYSTEM
209.1169 : TRACK SYSTEM
209.1169 : TRACK SYSTEM
209.1169 : TRACK SYSTEM
209.1173 : SIGNAL/CONTROL SYSTEM CO
209.1173 : SIGNAL/CONTROL SYSTEM CO
209.1173 : SIGNAL/CONTROL SYSTEM CO
209.1173 : SIGNAL/CONTROL SYSTEM CO

Deep Wells

Asset Location

ST JOHNS RIVER POWER PARK (JEA) COMMON - 5991250026

Retirement Unit

501.6030 : RAW WATER WELL
501.6024 : PIPING
501.6030 : RAW WATER WELL
501.6020 : CONTROL/INSTRUMENTATION
501.6025 : PUMP COMPLETE

501.6025 : PUMP COMPLETE
501.6024 : PIPING
501.6024 : PIPING
501.6021 : DRIVE, ELECTRIC MOTOR, C
501.6022 : FOUNDATION
501.6021 : DRIVE, ELECTRIC MOTOR, C
501.6030 : RAW WATER WELL
501.6022 : FOUNDATION
501.6029 : CATHODIC PROTECTION EQUI
501.6026 : TANK
501.6030 : RAW WATER WELL
501.6030 : RAW WATER WELL
501.6025 : PUMP COMPLETE
501.6021 : DRIVE, ELECTRIC MOTOR, C
501.6028 : VALVE, POWER OPERATED 8
501.6021 : DRIVE, ELECTRIC MOTOR, C
501.6020 : CONTROL/INSTRUMENTATION
501.6028 : VALVE, POWER OPERATED 8
501.6029 : CATHODIC PROTECTION EQUI

First Coast Radio Tower and Equipment

Tower Foundation

Radio Tower

Antenna equipment

Radio Equipment

All Cabling and Fiber

Schedule 1.01(c)
SJRPP Contracts

Ash Contract

Boral Material Technologies, LLC

JEA Contract 141928

Date: February 23, 2015

Period: Five Years

No Obligation for JEA to supply product

Gypsum Contract

United Gypsum Company

Date: June 10th 1998

Five Amendments

Fifth Amendment September 30, 2106

No Obligation for JEA to supply product

Rail Car Lease

JAIX Leasing Company

CitiRail

Lease End Dates

April 30, 2017 (120 Cars)

May 3, 2017 (120 Cars)

May 21, 2017 (110 Cars)

Renewing for six months to resolve repair and return issues

Schedule 3.03

No Conflict (JEA)

None.

Schedule 3.04
Governmental or Regulatory Approvals; Filings (JEA)

1. FERC § 203
2. FPSC Order
3. Board approval of JEA

Schedule 4.03

No Conflict (FPL)

None.

Schedule 4.04
Governmental or Regulatory Approvals; Filings (FPL)

1. Governmental or Regulatory filings required under Section 7.01 of the Agreement.

Schedule 12.07
Existing Litigations

CASE NO: 16-2014-CA-003199
DIVISION CV-H
IN THE CIRCUIT COURT, FOURTH JUDICIAL CIRCUIT
IN AND FOR DUVAL COUNTY, FLORIDA, CIVIL DIVISION

WESTSIDE ELECTRIC, A Florida corporation,
ROBIN R. THIGPEN, an individual
TIMOTHY C. BEASLEY, an individual
TB LANDMARK CONSTRUCTION, a Florida corporation

Plaintiffs,

Vs.
JACKSONVILLE ELECTRICA AUTHORITY and
FLORIDA POWER & LIGHT COMPANY

Defendants

Arbitrations

CSX
Railroad Transportation Contract
CSXT #85329

Notice of Intent to Take Action

Trebol Florida, LLC (Trebol)
Dated: August 31, 2016
McNAIR LAW FIRM, P.A.

INSERT
COLOR
SHEET

SERVICE MANAGEMENT AGREEMENT

by and between

JEA

and

FLORIDA POWER & LIGHT COMPANY

dated as of May [●], 2017

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SERVICE MANAGEMENT AGREEMENT

THIS SERVICE MANAGEMENT AGREEMENT (this “Agreement”) is made as of this [] day of May, 2017 (the “Effective Date”), by and between JEA, a body politic and an independent agency of the City of Jacksonville, Florida, organized and existing under the laws of the State of Florida (“JEA” or, in its capacity as services manager hereunder, “Manager”), and Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida (“FPL”). JEA and FPL individually are referred to in this Agreement as a “Co-Owner” and collectively are referred to in this Agreement as the “Co-Owners.”

Preliminary Statements

WHEREAS, each of FPL and JEA is party to that certain Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park Coal Units #1 and #2, dated as of April 2, 1982, as amended through the date hereof (the “JOA”);

WHEREAS, pursuant to the JOA, the Co-Owners jointly developed and constructed the St. Johns River Power Park System comprised of two coal-fired electric generating units, each with nameplate capacity of 661 megawatts and the associated facilities required for the operation of the generating units and the transmission of electric energy from Units #1 and #2 (collectively, “SJRPP”);

WHEREAS, pursuant to the JOA, FPL owns an undivided twenty percent (20%) interest in SJRPP and the SJRPP Site;

WHEREAS, pursuant to the JOA, JEA owns an undivided eighty percent (80%) interest in SJRPP and the SJRPP Site (as defined herein);

WHEREAS, on the date hereof, the Co-Owners have executed that certain Asset Transfer and Contract Termination Agreement (the “ATA”), to govern the Co-Owners’ rights and obligations, *inter alia*, regarding the cessation of operations of SJRPP as a generating facility, the Dismantlement of SJRPP, and the Remediation of the SJRPP Site (collectively, “Decommissioning”), and the “Effective Date” under the ATA will occur simultaneously with the Effective Date of this Agreement; and

WHEREAS, each of the Co-Owners desires to enter into this Agreement to designate JEA as agent for FPL and acting on its own behalf for the project management, administrative and other services specified herein, to be provided by JEA throughout the Term (as defined below).

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Co-Owners, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS AND USAGE

Section 1.01 Definitions. Capitalized terms used in this Agreement shall have the meanings set forth below and, if not defined below, shall have the correlative meanings set forth in the JOA:

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, directly or indirectly controlled by or under direct or indirect common control with such Person. As used in this definition, the term “control,” “controlling” or “controlled by” shall mean the possession, directly or indirectly, of the power either to (a) vote more than fifty percent (50%) of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of such Person or (b) direct or cause the direction of the actions, management or policies of such Person, whether through the ownership of voting securities or interests (including interests as a general partner), by contract or otherwise, excluding in each case, any lender of such Person or any Affiliate of such lender.

“Agreement” is defined in the preamble hereto.

“Applicable Laws” means all laws (including common law), constitutions, statutes, rules, regulations, ordinances, judgments, orders, decrees, injunctions, settlements and writs of any Governmental or Regulatory Authority having jurisdiction over Manager, the Co-Owners, SJRPP, or the SJRPP Site as applicable.

“ATA” is defined in the recitals hereto.

“Contractors” means, collectively, the Dismantlement Contractor and the Remediation Contractor.

“Co-Owners” is defined in the preamble hereto.

“Decommissioning” is defined in the recitals hereto.

“Decommissioning Budget” means, as of any given date, the then-current budget for the Decommissioning approved by the Executive Committee in accordance with the JOA.

“Decommissioning Contracts” means, collectively, the Dismantlement Contract and the Remediation Contract.

“Decommissioning Costs” is defined in ARTICLE IV.

“Dismantlement” and its derivatives (such as “Dismantle”) means and includes any disassembly, stripping, taking apart, pulling down, transporting and removal required to fully dismantle SJRPP (other than the Retained Assets) and leave the SJRPP Site free from any portion of SJRPP or any debris or detritus related thereto.

“Dismantlement Bidder” is defined in Section 2.01(c).

“Dismantlement Contract” means that certain contract by and between JEA and the Dismantlement Contractor, pursuant to which the Dismantlement Contractor will dismantle SJRPP, except for the Retained Assets.

“Dismantlement Contractor” means the final Dismantlement Bidder selected in accordance with this Agreement.

“Dispute” is defined in Section 6.01.

“Effective Date” is defined in the preamble hereto.

“Emergency” means a sudden and unforeseen happening, occurrence, condition, complication or circumstance, endangering life or property, that calls for immediate action.

“Environmental Audit” is defined in Section 2.01(a).

“Environmental Laws” means any and all applicable federal, state, tribal and local statutes, laws, rules, regulations, ordinances, codes, principles of common law, judicial orders, administrative orders, consent decrees, judgments, permits, licenses or other binding determinations of any judicial or regulatory authority, now or hereafter in effect, of any Governmental or Regulatory Authority, imposing liability, establishing standards of conduct or otherwise relating to protection of the environment (including natural resources, surface water, groundwater, soils, and indoor and ambient air), health and safety, land use matters or the presence, use, generation, treatment, storage, disposal, Release or threatened Release, transport or handling of Hazardous Substances.

“FERC” means the Federal Energy Regulatory Commission, and any successor thereto.

“FPL” is defined in the preamble hereto.

“FPSC” means the Florida Public Service Commission, and any successor thereto.

“Governmental or Regulatory Approval” means any permit, authorization, consent, approval, ruling, tariff, rate, certification, waiver, exemption, filing, variance or Order of, or notice to or registration by or with, any Governmental or Regulatory Authority.

“Governmental or Regulatory Authority” means any entity exercising executive, legislative, judicial, regulatory or administrative functions of government, including any such governmental authority, agency, department, board, commission or instrumentality of the United States, including FERC, the Federal Communications Commission, NERC and any of its regional entities, any state of the United States or any political subdivision thereof, the FPSC, and any tribunal, court or arbitrator(s) of competent jurisdiction.

“Hazardous Substance” means any chemical, material, substance or waste that is regulated under or defined as hazardous or toxic under any Environmental Law or with respect to which liability or standards of conduct are imposed under any Environmental Law.

“JEA” is defined in the preamble hereto.

“JOA” is defined in the recitals hereto.

“Manager” is defined in the preamble hereto.

“NERC” means the North American Electric Reliability Corporation or its successor.

“Order” means any writ, judgment, decree, injunction or award issued, or otherwise put into effect by or under the authority of any court, administrative agency, or other Governmental or Regulatory Authority (in each such case whether preliminary or final), provided that “Order” shall not include any permit.

“Person” means any individual, corporation, company, voluntary association, partnership, joint venture, trust, limited liability company, other business or similar entity or Governmental or Regulatory Authority.

“Pre-Shutdown Period” is defined in Section 2.01.

“Release” when used with respect to the SJRPP Site or adjoining properties, means the presence of or any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, seeping, migrating, dumping or disposing of any Hazardous Substance into the environment including the abandonment or discarding of barrels, drums, tanks, and similar receptacles and containers, containing Hazardous Substances.

“Remediation” or “Remedial Action” and their derivatives (such as “Remediate”) means and includes any investigation, clean-up, corrective action or monitoring required to comply with applicable Environmental Laws including all actions within the definition of “removal” and “remedial” actions as those terms are defined in applicable Environmental Laws, and “Remediation” shall expressly include any remediation or monitoring required

upon closure of landfills at the SJRPP Site or resulting from ongoing monitoring or required remediation of groundwater in those portions of the SJRPP Site which are not Retained Assets.

“Remediation Bidder” is defined in Section 2.01(b).

“Remediation Contract” means that certain contract by and between JEA and the Remediation Contractor to be selected in accordance with this Agreement, pursuant to which the Remediation Contractor will Remediate certain portions of the SJRPP Site to the specifications, and subject to the legal and other requirements, set forth therein.

“Remediation Contractor” means the final Remediation Bidder selected in accordance with this Agreement.

“Remediation Standard” is defined in Section 2.01(a).

“Retained Assets” shall mean those portions of SJRPP identified on Schedule 1.01(d) to the ATA.

“Service Providers” means each (a) Contractor and (b) other third party hired by Manager to perform fiscal, administrative or other services reasonably necessary in connection with the Services.

“Services” means the responsibilities of Manager under ARTICLE II (Responsibilities).

“Shutdown” has the meaning assigned to such term in the ATA.

“Shutdown Date” has the meaning assigned to such term in the ATA.

“Shutdown Period” is defined in Section 2.02.

“SJRPP” is defined in the recitals hereto.

“SJRPP Site” has the meaning assigned to such term in the ATA.

“Term” is defined in Section 7.01.

Section 1.02 Certain Principles of Interpretation. Each Co-Owner has participated in the drafting of this Agreement, which each Co-Owner acknowledges is the result of extensive negotiations between the Co-Owners; if an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Co-Owners, and no presumption or burden of proof shall arise favoring or disfavoring any Co-Owner by virtue of the authorship of any provision; in this Agreement, unless

otherwise indicated, all words defined in the singular have the corresponding meaning in the plural and vice versa; words importing any gender include the other gender; references to statutes or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation referred to; references to “writing” include printing, typing, e-mail and other means of reproducing words in a tangible visible form; the words “including,” “includes” and “include” shall be deemed to be followed in each instance by the words “without limitation”; the words “shall” and “will” have the same meaning; unless the context otherwise requires, the word “or” is not exclusive; references to articles, sections (or subdivisions of sections), exhibits, annexes or schedules are to articles, sections (or subdivisions of sections), exhibits, annexes or schedules of or to this Agreement; references to agreements and other contractual instruments shall be deemed to include all amendments, extensions and other modifications to such instruments (without, however, limiting any prohibition on any subsequent amendments, extensions and other modifications by the terms of this Agreement); references to Persons include their respective successors and permitted assigns and, in the case of Governmental or Regulatory Authorities, Persons succeeding to their respective functions and capacities; references to “\$” are intended to refer to U.S. Dollars; and to the extent there is a conflict between any provisions of the JOA and this Agreement, the language of this Agreement controls for the purposes of interpreting the provisions herein.

ARTICLE II

MANAGER’S RESPONSIBILITIES

Section 2.01 Manager’s Responsibilities prior to Shutdown. From the Effective Date to the Shutdown Date (the “Pre-Shutdown Period”), Manager shall use commercially reasonable efforts, consistent with the standard of performance set forth in Section 3.01, to provide the following Services on behalf of the Co-Owners:

(a) Within 150 days after the Effective Date, (or as soon thereafter as is reasonably practicable under the circumstances), engage a qualified contractor to complete, and have completed an audit of the SJRPP Site, which audit shall (i) identify, on all portions of SJRPP that are to be Dismantled, all above and below ground regulated Hazardous Substances that might require Remediation after the Shutdown Date, and any ongoing monitoring at the SJRPP Site that might be required, in order to Remediate the SJRPP Site to a “commercial industrial” standard (or similar term or concept as defined by the Florida Department of Environmental Protection or other applicable Governmental or Regulatory Authority) (the “Remediation Standard” and each such action, a “Remedial Action”) and (ii) provide an estimate of the costs associated with all such Remedial Actions, for use in connection with this Services Management Agreement and the Decommissioning Contracts (the “Environmental Audit”); provided, however, that to the extent that Remedial Actions not identified in the Environmental Audit become necessary at any time, Manager shall perform, or engage a qualified contractor to perform, such

Remedial Actions, and the costs associated with such Remediation Actions shall be deemed to be Decommissioning Costs for all purposes under this Agreement and, as such, shall be shared among the Co-Owners according to their Ownership Interests.

(b) Based on the Environmental Audit and any other information reasonably available to Manager and not later than 180 days from the Effective Date (or as soon thereafter as is reasonably practicable under the circumstances), (i) submit to the Executive Committee a list of qualified and experienced environmental engineering or similar firms with experience in the Remediation of electric generating facilities similar in size and type to SJRPP, which may include JEA or its Affiliates, that have been selected in accordance with JEA's internal procurement guidelines (each, a "Remediation Bidder"), (ii) develop a detailed scope of work and technical specifications for the Remediation, to be included in a bid solicitation for the Remediation Contract, (iii) select the most competitive Remediation Bidder to be the Remediation Contractor, in accordance with JEA's internal procurement guidelines; and (iv) negotiate and execute on behalf of the Co-Owners a Remediation Contract for SJRPP;

(c) Based on all information reasonably available to Manager regarding SJRPP and the SJRPP Site and not later than 180 days from the Effective Date (or as soon thereafter as is reasonably practicable under the circumstances), (i) submit to the Executive Committee a list of qualified and experienced contractors with experience in the Dismantlement of electric generating facilities similar in size and type to SJRPP, which may include JEA or its Affiliates, that have been selected in accordance with JEA's internal procurement guidelines (each, a "Dismantlement Bidder"), (ii) develop a detailed scope of work and technical specifications for the Remediation, to be included in a bid solicitation for the Dismantlement Contract, (iii) select the most competitive Dismantlement Bidder to be the Dismantlement Contractor, in accordance with JEA's internal procurement guidelines; and (iv) negotiate and execute on behalf of the Co-Owners a Dismantlement Contract for SJRPP;

(d) Represent the Executive Committee and all relevant Functional Committees in business matters with third parties to the extent contemplated by the Decommissioning Contracts to be undertaken during the Pre-Shutdown Period and advise the Executive Committee and all relevant Functional Committees on matters related to the execution of such additional documents reasonably deemed necessary or desirable by Manager to effectuate the transactions and agreements contemplated by the Decommissioning Contracts;

(e) To the extent not delegated to the Remediation Contractor or the Dismantlement Contractor under the applicable Decommissioning Contracts, draft, file and prosecute all applications for Governmental or Regulatory Approvals on behalf of SJRPP as and when required in order to effectuate the Remediation and Dismantlement of SJRPP;

(f) Supervise and monitor the Service Providers with respect to their performance of services during the Pre-Shutdown Period and take such actions as are reasonably necessary to enforce each Service Provider's compliance with its obligations under its applicable contract; provided, that Manager's responsibility for matters which are subject to arrangements with Service Providers shall consist solely of such supervision, monitoring and enforcement and shall not include responsibility for the proper performance of any such matters;

(g) (i) Collect on behalf of the Co-Owners, or cause to be so collected, all payments due to the Co-Owners with respect to SJRPP or otherwise, (ii) subject to funds being made available by the Co-Owners in accordance with the JOA, prepare and promptly pay, or cause to be paid, on behalf of the Co-Owners, all expenses incurred in connection with the Services or the Dismantlement of SJRPP, or Remediation of the SJRPP Site, or that are otherwise due and payable under the Decommissioning Contracts and any other contracts to which Manager is a party in connection with the Services or this Agreement, as contemplated by the Decommissioning Budget or in any approved variance therefrom and (iv) purchase or lease, at the sole expense of the Co-Owners pursuant to and in accordance with the JOA, any materials, supplies and equipment necessary for the performance of the Services; provided, however, that nothing herein shall imply any guarantee or undertaking by Manager with respect to the collection of anything due to the Co-Owners;

(h) Provide reasonable assistance to the Executive Committee and each Functional Committee under, and as defined in, the JOA in order to facilitate the performance by each such committee of its respective obligations and functions under the JOA, to the extent the same are required to be taken during the Pre-Shutdown Period in connection with this Agreement, the Dismantlement of SJRPP or the Remediation of the SJRPP Site;

(i) Perform on behalf of the Co-Owners all reporting and other routine management responsibilities reasonably believed by Manager to be required under this Agreement, the Decommissioning Contracts or any other contracts to which Manager is a party in connection with the Services;

(j) (i) Ensure that all Governmental or Regulatory Approvals and insurance policies required to be obtained in respect of SJRPP pursuant to and in accordance with the JOA, the Decommissioning Contracts, and all Applicable Law have been obtained and monitor and advise the Executive Committee on the actions necessary to be taken to ensure compliance with all such Governmental or Regulatory Approvals and insurance policies obtained in connection with the Decommissioning; and (ii) perform any other ministerial or administrative acts necessary for the timely issuance and continued effectiveness of all Governmental or Regulatory Approvals and insurance policies; provided that, in each case, if responsibility for such activity or duty has been delegated to a Service Provider,

Manager shall supervise and monitor such Service Provider's performance of such delegated activity or duty;

(k) (i) Give prompt written notice to the Executive Committee and Operating Committee of any litigation, disputes with Governmental or Regulatory Authorities, material defaults or *force majeure* events under the Decommissioning Contracts, in each case, promptly after learning of the same and (ii) furnish to the Executive Committee, or direct a Service Provider to furnish, copies of all material documents furnished to Manager or any Service Provider by any Governmental or Regulatory Authority or furnished to any Governmental or Regulatory Authority by Manager or any Service Provider;

(l) Prepare, or cause to be prepared, and submit to the Executive Committee for approval 120 days prior to Shutdown a Decommissioning Budget with a level of detail that is mutually agreed to by the Co-Owners;

(m) Perform such other administrative tasks as the Executive Committee may reasonably request from time to time in connection with or related to SJRPP that are typically within the purview of a manager unless not otherwise permitted; and

(n) Continue to operate and maintain SJRPP and the SJRPP Site, and to generate electricity, as and when required during the Pre-Shutdown Period, in each case, pursuant to and in accordance with Sections Six and Eight of the JOA, as applicable, and continue to otherwise satisfy its obligations under the JOA.

Section 2.02 Manager's Responsibilities from and after Shutdown. From and after the Shutdown Date until the end of the Term (the "Shutdown Period"), Manager shall use commercially reasonable efforts, consistent with the standard of performance set forth in Section 3.01, to provide the following Services on behalf of the Co-Owners:

(a) Represent the Executive Committee and all relevant Functional Committees in business matters with third parties to the extent contemplated by the Decommissioning Contracts to be undertaken during the Shutdown Period and advise the Executive Committee on matters related to the execution of such additional documents reasonably deemed necessary or desirable by Manager to effectuate the transactions and agreements contemplated by the Decommissioning Contracts;

(b) To the extent not delegated to the Remediation Contractor or the Dismantlement Contractor under the applicable Decommissioning Contracts or completed during the Shutdown Period, draft, file and prosecute all applications for Governmental or Regulatory Approvals on behalf of SJRPP as and when required in order to effectuate the Remediation and Dismantlement of SJRPP;

(c) Supervise and monitor the Service Providers with respect to their performance of services during the Shutdown Period and take such actions as are

reasonably necessary to enforce each Service Provider's compliance with its obligations under its applicable contract; provided, that Manager's responsibility for matters which are subject to arrangements with Service Providers shall consist solely of such supervision, monitoring and enforcement and shall not include responsibility for the proper performance of any such matters;

(d) (i) Collect on behalf of the Co-Owners, or cause to be so collected, all payments due to the Co-Owners with respect to SJRPP or otherwise, (ii) subject to funds being made available by the Co-Owners in accordance with the JOA, prepare and promptly pay, or cause to be paid, on behalf of the Co-Owners, all expenses incurred in connection with the Services or the Dismantlement of SJRPP, or Remediation of the SJRPP Site, or that are otherwise due and payable under the Decommissioning Contracts and any other contracts to which Manager is a party in connection with the Services or this Agreement, as contemplated by the Decommissioning Budget or in any approved variance therefrom and (iv) purchase or lease, at the sole expense of the Co-Owners pursuant to and in accordance with the JOA, any materials, supplies and equipment necessary for the performance of the Services; provided, however, that nothing herein shall imply any guarantee or undertaking by Manager with respect to the collection of anything due to the Co-Owners;

(e) Provide reasonable assistance to the Executive Committee and each Functional Committee under, and as defined in, the JOA in order to facilitate the performance by each such committee of its respective obligations and functions under the JOA, to the extent the same are required to be taken during the Shutdown Period in connection with this Agreement, the Dismantlement of SJRPP or the Remediation of the SJRPP Site;

(f) Perform on behalf of the Co-Owners all reporting and other routine management responsibilities reasonably believed by Manager to be required under this Agreement, the Decommissioning Contracts or any other contracts to which Manager is a party in connection with the Services;

(g) (i) Ensure that all Governmental or Regulatory Approvals and insurance policies required to be obtained in respect of SJRPP pursuant to and in accordance with the JOA, the Decommissioning Contracts, and all Applicable Law have been obtained and monitor and advise the Executive Committee on the actions necessary to be taken to ensure compliance with all such Governmental or Regulatory Approvals and insurance policies obtained in connection with the Decommissioning; and (ii) perform any other ministerial or administrative acts necessary for the timely issuance and continued effectiveness of all Governmental or Regulatory Approvals and insurance policies; provided that, in each case, if responsibility for such activity or duty has been delegated to a Service Provider, Manager shall supervise and monitor such Service Provider's performance of such delegated activity or duty;

(h) (i) Give prompt written notice to the Executive Committee of any litigation, disputes with Governmental or Regulatory Authorities, material defaults or *force majeure* events under the Decommissioning Contracts, in each case, promptly after learning of the same and (ii) furnish to the Executive Committee, or direct a Service Provider to furnish, copies of all material documents furnished to Manager or any Service Provider by any Governmental or Regulatory Authority or furnished to any Governmental or Regulatory Authority by Manager or any Service Provider;

(i) Prepare, or cause to be prepared, and submit to the Executive Committee on a monthly basis an updated and complete Decommissioning Budget forecast, including (i) revised and updated estimates with respect to actual costs and expenses incurred through the end of the previous month, including approved change orders and (ii) revised and updated estimates of projected costs and expenses for the two months subsequent to the month with respect to which the updates are being submitted;

(j) Notify the Executive Committee of any exceedance greater than 5% from the budgeted amount for such item in the Decommissioning Budget, promptly after learning of such forecasted exceedance, so that review and approval for such forecasted exceedance can be obtained by the Executive Committee; provided, however, that in the event of an Emergency, subject to Article IV, take such actions as may be reasonable or prudent in order to prevent, avoid or mitigate injury, damage or loss to person or property, and maintain all applicable safety and regulatory requirements, and shall notify the Executive Committee of the funds expended as soon as reasonably practicable;

(k) Make any Florida Department of Environmental Protection filings required to be filed during the Shutdown Period in respect of SJRPP; and

(l) Perform such other administrative tasks as the Executive Committee may reasonably request from time to time in connection with or related to SJRPP that are typically within the purview of a manager unless not otherwise permitted.

Section 2.03 Limitations on Manager's Authority.

(a) Notwithstanding anything contained in this Agreement to the contrary, Manager shall not take any action or engage in any transaction on behalf of FPL or SJRPP or in the name of FPL in contravention of, or that will otherwise cause Manager to be in default under, any Decommissioning Contract, the ATA, the JOA or this Agreement.

(b) Unless approved in writing by the Executive Committee in advance, Manager shall not do or take any of the following acts or decisions:

(i) Finalize the scope of work and technical specifications for the Remediation Contract or the Decommissioning Contract;

(ii) Finalize the list of Remediation Bidders or the Dismantlement Bidders; and

(iii) Execute the Remediation Contract or the Dismantlement Contract.

Section 2.04 Relationship of this Agreement to JOA.

(a) The Co-Owners acknowledge and agree that the JOA expressly contemplates and governs Decommissioning, and this Agreement is intended to specify in greater detail the Co-Owners' respective rights and obligations in respect of Decommissioning.

(b) As and to the extent necessary in order for the Co-Owners to effectuate the purposes of this Agreement (and notwithstanding any termination of the JOA as contemplated under the ATA) and except as expressly set forth herein, the terms and conditions of the JOA shall be incorporated into this Agreement, *mutatis mutandis*, as if set forth herein, and the Co-Owners shall comply with the JOA after the Effective Date in connection with Decommissioning to the same extent as the Co-Owners have complied with the JOA prior to the Effective Date in connection with the financing, construction, operation, maintenance, and repair of SJRPP; provided, however, that given the Co-Owners' mutual intent to suspend normal course operations of SJRPP as a generating facility at the Shutdown Date, the Co-Owners acknowledge and agree that (i) Section Eight of the JOA shall no longer apply from and after the Shutdown Date, (ii) Manager shall provide electrical energy from the JEA Bulk Power System to ensure temporary power after the Shutdown Date only as and to extent necessary in connection with Decommissioning (including but not limited to site power required in order to power the waste water treatment facility and any and all sump pumps), and (iii) notwithstanding anything to the contrary set forth in the JOA, all Costs of Operation (whether fixed or variable) associated with providing such site power shall be billed at the applicable retail tariff to the Co-Owners in proportion to their respective Ownership Interests.

Section 2.05 Subcontractors. Manager may enter into subcontracts for the performance of the Services, as applicable in order to facilitate the Decommissioning, and the costs of such subcontracts shall be deemed to be Decommissioning Costs for all purposes of this Agreement and shall be included in the Decommissioning Budget.

ARTICLE III
STANDARD OF PERFORMANCE

Section 3.01 Standard of Performance.

(a) Manager shall perform the Services (including, without limitation, in supervising any Service Providers and monitoring and enforcing any rights of the Co-Owners) in accordance with the directives and authorizations of the Executive Committee

or Operating Committee (in each case established under the JOA) and approved in accordance with this Agreement and the JOA, as applicable; provided, however, to the extent policies and procedures are not provided therefor and authorization from the Operating Committee cannot be obtained in a timely manner, Manager shall perform the Services in accordance with Prudent Utility Practice and JEA's internal policies and procedures and in a manner which shall not adversely discriminate against either Co-Owner. It is understood and agreed by the Co-Owners that Manager is not guaranteeing or undertaking to procure any financial or other outcome with respect to SJRPP or the SJRPP Site.

(b) EXCEPT AS MAY BE PROVIDED HEREIN, NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY TO THE SERVICES OR OTHERWISE, AND ALL SUCH WARRANTIES, IF ANY, ARE EXPRESSLY WAIVED BY THE CO-OWNERS. MANAGER DOES NOT WARRANT UNDER THIS AGREEMENT ANY PRODUCT, MATERIAL OR SERVICES OF ANY PERSON.

ARTICLE IV

PAYMENT OF DECOMMISSIONING COSTS

Section 4.01 Decommissioning Costs. All costs incurred by Manager under or in connection with the Services under this Agreement (including any payments made by Manager to the Remediation Contractor for Remediation or the Dismantlement Contractor for Dismantlement under the applicable Decommissioning Contract and all costs associated with any remediation or monitoring required upon closure of landfills at the SJRPP Site or resulting from ongoing monitoring or required remediation of groundwater in those portions of the SJRPP Site which are not Retained Assets in order to satisfy the Remediation Standard) (collectively, "Decommissioning Costs") other than costs attributable to the Retained Assets shall be classified as Costs of Plant, Costs of Operation, or Other Costs, as applicable, under the JOA and paid by the Co-Owners in proportion to their respective Ownership Interests or as otherwise mutually agreed as and when required pursuant to and in accordance with, and to the accounts specified in, the applicable provisions of the JOA, notwithstanding any termination of the JOA as contemplated under the ATA.

Each Co-Owner shall have the right to review any cost statements, and dispute any costs stated therein, issued under the Agreement as and to the extent provided in the JOA. All costs and expenses incurred in connection with the performance by such Co-Owners' representatives of their respective obligations in connection with the Executive Committee and each Functional Committee shall be paid by the respective Co-Owner and shall not be included as Decommissioning Costs.

All costs and expenses incurred by each Co-Owner's personnel in the performance of any monitoring, inspection, management or other duties in connection with Decommissioning that are reasonably required in order to ensure or verify compliance by the Contractors of the applicable Decommissioning Contracts or otherwise satisfy a Co-Owner's internal requirements or requirements under Applicable Law, shall be deemed to be "Decommissioning Costs" for all purposes under this Agreement and shall be documented by each Co-Owner in terms of hours worked and tasks completed. Any Co-Owner personnel that are intended to be assigned to such duties on a full-time basis shall be subject to the prior written approval of the Operating Committee. Each Co-Owner shall identify the costs and expenses of their respective personnel anticipated to perform any duties in connection with Decommissioning, and the Co-Owners shall mutually agree on the costs and expenses that will be included in the Decommissioning Budget. Costs and expenses that are not included in the Decommissioning Budget will not be reimbursed except as mutually agreed by the Co-Owners or as otherwise provided in this Agreement.

Notwithstanding the foregoing paragraph, the Co-Owners acknowledge that circumstances may arise during Decommissioning that warrant the participation of certain personnel (such as subject matter experts) of either Co-Owner whose costs and expenses are not contemplated in the Decommissioning Budget. In such circumstances, the Co-Owners will mutually agree on the participation of such personnel and costs and expenses associated with these personnel will be deemed to be Decommissioning Costs and will be included in the Decommissioning Budget.

Notwithstanding anything to the contrary set forth herein, any costs expended by Manager in connection with an Emergency shall be deemed for all purposes to be "Decommissioning Costs" under this Agreement.

Section 4.02 Retained Assets Costs. Any and all costs attributable to the Retained Assets, including but not limited to costs associated with Decommissioning and Remediation of such Retained Assets, shall be borne solely by JEA.

ARTICLE V

CO-OWNER RESPONSIBILITIES; INSURANCE

Section 5.01 Cooperation. The Co-Owners shall cooperate in good faith in all activities relating to Decommissioning, including, without limitation, the filing of applications for authorizations, permits or licenses and the execution of such other documents as may be reasonably necessary to carry out the provisions of this Agreement. The Co-Owners shall use their best efforts and shall cooperate to obtain as quickly as possible all requisite governmental, regulatory and vendor approvals of the transactions contemplated hereby.

Section 5.02 Additional Insurance. Consistent with Section 10.3 of the JOA, the Co-Owners hereby agree that JEA shall (a) obtain such insurance policies and/or coverages as may be set forth in Section 10.2 of the JOA or are otherwise reasonably required in connection with Decommissioning and (b) maintain the following insurance policies for a period of four (4) years after the end of the Shutdown Period, in order to provide coverage for accidents that occurred during operation of SJRPP: (i) Excess Liability – First Layer and (ii) Excess Liability – Second Layer. The cost of any such insurance policies and/or coverages shall be considered a Cost of Plant or Cost of Operation, as appropriate.

ARTICLE VI

DISPUTE RESOLUTION

Section 6.01 Dispute Resolution. Any controversy, claim, counterclaim or dispute (singularly or collectively herein, a “Dispute”) arising out of or relating to this Agreement shall be resolved pursuant to and in accordance with Section Fourteen of the JOA.

Section 6.02 Actions Pending Resolution of Disputes. Pending the resolution of a Dispute by the Co-Owners, or by arbitration or judicial proceedings, the Executive Committee shall take such action under, and in accordance with, the JOA and this Agreement, that it deems necessary for the interim handling of activities under dispute so that SJRPP is Dismantled, and the SJRPP Site is Remediated, in each case, in a manner consistent with this Agreement, and each Co-Owner shall advance funds required to perform such activities in accordance with the provisions of this Agreement. Each Co-Owner agrees that it will not utilize the dispute resolution mechanism or fail to agree on a particular matter as a means to delay timely Decommissioning.

ARTICLE VII

COMMENCEMENT AND TERMINATION

Section 7.01 Term. Except as otherwise provided in this Agreement, the Agreement shall commence on the Effective Date and remain in full force and effect until the date that is thirty (30) days after (a) all obligations (other than contingent indemnification obligations) of the Decommissioning Contractors under the Decommissioning Contracts have been fully and finally satisfied under the terms thereof, (b) all Remediation (including any remediation or monitoring required upon closure of landfills at the SJRPP Site or resulting from ongoing monitoring or required remediation of groundwater in those portions of the SJRPP Site which are not Retained Assets) has been fully completed as required to satisfy the Remediation Standard, and (c) all payments required to be paid by the Co-Owners hereunder (including under Section 5.02 of this Agreement) have been fully and finally paid by the applicable Co-Owner (the “Term”).

Section 7.02 Early Termination. Subject to Section 7.01, this Agreement may not be terminated except by mutual agreement of the Co-Owners or pursuant to Section 8.01 or Section 8.02.

ARTICLE VIII

DEFAULT

Section 8.01 Events of Default. The terms and conditions of Section Thirteen of the JOA shall be incorporated, *mutatis mutandis*, into this Agreement as if set forth herein and shall govern all defaults and events of default under this Agreement; provided, however, that the Co-Owners acknowledge and agree that the remedy described in Section 13.4.2 of the JOA shall not be available to the Co-Owners in the event of an Event of Default occurring after the Shutdown Date.

Section 8.02 Bankruptcy. Subject to the rights or remedies it may have, either Co-Owner shall have the right to terminate this Agreement, effective immediately, if, at any time, the other Co-Owner files a voluntary petition in bankruptcy, or is adjudicated bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute or law relating to bankruptcy, insolvency, or other relief for debtors, whether federal or state, or seeks, consents to, or acquiesces in the appointment of any trustee, receiver, conservator or liquidator of such Co-Owner or of all or any substantial part of its properties, or a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against such Co-Owner seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute or law relating to bankruptcy, insolvency or other relief for debtors, whether federal or state, and such Co-Owner consents to or acquiesces in the entry of such order, judgment or decree, or the same remains unvacated and unstayed for an aggregate of ninety (90) days from the date of entry thereof, or any trustee, receiver, conservator or liquidator of such Co-Owner or of all or any substantial part of its properties is appointed without the consent of or acquiescence of such Co-Owner and such appointment remains unvacated and unstayed for an aggregate of ninety (90) days. The terms “acquiesce” and “acquiescence”, as used herein, include, but are not limited to, the failure to file a petition or motion to vacate or discharge any order, judgment or decree providing for such appointment within the time specified by Applicable Law.

ARTICLE IX

INDEMNIFICATION AND LIMITATION OF DAMAGES

Section 9.01 Liability to Third Parties; Liability between Co-Owners.

(a) Section 9.1 (Liability to Third Parties) of the JOA shall be incorporated, *mutatis mutandis*, into this Agreement as if set forth herein and shall govern all third-party

indemnification obligations of the Co-Owners under this Agreement, except as to the Retained Assets. Nothing contained in this subsection shall be construed as a waiver, expansion or alteration of JEA's sovereign immunity as to third parties beyond the limitations stated in Section 768.28, Florida Statutes; provided, such immunity shall not apply with respect to JEA's contractual obligations to FPL as set forth in Section 9.1 of the JOA.

(b) With respect to the Retained Assets, JEA shall defend, indemnify and hold harmless FPL from any and all claims, losses, demands or liabilities of any kind or nature asserted by an third party in any way arising from or relating to any act or omission or accident in connection with the Retained Assets, that occurs after the Closing Date (as defined in the ATA). Nothing contained in this subsection shall be construed as a waiver, expansion or alteration of JEA's sovereign immunity as to third parties beyond the limitations stated in Section 768.28, Florida Statutes; provided, such immunity shall not apply with respect to JEA's contractual obligations to FPL as set forth in this subsection.

(c) Except for the obligations to make payments as set forth in this Agreement and except to the extent such liability is discharged by the insurance described in Section Ten of the JOA, neither Co-Owner nor its governing board members, directors, officers, councilmen, agents or employees shall have any liability in contract, in tort or otherwise to the other Co-Owner for any direct, indirect, consequential or special loss, cost, damage or expense incurred or sustained by such other Co-owner arising out of or resulting from any action taken or failed to be taken, whether or not negligent, by such Co-owner or its governing board members, directors, officers, councilmen, employees, agents or contractors, or by any person or persons for whom such Co-Owner is deemed responsible in carrying out or failing to carry out any of the provisions of this Agreement in regard to the Decommissioning, unless such loss, cost, damage or expense results from Willful Action.

Section 9.02 Supremacy. The provisions expressed in this ARTICLE IX shall prevail over any conflicting or inconsistent provisions contained elsewhere in this Agreement and shall survive termination of this Agreement.

ARTICLE X **FORCE MAJEURE**

Section 9.3 of the JOA shall be incorporated, *mutatis mutandis*, into this Agreement as if set forth herein and shall govern events of Force Majeure under this Agreement.

ARTICLE XI

REPRESENTATIONS AND WARRANTIES

Section 11.13 Representations and Warranties of JEA. Sections 3.01 through 3.07 of the ATA shall be incorporated, *mutatis mutandis*, into this Agreement as if set forth herein, and JEA shall make such representations and warranties to FPL as of the Effective Date.

Section 11.14 Representations and Warranties of FPL. Sections 4.01 through 4.04, 4.07 through 4.08 and 4.11 of the ATA shall be incorporated, *mutatis mutandis*, into this Agreement as if set forth herein, and FPL shall make such representations and warranties to JEA as of the Effective Date.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Assignment. Subject to Section Twelve of the JOA, this Agreement shall be binding on the successors and assigns of each Co-owner hereto (including, if JEA shall be abolished, the authority, board, body, commission or agency succeeding to the principal functions and obligations of JEA), and, insofar as permitted by Applicable Law, on any receiver or trustee in bankruptcy, receivership or reorganization of a Co-owner. References herein to FPL or JEA shall be deemed to include such successors and assigns thereof.

Section 12.02 Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Florida applicable to a contract executed and performed in such State, without giving effect to any choice of law or conflict of law rules or principles thereof that would require the application of the rules of another jurisdiction.

Section 12.03 Independent Contractor. Nothing contained in this Agreement and no action taken by a Co-Owner shall be (a) deemed to constitute a Co-Owner or any of such Co-Owner's employees, agents or representatives as an employee, agent or representative of the other Co-Owner; or (b) except as contemplated under the Services, deemed to confer on a Co-Owner any expressed or implied right, power or authority to enter into any agreement or commitment, express or implied, or to incur any obligation or liability on behalf of the other Co-Owner, except as expressly authorized in writing.

Section 12.04 Addresses for Notices. All notices and other communications required or permitted to be given or made under this Agreement shall be given or made in writing, by physical (including by certified mail, return receipt requested or courier) or facsimile or electronic mail delivery to the address specified below or such other address as shall be designated in a notice in writing. Notices will be effective upon receipt.

If to JEA:

JEA
21 W Church Street (T-16)
Jacksonville, FL 32202
Attn: Jody Brooks, Chief Legal Officer

and with a copy to (which shall not constitute notice):

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Attn.: David Kurzweil, Esq.
Facsimile: (212) 906-1307
E-mail: David.Kurzweil@lw.com

If to FPL:

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
Attn: Vice President, Energy Marketing and Trading

with a copy to:

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
Attn: General Counsel

Section 12.05 Entire Agreement. This Agreement supersedes all prior discussions and agreements between the Co-Owners with respect to the subject matter hereof, and contains the sole and entire agreement between the Co-Owners hereto with respect to the subject matter hereof. Parol or extrinsic evidence shall not be used to vary or contradict the express terms of this Agreement, and recourse shall not be had to alleged prior dealings, usage of trade, course of dealing, or course of performance to explain or supplement the express terms of this Agreement.

Section 12.06 Amendment. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, except by a document in writing signed by the Co-Owner against which the enforcement of such termination, amendment, supplement, waiver or modification is sought.

Section 12.07 Third Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of each Co-Owner hereto and their respective successors or permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 12.08 Severability. A holding by any court or other tribunal of competent jurisdiction that any provision of this Agreement is invalid shall not result in invalidation of the entire Agreement and all remaining terms shall remain in full force and effect. Thereupon, the Co-owners shall promptly renegotiate in good faith new provisions to restore this Agreement as nearly as possible to its original intent and effect.

Section 12.09 Counterparts. This Agreement may be executed in any number of counterparts, including by facsimile or other electronic transmission, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument and all of which taken together shall constitute one and the same instrument and any of the Co-Owners may execute this Agreement by signing any such counterpart.

Section 12.10 Public Announcements. Except as may be required by Florida Sunshine Laws, so long as this Agreement is in effect, neither Co-Owner shall, and shall use all reasonable best efforts to cause their respective representatives not to, issue or make any reports, statements, comments whether in response to any inquiry or otherwise, or releases to the public or generally to the employees with respect to this Agreement or the transactions contemplated hereby without the consent of the other, such consent not to be unreasonably withheld, conditioned or delayed. FPL acknowledges that JEA is subject to Florida Sunshine Laws, and as such, meetings of its Board of Directors are duly noticed public meetings, and such discussions are exempt from this clause.

Section 12.11 Captions. The captions and section headings appearing in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the Co-Owners hereto have executed, or caused to be executed, this Services Management Agreement as of the date first set forth above.

JEA

By: _____
Name:
Title:

**FLORIDA POWER & LIGHT
COMPANY**

By: _____
Name:
Title:

SHUTDOWN ASSIGNMENT & ASSUMPTION AGREEMENT

This **SHUTDOWN ASSIGNMENT AND ASSUMPTION AGREEMENT** (this “Assignment Agreement”) is entered into this ___ day of ___, 201_, by and between Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida (“FPL”), and JEA, a body politic and an independent agency of the City of Jacksonville, Florida, organized and existing under the laws of the State of Florida (“JEA”). Each of FPL and JEA shall be referred to herein as a “Party” and together as the “Parties”.

WITNESSETH:

WHEREAS, FPL and JEA are party to that certain Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park Coal Units #1 and #2 (“SJRPP”), dated as of April 2, 1982, as amended through the date hereof (the “JOA”);

WHEREAS, pursuant to the JOA, JEA has maintained a series of accounts to hold all cash reserves required under the JOA, including but not limited to the FPL Cash Reserves;

WHEREAS, JEA has maintained the Materials & Supplies Inventory and the Fuel Inventory;

WHEREAS, the Parties now agree that it is in the best interest of their customers to cease operation of SJRPP as a generating facility;

WHEREAS, the Parties have entered into that certain Asset Transfer and Contract Termination Agreement (the “ATA”), dated as of [DATE], pursuant to which the Parties have agreed that as part of effecting the Shutdown of SJRPP, FPL will deliver to JEA the Shutdown Payment; and

WHEREAS, in accordance with the ATA a portion of the Shutdown Payment will be accomplished by FPL assigning to JEA its right, title and interest in the FPL Cash Reserves, FPL's portion of the Materials & Supplies Inventory and FPL's portion of the Fuel Inventory.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Assignment Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

AGREEMENTS

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the ATA.

2. Transfer of FPL Cash Reserves, Materials & Supplies Inventory and Fuel Inventory. In accordance with, and subject to the terms of, the ATA, FPL hereby assigns, transfers and delivers unto JEA, as of the Shutdown Date, free and clear of any Liens, other than Permitted Liens, all of FPL's right, title and interest in and to the FPL Cash Reserves, FPL's portion of the Materials & Supplies Inventory and FPL's portion of the Fuel Inventory in partial satisfaction of the Shutdown Payment.

3. Acceptance and Assumption by Assignee. In accordance with, and subject to the terms of, the ATA, JEA hereby assumes and accepts, as of the Shutdown Date, all of FPL's right, title and interest in and to the FPL Cash Reserves, FPL's portion of the Materials & Supplies Inventory and FPL's portion of the Fuel Inventory in partial satisfaction of the Shutdown Payment

4. Binding Effect; Control. The execution, delivery, and performance of this Assignment Agreement has been duly authorized by all requisite corporation action and this Assignment Agreement constitutes the legal, valid and binding obligation of JEA and FPL, enforceable against each Party in accordance with its terms. Nothing contained in this Assignment Agreement shall in any way supersede, modify, replace, amend, rescind, waive, narrow or broaden any provision set forth in the ATA or any of the rights, remedies or obligations arising therefrom. This Assignment Agreement shall in all ways be governed by, and subject to, the ATA.

5. Counterparts. The Parties acknowledge and agree that this Assignment Agreement may be executed in multiple counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument, and transmitted via facsimile or other electronic transmission, each such counterpart (whether transmitted via facsimile, other electronic transmission or otherwise), when executed, shall constitute a part of one and the same agreement between the Parties.

6. Governing Law. This Assignment Agreement shall be governed by, and construed in accordance with, the Laws of the State of Florida applicable to a contract executed and performed in such State, without giving effect to any choice of law or conflict of law rules or principles that would require the application of the rules of another jurisdiction.

7. Successors and Assigns. This Assignment Agreement shall be binding upon and inure to the benefit of FPL and JEA and their respective successors and permitted assigns. This Assignment Agreement or any of the rights, interests or obligations of the Parties under this Assignment Agreement are not assignable (by contract, operation of Law or otherwise) without the prior written consent of the other Party, which such Party may withhold in its discretion, and any attempted assignment, without such consent, shall be null and void.

8. Amendment. Any provision of this Assignment Agreement may be amended, supplemented, modified or waived only by a written instrument duly executed by FPL and JEA. Any such modification, supplement or waiver shall be for such period and subject to such conditions as shall be specified in the instrument effecting the same and shall be binding upon each of FPL and JEA, and any such wavier shall be effective only in the specific instance and for the purposes for which given.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have affixed their signatures to this Assignment Agreement, effective on the date first written above.

FLORIDA POWER & LIGHT COMPANY

By: _____

Name:

Title:

JEA

By: _____

Name:

Title:

DEBT SERVICE ASSIGNMENT & ASSUMPTION AGREEMENT

This **DEBT SERVICE ASSIGNMENT AND ASSUMPTION AGREEMENT** (this “Assignment Agreement”) is entered into this ___ day of ___, 201_, by and between Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida (“FPL”), and JEA, a body politic and an independent agency of the City of Jacksonville, Florida, organized and existing under the laws of the State of Florida (“JEA”). Each of FPL and JEA shall be referred to herein as a “Party” and together as the “Parties”.

WITNESSETH:

WHEREAS, FPL and JEA are party to that certain Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park Coal Units #1 and #2 (“SJRPP”), dated as of April 2, 1982, as amended through the date hereof (the “JOA”);

WHEREAS, pursuant to the JOA, JEA has maintained a series of accounts to hold all cash reserves required under the JOA, including but not limited to the Debt Service Reserves, a portion of which was contributed by FPL (the “FPL Debt Service Reserves”);

WHEREAS, the Parties now agree that it is in the best interest of their customers to cease operation of SJRPP as a generating facility; and

WHEREAS, the Parties have entered into that certain Asset Transfer and Contract Termination Agreement (the “ATA”), dated as of [DATE], pursuant to which the Parties have agreed that concurrent with the Shutdown of SJRPP, FPL will assign to JEA the FPL Debt Service Reserves for deposit into one or more escrow accounts as part of the Bond Defeasance.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Assignment Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

AGREEMENTS

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the ATA.

2. Transfer of FPL Debt Service Reserves. In accordance with, and subject to the terms of, the ATA, FPL hereby assigns, transfers and delivers unto JEA, as of the Shutdown Date, free and clear of any Liens, other than Permitted Liens, all of FPL’s right, title and interest in and to the FPL Debt Service Reserves.

3. Acceptance and Assumption by Assignee. In accordance with, and subject to the terms of, the ATA, JEA hereby assumes and accepts, as of the Shutdown Date, all of FPL's right, title and interest in and to the FPL Debt Service Reserves.

4. Binding Effect; Control. The execution, delivery, and performance of this Assignment Agreement has been duly authorized by all requisite corporation action and this Assignment Agreement constitutes the legal, valid and binding obligation of JEA and FPL, enforceable against each Party in accordance with its terms. Nothing contained in this Assignment Agreement shall in any way supersede, modify, replace, amend, rescind, waive, narrow or broaden any provision set forth in the ATA or any of the rights, remedies or obligations arising therefrom. This Assignment Agreement shall in all ways be governed by, and subject to, the ATA.

5. Counterparts. The Parties acknowledge and agree that this Assignment Agreement may be executed in multiple counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument, and transmitted via facsimile or other electronic transmission, each such counterpart (whether transmitted via facsimile, other electronic transmission or otherwise), when executed, shall constitute a part of one and the same agreement between the Parties.

6. Governing Law. This Assignment Agreement shall be governed by, and construed in accordance with, the Laws of the State of Florida applicable to a contract executed and performed in such State, without giving effect to any choice of law or conflict of law rules or principles that would require the application of the rules of another jurisdiction.

7. Successors and Assigns. This Assignment Agreement shall be binding upon and inure to the benefit of FPL and JEA and their respective successors and permitted assigns. This Assignment Agreement or any of the rights, interests or obligations of the Parties under this Assignment Agreement are not assignable (by contract, operation of Law or otherwise) without the prior written consent of the other Party, which such Party may withhold in its discretion, and any attempted assignment, without such consent, shall be null and void.

8. Amendment. Any provision of this Assignment Agreement may be amended, supplemented, modified or waived only by a written instrument duly executed by FPL and JEA. Any such modification, supplement or waiver shall be for such period and subject to such conditions as shall be specified in the instrument effecting the same and shall be binding upon each of FPL and JEA, and any such waiver shall be effective only in the specific instance and for the purposes for which given.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have affixed their signatures to this Assignment Agreement, effective on the date first written above.

FLORIDA POWER & LIGHT COMPANY

By: _____

Name:

Title:

JEA

By: _____

Name:

Title:

CLOSING ASSIGNMENT & ASSUMPTION AGREEMENT

This **CLOSING ASSIGNMENT AND ASSUMPTION AGREEMENT** (this “Assignment Agreement”) is entered into this ___ day of ___, 201_, by and between Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida (“FPL”), and JEA, a body politic and an independent agency of the City of Jacksonville, Florida, organized and existing under the laws of the State of Florida (“JEA”). Each of FPL and JEA shall be referred to herein as a “Party” and together as the “Parties”.

WITNESSETH:

WHEREAS, FPL and JEA are party to that certain Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park Coal Units #1 and #2 (“SJRPP”), dated as of April 2, 1982, as amended through the date hereof (the “JOA”);

WHEREAS, the FPL and JEA have each determined that it is in the best interest of their customers to cease operation of SJRPP as a generating facility;

WHEREAS, the Parties have entered into that certain Asset Transfer and Contract Termination Agreement (the “ATA”), dated as of [DATE], pursuant to which the Parties have agreed FPL will transfer to JEA its ownership in SJRPP; and

WHEREAS, pursuant to the ATA, FPL has agreed to transfer all rights, title and interests held by FPL in Permits relating to SJRPP and its operations (the “SJRPP Permits”) to JEA.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Assignment Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

AGREEMENTS

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the ATA.

2. Transfer of FPL Permits. In accordance with, and subject to the terms of, the ATA, FPL hereby assigns, transfers and delivers unto JEA, as of the Closing Date, free and clear of any Liens, other than Permitted Liens, all of FPL’s right, title and interest in and to the SJRPP Permits.

3. Acceptance and Assumption by Assignee. In accordance with, and subject to the terms of, the ATA, JEA hereby assumes and accepts as of the Closing Date, all of FPL’s right, title and interest in and to the SJRPP Permits.

4. Binding Effect; Control. The execution, delivery, and performance of this Assignment Agreement has been duly authorized by all requisite corporation action and this Assignment Agreement constitutes the legal, valid and binding obligation of JEA and FPL, enforceable against each Party in accordance with its terms. Nothing contained in this Assignment Agreement shall in any way supersede, modify, replace, amend, rescind, waive, narrow or broaden any provision set forth in the ATA or any of the rights, remedies or obligations arising therefrom. This Assignment Agreement shall in all ways be governed by, and subject to, the ATA.

5. Counterparts. The Parties acknowledge and agree that this Assignment Agreement may be executed in multiple counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument, and transmitted via facsimile or other electronic transmission, each such counterpart (whether transmitted via facsimile, other electronic transmission or otherwise), when executed, shall constitute a part of one and the same agreement between the Parties.

6. Governing Law. This Assignment Agreement shall be governed by, and construed in accordance with, the Laws of the State of Florida applicable to a contract executed and performed in such State, without giving effect to any choice of law or conflict of law rules or principles that would require the application of the rules of another jurisdiction.

7. Successors and Assigns. This Assignment Agreement shall be binding upon and inure to the benefit of FPL and JEA and their respective successors and permitted assigns. This Assignment Agreement or any of the rights, interests or obligations of the Parties under this Assignment Agreement are not assignable (by contract, operation of Law or otherwise) without the prior written consent of the other Party, which such Party may withhold in its discretion, and any attempted assignment, without such consent, shall be null and void.

8. Amendment. Any provision of this Assignment Agreement may be amended, supplemented, modified or waived only by a written instrument duly executed by FPL and JEA. Any such modification, supplement or waiver shall be for such period and subject to such conditions as shall be specified in the instrument effecting the same and shall be binding upon each of FPL and JEA, and any such wavier shall be effective only in the specific instance and for the purposes for which given.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have affixed their signatures to this Assignment Agreement, effective on the date first written above.

FLORIDA POWER & LIGHT COMPANY

By: _____

Name:

Title:

JEA

By: _____

Name:

Title:

**TERMINATION AGREEMENT
(TRANSMISSION SERVICE)**

This **TERMINATION AGREEMENT** is entered into this ___ day of ___, 201_ (this "Termination Agreement"), by and between Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida ("FPL"), and JEA, a body politic and an independent agency of the City of Jacksonville, Florida, organized and existing under the laws of the State of Florida ("JEA"). Each of FPL and JEA shall be referred to herein as a "Party" and together as the "Parties".

WITNESSETH:

WHEREAS, FPL and JEA are party to that certain Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park Coal Units #1 and #2 ("SJRPP"), dated as of April 2, 1982, as amended through the date hereof (the "JOA");

WHEREAS, to transmit the electric energy generated by SJRPP from the SJRPP Site to the FPL service territory, the Parties entered into that certain [NAME OF AGREEMENT] dated [DATE] (the "Transmission Service Agreement");

WHEREAS, the Parties now agree that it is in the best interest of their customers to cease operation of SJRPP as a generating facility;

WHEREAS, when SJRPP ceases operation, FPL will have no need for rights to transmit the electric energy from the SJRPP Site to the FPL service territory; and

WHEREAS, the Parties have entered into that certain Asset Transfer and Contract Termination Agreement (the "ATA"), dated as of [DATE], pursuant to which the Parties have agreed, among other things, to terminate the Transmission Service Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Termination Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

AGREEMENTS

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the ATA.

2. Conditions to Effectiveness. Notwithstanding anything else in the ATA or this Termination Agreement to the contrary, this Termination Agreement, its impact on the Transmission Service Agreement, JOA and the rights and obligations of the Parties thereunder shall not be effective until the Shutdown Date.

3. Termination of the Transmission Service Agreement. Except as otherwise provided in the ATA, the Parties agree that, as of the Shutdown Date, the Transmission Service Agreement shall be terminated and of no further force or effect and neither JEA nor FPL shall have any rights or obligations with respect the other arising from the Transmission Service Agreement.

4. Release. Each Party hereby irrevocably and unconditionally releases and discharges the other Party from all of its obligations, responsibilities, covenants and undertakings arising under or in connection with the Transmission Service Agreement and waives any and all rights or claims it has or may have under or in connection with the JOA. Notwithstanding the foregoing, JEA shall be entitled to charge and FPL shall be obligated to pay any fees, expenses or other charges associated with the Transmission Service Agreement which were accrued prior to the Shutdown Date.

5. Binding Effect; Control. The execution, delivery, and performance of this Termination Agreement has been duly authorized by all requisite corporation action and this Termination Agreement constitutes the legal, valid and binding obligation of JEA and FPL, enforceable against each Party in accordance with its terms. Nothing contained in this Termination Agreement shall in any way supersede, modify, replace, amend, rescind, waive, narrow or broaden any provision set forth in the ATA or any of the rights, remedies or obligations arising therefrom. This Termination Agreement shall in all ways be governed by, and subject to, the ATA.

6. Counterparts. The Parties acknowledge and agree that this Termination Agreement may be executed in multiple counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument, and transmitted via facsimile or other electronic transmission, each such counterpart (whether transmitted via facsimile, other electronic transmission or otherwise), when executed, shall constitute a part of one and the same agreement between the Parties.

7. Governing Law. This Termination Agreement shall be governed by, and construed in accordance with, the Laws of the State of Florida applicable to a contract executed and performed in such State, without giving effect to any choice of law or conflict of law rules or principles that would require the application of the rules of another jurisdiction.

8. Successors and Assigns. This Termination Agreement shall be binding upon and inure to the benefit of FPL and JEA and their respective successors and permitted assigns. This Termination Agreement or any of the rights, interests or obligations of the Parties under this Termination Agreement are not assignable (by contract, operation of Law or otherwise) without the prior written consent of the other Party, which such Party may withhold in its discretion, and any attempted assignment, without such consent, shall be null and void.

9. Amendment. Any provision of this Termination Agreement may be amended, supplemented, modified or waived only by a written instrument duly executed by FPL and JEA. Any such modification, supplement or waiver shall be for such period and subject to such conditions as shall be specified in the instrument effecting the same and shall be binding upon each of FPL and JEA, and any such wavier shall be effective only in the specific instance and for the purposes for which given.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have affixed their signatures to this Termination Agreement, effective on the date first written above.

FLORIDA POWER & LIGHT COMPANY

By: _____

Name:

Title:

JEA

By: _____

Name:

Title:

**TERMINATION AGREEMENT
(JOINT OPERATING AGREEMENT)**

This **TERMINATION AGREEMENT** is entered into this ___ day of ___, 201_ (this “Termination Agreement”), by and between Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida (“FPL”), and JEA, a body politic and an independent agency of the City of Jacksonville, Florida, organized and existing under the laws of the State of Florida (“JEA”). Each of FPL and JEA shall be referred to herein as a “Party” and together as the “Parties”.

WITNESSETH:

WHEREAS, FPL and JEA are party to that certain Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park Coal Units #1 and #2 (“SJRPP”), dated as of April 2, 1982, as amended through the date hereof (the “JOA”);

WHEREAS, the Parties now agree that it is in the best interest of their customers to cease operation of SJRPP as a generating facility, dismantle SJRPP and remediate the SJRPP Site;

WHEREAS, the Parties have entered into that certain Asset Transfer and Contract Termination Agreement (the “ATA”), dated as of [DATE], pursuant to which the Parties have agreed, among other things, to terminate the JOA.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Termination Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

AGREEMENTS

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the ATA.

2. Conditions to Effectiveness. Notwithstanding anything else in the ATA or this Termination Agreement to the contrary, this Termination Agreement, its impact on the JOA and the rights and obligations of the Parties thereunder shall not be effective unless and until the Closing Date.

3. Termination of the JOA. Except as otherwise set forth in Paragraph 4, below, or in the ATA, the Parties agree that, as of the Closing Date, the JOA shall be terminated and of no further force or effect and neither JEA nor FPL shall have any rights or obligations with respect to or otherwise arising from the JOA.

4. Release. Each Party hereby irrevocably and unconditionally releases and discharges the other Party from all of its obligations, responsibilities, covenants and undertakings arising under or in connection with the JOA and waives any and all rights or claims it has or may have under or in connection with the JOA, except to the extent otherwise expressly provided in this Termination Agreement. Notwithstanding the foregoing, JEA shall be entitled to charge and FPL shall be obligated to pay any fees, expenses or other charges associated with the JOA which were accrued prior to the Closing Date.

5. Survival. Notwithstanding anything else in the ATA or this Termination Agreement to the contrary, the Parties hereby agree and acknowledge that the JOA shall survive the Closing solely with respect to:

- (i) the continued joint participation of the Parties in their defense in respect of the Existing Litigations and the Parties will contribute towards any judgment, award, or settlement to be paid to a plaintiff or complainant, if any, in each such Action in accordance with the existing agreements between the Parties, including the JOA;
- (ii) the joint participation of the Parties in the defense of any litigation, action or proceeding, other than the Existing Litigations, arising out of or related to the JOA prior to the effective date of this Termination Agreement or the Parties' joint ownership of SJRPP and the Parties will contribute towards any judgment, award, or settlement to be paid to a plaintiff or complainant, if any, in each such case in accordance with the existing agreements between the Parties, including the JOA ; and
- (iii) with respect to their mutual indemnification obligations to third parties, Section 9.1 (Liability to Third Parties) of the JOA shall be incorporated, *mutatis mutandis*, into this Agreement as if set forth herein and shall govern all third-party indemnification obligations of the Co-Owners under this Agreement, except as to Retained Assets. Nothing contained in this subsection shall be construed as a waiver, expansion or alteration of JEA's sovereign immunity as to third parties beyond the limitations stated in Section 768.28, Florida Statutes; provided, such immunity shall not apply with respect to JEA's contractual obligations to FPL as set forth in Section 9.1 of the JOA; and
- (iv) with respect to the Retained Assets, JEA shall defend, indemnify and hold harmless FPL from any and all claims, losses, demands or liabilities of any kind or nature asserted by an third party in any way arising from or relating to any act or omission or accident in connection with the Retained Assets, that occurs after the Closing Date (as defined in the ATA). Nothing contained in this subsection shall be construed as a waiver, expansion or alteration of JEA's sovereign immunity as to third parties beyond the limitations stated in Section 768.28, Florida Statutes; provided, such

immunity shall not apply with respect to JEA's contractual obligations to FPL as set forth in this subsection.

6. Binding Effect; Control. The execution, delivery, and performance of this Termination Agreement has been duly authorized by all requisite corporation action and this Termination Agreement constitutes the legal, valid and binding obligation of JEA and FPL, enforceable against each Party in accordance with its terms. Nothing contained in this Termination Agreement shall in any way supersede, modify, replace, amend, rescind, waive, narrow or broaden any provision set forth in the ATA or any of the rights, remedies or obligations arising therefrom. This Termination Agreement shall in all ways be governed by, and subject to, the ATA.

7. Counterparts. The Parties acknowledge and agree that this Termination Agreement may be executed in multiple counterparts, each of which shall be an original with the same effect as if the signatures thereto and hereto were upon the same instrument, and transmitted via facsimile or other electronic transmission, each such counterpart (whether transmitted via facsimile, other electronic transmission or otherwise), when executed, shall constitute a part of one and the same agreement between the Parties.

8. Governing Law. This Termination Agreement shall be governed by, and construed in accordance with, the Laws of the State of Florida applicable to a contract executed and performed in such State, without giving effect to any choice of law or conflict of law rules or principles that would require the application of the rules of another jurisdiction.

9. Successors and Assigns. This Termination Agreement shall be binding upon and inure to the benefit of FPL and JEA and their respective successors and permitted assigns. This Termination Agreement or any of the rights, interests or obligations of the Parties under this Termination Agreement are not assignable (by contract, operation of Law or otherwise) without the prior written consent of the other Party, which such Party may withhold in its discretion, and any attempted assignment, without such consent, shall be null and void.

10. Amendment. Any provision of this Termination Agreement may be amended, supplemented, modified or waived only by a written instrument duly executed by FPL and JEA. Any such modification, supplement or waiver shall be for such period and subject to such conditions as shall be specified in the instrument effecting the same and shall be binding upon each of FPL and JEA, and any such wavier shall be effective only in the specific instance and for the purposes for which given.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have affixed their signatures to this Termination Agreement, effective on the date first written above.

FLORIDA POWER & LIGHT COMPANY

By: _____

Name:

Title:

JEA

By: _____

Name:

Title:

BILL OF SALE

This BILL OF SALE (this "Bill of Sale") is made as of [DATE], by and between FLORIDA POWER & LIGHT COMPANY, a Florida corporation ("Seller") and JEA, a body politic and an independent agency of the city of Jacksonville, Florida ("Buyer"). Each of Buyer and Seller shall be referred to herein as a "Party" and together as the "Parties".

WITNESSETH:

WHEREAS, Seller and Buyer have entered into that certain Asset Transfer and Contract Termination Agreement (the "ATA"), dated as of [DATE], pursuant to which, Seller has agreed to sell and Buyer has agreed to buy certain personal property listed on Annex A hereto (the "Assets") located at the St. Johns River Power Park Coal Units #1 and #2 ("SJRPP");

WHEREAS, Seller and Buyer desire Buyer to be in possession of the instruments necessary to evidence the vesting in Buyer of title in and to the Assets pursuant to the transactions contemplated by the ATA; and

WHEREAS, this Bill of Sale is entered into pursuant to the terms of the ATA.

NOW THEREFORE, in consideration for the mutual covenants and agreements set forth in the ATA and this Bill of Sale, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Seller and Buyer agree as follows:

AGREEMENTS

1. Sale and Purchase. Seller, for and in consideration of the sum of TEN DOLLARS (\$10.00) in lawful money of the United States, paid to it by Buyer, the receipt and sufficiency of which is hereby acknowledged, does hereby convey, grant, bargain, sell, transfer and deliver unto Buyer, and Buyer hereby purchases and accepts effective as of the Closing Date (as defined in the ATA), all of Seller's right, title and interest to the Assets, located in the County of Duval, State of Florida, free and clear from any Liens other than Permitted Liens.

2. As-Is/Where-Is. BUYER ACKNOWLEDGES THAT BUYER HAS THOROUGHLY INSPECTED THIS PERSONAL PROPERTY AND UNDERSTANDS THAT IT IS PURCHASED AS IS WITHOUT EXCEPTION FOR KNOWN OR UNKNOWN DEFECTS, BUYER FURTHER ACKNOWLEDGES THAT THIS DISCLAIMER OF LIABILITY, FOR BOTH NEGLIGENCE AND WARRANTY, CONSTITUTES PART OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES AND THAT NO WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, HAS BEEN PREVIOUSLY OR IS HEREBY GIVEN WITH RESPECT TO THIS PROPERTY.

3. Counterparts. The Parties acknowledge and agree that this Bill of Sale may be executed in multiple counterparts, each of which shall be an original with the same effect as if the

signatures thereto and hereto were upon the same instrument, and transmitted via facsimile or other electronic transmission, each such counterpart (whether transmitted via facsimile, other electronic transmission or otherwise), when executed, shall constitute a part of one and the same agreement between the Parties.

4. Governing Law. This Bill of Sale shall be governed by, and construed in accordance with, the Laws of the State of Florida applicable to a contract executed and performed in such State, without giving effect to any choice of law or conflict of law rules or principles that would require the application of the rules of another jurisdiction.

5. Successors and Assigns. This Bill of Sale shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors and permitted assigns. This Bill of Sale or any of the rights, interests or obligations of the Parties under this Bill of Sale are not assignable (by contract, operation of Law or otherwise) without the prior written consent of the other Party, which such Party may withhold in its discretion, and any attempted assignment, without such consent, shall be null and void.

6. Amendment. Any provision of this Bill of Sale may be amended, supplemented, modified or waived only by a written instrument duly executed by Seller and Buyer. Any such modification, supplement or waiver shall be for such period and subject to such conditions as shall be specified in the instrument effecting the same and shall be binding upon each of Seller and Buyer, and any such wavier shall be effective only in the specific instance and for the purposes for which given.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed, this ____ day
of _____, 201[].

FLORIDA POWER & LIGHT COMPANY

By:_____

Print Name:_____

Title:_____

JEA

By:_____

Print Name:_____

Title:_____

IN WITNESS WHEREOF, _____ has hereunto set is hand and seal on this ____ day of _____, 201[].

Signed, sealed and delivered
in the presence of:

FLORIDA POWER & LIGHT COMPANY

Print Name: _____

By: _____

Print Name: _____

ACKNOWLEDGEMENT

STATE OF FLORIDA)
)ss:
COUNTY OF PALM BEACH)

On this ____ day of _____, 201[], before me, the undersigned notary public, personally appeared _____, _____(title) of, a_____, personally known to me to be the person who subscribed to the foregoing instrument or who has produced _____ as identification, and acknowledged that ____ executed the same on behalf of said corporation and that ____ was duly authorized to do so.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(*seal*)

NOTARY PUBLIC, STATE OF FLORIDA

Name (Print)

Commission No: _____

My Commission Expires:

ANNEX A

Switchyard with Relay House and Security Fencing

Asset Location

ST. JOHNS RIVER PARK SWITCHYARD (JEA) - 1991283870

Retirement Unit

120.117 : BREAKER, 240KV
126.375 : STRUCTURE, MAIN TRANSFOR
126.375 : STRUCTURE, MAIN TRANSFOR
128.411 : FOUNDATION, AF-STRUCTURE
133.605 : SWITCH DISCONNECT 230KV
119.065 : TRANSFORMER, ENCLOSURE
124.428 : BUS SYSTEM ALUMINUM
112.200 : RELAY VAULT (BUILDING)
140.892 : TRANSFORMER, CURRENT FRE
133.605 : SWITCH DISCONNECT 230KV
120.117 : BREAKER, 240KV
133.605 : SWITCH DISCONNECT 230KV
128.400 : FOUNDATION, TRANSFORMER
134.617 : SWITCH FAULT INTERRUPT/C
128.400 : FOUNDATION, TRANSFORMER
120.117 : BREAKER, 240KV
120.117 : BREAKER, 240KV
136.645 : LIGHTNING ARRESTOR 139-2
105.120 : FILL & GRADE-SUBSTATION
083.820 : COUPLING CAPACITOR VOLTA
124.542 : BUS SYSTEM ACSR
114.789 : CONDUIT SYSTEM
120.117 : BREAKER, 240KV
120.117 : BREAKER, 240KV
120.117 : BREAKER, 240KV
133.605 : SWITCH DISCONNECT 230KV
140.892 : TRANSFORMER, CURRENT FRE
128.415 : FOUNDATION, PIPE COLUMN
102.150 : SITE DRAINAGE SYSTEM
084.874 : FAULT LOCATOR
119.890 : FIRE FOG PROTECTION SYST
139.689 : TRANSFORMER, POTENTIAL 2
114.796 : CABLE TRENCH
119.890 : FIRE FOG PROTECTION SYST
083.820 : COUPLING CAPACITOR VOLTA
139.689 : TRANSFORMER, POTENTIAL 2
127.482 : STRUCTURE, AF-230KV
110.775 : BATTERY CHARGER
114.790 : CABLE TRAY

128.410 : FOUNDATION, DISCONNECT S
107.410 : FENCE
120.117 : BREAKER, 240KV
141.738 : PANEL, LINE RELAY
000.000 : Non-Unitized
129.527 : YARDLIGHT SYSTEM-TRAN/SU
113.665 : GROUND SYSTEM
119.067 : TRANSFORMER, EQUIPMENT O
127.397 : STRUCTURE, PIPE COLUMN O
119.067 : TRANSFORMER, EQUIPMENT O
110.779 : BATTERY SET WITH RACK
141.720 : PANEL, ALTERNATING CURRE
112.230 : AIR CONDITIONING DUCT WO
110.779 : BATTERY SET WITH RACK
011.110 : CLEARING
139.689 : TRANSFORMER, POTENTIAL 2
138.671 : METER VOLTAGE
112.231 : AIR CONDITION COMPRESSOR
127.472 : STRUCTURE, DISCONNECT SW
128.404 : FOUNDATION, BREAKER 230-
011.100 : SITE PREPARATION-TRAN/SU
110.775 : BATTERY CHARGER
105.140 : ROCK SURFACE
127.813 : STRUCTURE, E-COUPLING CA
128.392 : FOUNDATION, LIGHTNING AR
083.820 : COUPLING CAPACITOR VOLTA
112.201 : ROOF (BUILDING)
141.738 : PANEL, LINE RELAY
131.662 : INSULATORS
141.744 : PANEL, LOCAL BACKUP
460.199 : COMMUNICATION EQUIPMENT
127.517 : STRUCTURE, LPT-LINE POTE
128.412 : FOUNDATION, E-STRUCTURE
118.901 : TRANSFORMER, STATION SER
083.820 : COUPLING CAPACITOR VOLTA
124.428 : BUS SYSTEM ALUMINUM
107.005 : FENCE-EQUIPMENT
131.662 : INSULATORS
107.005 : FENCE-EQUIPMENT
141.742 : PANEL, TRANSFER TRIP
141.740 : PANEL, DIFFERENTIAL RELA
141.725 : PANEL, SUPERVISORY EQUIP
141.723 : PANEL, DIRECT CURRENT LO
137.701 : CABINET, JUNCTION BOX
141.750 : PANEL, SYNCHRONIZING
141.634 : RELAY FRAME RACK

124.662 : INSULATOR (inactive)
 124.662 : INSULATOR (inactive)
 124.662 : INSULATOR (FOR SUB BUS
 008.795 : CONT CABLE SYSTEM - MINO
 000.000 : FPL Conversion 000
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 084.874 : FAULT LOCATOR
 120.117 : BREAKER, 240KV
 120.117 : BREAKER, 240KV
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 120.117 : BREAKER, 240KV
 120.125 : BREAKER, 240KV GAS INSTA
 120.126 : BREAKER, 69-240KV OIL IN
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 000.000 : FPL Conversion 000
 110.779 : BATTERY SET WITH RACK
 112.201 : ROOF (BUILDING)
 083.820 : COUPLING CAPACITOR VOLTA
 117.009 : TRANSFORMER, PLANT MAIN

117.009 : TRANSFORMER, PLANT MAIN
117.009 : TRANSFORMER, PLANT MAIN
117.009 : TRANSFORMER, PLANT MAIN
117.013 : TRANSFORMER, AUTO 1-20 M
117.013 : TRANSFORMER, AUTO 1-20 M
117.013 : TRANSFORMER, AUTO 1-20 M
117.013 : TRANSFORMER, AUTO 1-20 M
117.108 : TRANSFORMER, AUTO 1-120
117.108 : TRANSFORMER, AUTO 1-120
117.108 : TRANSFORMER, AUTO 1-120
117.108 : TRANSFORMER, AUTO 1-120
117.115 : TRANSFORMER, PLANT MAIN
117.115 : TRANSFORMER, PLANT MAIN
117.115 : TRANSFORMER, PLANT MAIN
117.115 : TRANSFORMER, PLANT MAIN
141.768 : PANEL, REMOTE COMM. PROC
460.199 : COMMUNICATION EQUIPMENT
460.199 : COMMUNICATION EQUIPMENT

Railroad Tracks

Asset Location

ST JOHNS RIVER POWER PARK (JEA) COMMON - 5991250026

Retirement Unit

209.1169 : TRACK SYSTEM
209.1169 : TRACK SYSTEM
209.1169 : TRACK SYSTEM
209.1169 : TRACK SYSTEM
209.1169 : TRACK SYSTEM
209.1173 : SIGNAL/CONTROL SYSTEM CO
209.1173 : SIGNAL/CONTROL SYSTEM CO
209.1173 : SIGNAL/CONTROL SYSTEM CO
209.1173 : SIGNAL/CONTROL SYSTEM CO

Deep Wells

Asset Location

ST JOHNS RIVER POWER PARK (JEA) COMMON - 5991250026

Retirement Unit

501.6030 : RAW WATER WELL
501.6024 : PIPING
501.6030 : RAW WATER WELL
501.6020 : CONTROL/INSTRUMENTATION
501.6025 : PUMP COMPLETE
501.6025 : PUMP COMPLETE
501.6024 : PIPING
501.6024 : PIPING

501.6021 : DRIVE, ELECTRIC MOTOR, C
501.6022 : FOUNDATION
501.6021 : DRIVE, ELECTRIC MOTOR, C
501.6030 : RAW WATER WELL
501.6022 : FOUNDATION
501.6029 : CATHODIC PROTECTION EQUI
501.6026 : TANK
501.6030 : RAW WATER WELL
501.6030 : RAW WATER WELL
501.6025 : PUMP COMPLETE
501.6021 : DRIVE, ELECTRIC MOTOR, C
501.6028 : VALVE, POWER OPERATED 8
501.6021 : DRIVE, ELECTRIC MOTOR, C
501.6020 : CONTROL/INSTRUMENTATION
501.6028 : VALVE, POWER OPERATED 8
501.6029 : CATHODIC PROTECTION EQUI

First Coast Radio Tower and Equipment

Tower Foundation

Radio Tower

Antenna equipment

Radio Equipment

All Cabling and Fiber

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made the _____ day of _____, 2017, by **FLORIDA POWER & LIGHT COMPANY**, a corporation organized and existing under the laws of the State of Florida, 700 Universe Boulevard, Juno Beach, Florida 33408-0420 ("**Grantor**") to **JEA**, a body politic and an independent agency of the City of Jacksonville, Florida, organized and existing under the laws of the State of Florida ("**Grantee**").

WITNESSETH: Grantor, for and in consideration of the sum of \$10.00 and other valuable considerations, receipt and legal sufficiency of which is acknowledged by **Grantor**, by these presents does grant, bargain, sell, alien, remise, release, convey and confirm unto **Grantee**, its successors and assigns, all of its right title and interest in and to that certain land situated in Duval County, Florida and more particularly described on Exhibit A attached hereto and made a part hereof.

TOGETHER WITH all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the same in fee simple forever.

SUBJECT TO the covenants, terms, conditions, obligations and rights contained in that certain Asset Transfer and Contract Termination Agreement between the JEA and Florida Power & Light Company, dated [●], 2017.

Grantor hereby covenants with Grantee that, except as noted above and except for those Easements recorded in Official Records Book 2695, page 686 as deeded in Official Record Book 3040, page 1006 as resolved in resolution in Official Records Book 3293, page 753 as to Parcels 2, 3 and 5 described on Exhibit A hereto, at the time of the delivery of this deed the land was free from all encumbrances made by Grantor, and Grantor will defend the same against the lawful claims of all persons claiming by, through or under Grantor, but against none other.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed in its name, and its corporate seal hereunto affixed, by its proper officers thereunto duly authorized, the day and year first above written.

FLORIDA POWER & LIGHT COMPANY,
a corporation

By: _____
Its

Attest: _____
Its

EXHIBIT A

That certain piece, parcel or tract of land situate, lying and being in the City of Jacksonville, County of Duval, State of Florida, to wit:

PARCEL #1:

A part of Lots 19 and 20, Subdivision of the Domingo Fernandez Grant, as shown on plat recorded in Plat Book 1, page 18, of the former public records of Duval County, Florida, being more particularly described as follows:

For a point of reference, commence at the Northeasterly corner of Section 38, Township 1 South, Range 27 East, said Duval County; thence North 71 degrees 45 minutes 48 seconds East along the Southerly line of Section 39, Township 1 South, Range 27 East, said Duval County, a distance of 231.0 feet to the Southeasterly corner of said Section 39; thence North 17 degrees 24 minutes 47 seconds West, along the Easterly line of said Section 39, a distance of 373.29 feet to the Northerly line of a 100 foot wide Railroad right of way as described in Official Records Volume 768, page 482, of the Current Public Records of said Duval County; thence North 76 degrees 44 minutes 54 seconds West along said Northerly line, a distance of 162.18 feet to the Westerly line of the lands described in Official Records Volume 2695, page 886, of said Current Public Records and the point of beginning; thence continue along said Northerly line North 76 degrees 44 minutes 54 seconds West a distance of 1071.66 feet; thence South 82 degrees 28 minutes 23 seconds East, a distance of 178.89 feet; thence South 88 degrees 11 minutes 52 seconds East, a distance of 97.50 feet to the Point of Curvature of a curve concave Northwesterly and having a radius of 905.37 feet; thence Northeasterly along and around the arc of said curve a distance of 674.72 feet to the Westerly line of said Official Records Volume 2895, page 886 and a point of cusp, said arc being subtended by a chord bearing North 70 degrees 27 minutes 09 seconds East and a chord distance of 659.22 feet; thence South 18 degrees 29 minutes 48 seconds East along said Westerly line, a distance of 107.28 feet to a point lying on a curve concave Northwesterly and having a radius of 1005.37 feet; thence from a tangent bearing South 51 degrees 25 minutes 59 seconds West, run Southwesterly along and around the arc of said curve a distance of 368.73 feet to a point of cusp, said arc being subtended by a chord bearing South 61 degrees 56 minutes 24 seconds West and a chord distance of 366.67 feet; thence South 82 degrees 28 minutes 23 seconds East a distance of 287.74 feet to a point of curvature of a curve concave Southwesterly and having a radius of 1133.14 feet; thence along and around the arc of said curve a distance of 117.83 feet to the Westerly line of said Official Records Volume 2695, page 886 said line bearing South 18 degrees 29 minutes 48 seconds East, said arc being subtended by a chord bearing of South 79 degrees 29 minutes 37 seconds East and a chord distance of 117.78 feet; thence South 18 degrees 29 minutes 48 seconds East along said Westerly line a distance of 112.15 feet to the Point of Beginning.

PARCEL #2:

A part of Lots 19 and 20, Subdivision of the Domingo Fernandez Grant, as shown on plat recorded in Plat Book 1, page 18, of the former public records of Duval County, Florida, being more particularly described as follows:

For a point of reference, commence at the Northeasterly corner of Section 38, Township 1 South, Range 27 East, said Duval County; thence North 71 degrees 45 minutes 48 seconds East along the Southerly line of Section 39, Township 1 South, Range 27 East, said Duval County, a distance of 231.0 feet to the Southeasterly corner of said Section 39; thence North 17 degrees 24 minutes 47 seconds West, along the Easterly line of said Section 39, a distance of 883.02 feet to the Point of Beginning; thence continue along said Easterly line North 17 degrees 24 minutes 47 seconds West a distance of 118.26 feet to a point lying on a curve concave Northwesterly and having a radius of 905.37 feet; thence from a tangent bearing of South 38 degrees 22 minutes 26 seconds West, run Southwesterly along and around the arc of said curve a distance of 169.53 feet to the Westerly line of those lands described in Official Records Volume 2695, page 886, said line bearing South 18 degrees 29 minutes 48 seconds East, said arc being subtended by a chord bearing South 43 degrees 44 minutes 18 seconds West and a chord distance of 169.29 feet; thence South 18 degrees 29 minutes 48 seconds East along said Westerly line, a distance of 107.26 feet to a point lying on a curve concave Northwesterly and having a radius of 1005.37 feet; thence from a tangent bearing of North 51 degrees 25 minutes 59 seconds East, run Northeasterly along and around the arc of said curve a distance of 162.60 feet to the Point of Beginning; said arc being subtended by a chord bearing North 46 degrees 47 minutes 59 seconds East and a chord distance of 162.43 feet.

PARCEL #3:

A part of Lots 19 and 20, Subdivision of the Domingo Fernandez Grant, as shown on plat recorded in Plat Book 1, page 18 of the former public records of Duval County, Florida, being more particularly described as follows:

For a point of reference, commence at the Northeasterly corner of Section 38, Township 1 South, Range 27 East, said Duval County; thence North 71 degrees 45 minutes 48 seconds East along the Southerly line of Section 39, Township 1 South, Range 27 East, said Duval County, a distance of 231.0 feet to the Southeasterly corner of said Section 39; thence North 17 degrees 24 minutes 47 seconds West along the Easterly line of said Section 39, a distance of 373.29 feet to the Northerly line of a 100 foot wide Railroad right of way as described in Official Records Volume 768, page 482 of the Current Public Records of said Duval County and the Point of Beginning; thence continue along said Easterly line North 17 degrees 24 minutes 47 seconds West a distance of 94.61 feet to a point lying on a curve concave Southwesterly and having a radius of 1133.14 feet; thence from a tangent bearing of North 67 degrees 43 minutes 59 seconds West, run Northwesterly along and around the arc of said curve a distance of 173.68 feet to a line bearing South 18 degrees 29 minutes 48 seconds East, said line being the Westerly line of the lands described in Official Records Volume 2695, page 886 of said Current Public Records, said arc being subtended by a chord bearing North 72 degrees 07 minutes 27 seconds West and a chord distance of 173.51 feet; thence South 18 degrees 29 minutes 48 seconds East along said line, a distance of 112.15 feet to the Northerly line of said lands described in Official Records Volume 768, page 482; thence South 76 degrees 44 minutes 54 seconds East along said Northerly line a distance of 162.18 feet to the Point of Beginning.

PARCEL #4:

A part of Lots 19 and 20, Subdivision of the Domingo Fernandez Grant, as shown on plat recorded in Plat Book 1, page 18, of the former public records of Duval County, Florida, being more particularly described as follows:

For a point of reference, commence at the Northeasterly corner of Section 38, Township 1 South, Range 27 East, said Duval County; thence North 71 degrees 45 minutes 48 seconds East along the Southerly line of Section 39, Township 1 South, Range 27 East, said Duval County, a distance of 231.0 feet to the Southeasterly corner of said Section 39; thence North 17 degrees 24 minutes 47 seconds West, along the Easterly line of said Section 39, a distance of 373.29 feet to the Northerly line of a 100 foot wide Railroad right of way as described in Official Records Volume 768, page 482, of the Current Public Records of said Duval County; thence North 76 degrees 44 minutes 54 seconds West along said Northerly line, a distance of 162.18 feet to the Westerly line of the lands described in Official Records Volume 2695, page 886, of said Current Public Records; thence North 18 degrees 29 minutes 48 seconds West along said Westerly line a distance of 112.15 feet to the Point of Beginning; thence continue along said Westerly line North 18 degrees 29 minutes 48 seconds West, a distance of 244.27 feet to a point of cusp of a curve concave Northwesterly having a radius of 1005.37 feet; thence from a tangent bearing of South 51 degrees 25 minutes 59 seconds West, run Southwesterly along and around the arc of said curve a distance of 368.73 feet to a point of cusp, said arc being subtended by a chord bearing South 61 degrees 56 minutes 24 seconds West and a chord distance of 366.67 feet; thence South 82 degrees 28 minutes 23 seconds East a distance of 287.74 feet to the point of curvature of a curve concave Southwesterly having a radius of 1133.14 feet; thence Southeasterly along and around the arc of said curve a distance of 117.83 feet to the Point of Beginning, said arc being subtended by a chord bearing South 79 degrees 29 minutes 37 seconds East and a chord distance of 117.79 feet.

PARCEL #5:

A part of Lots 19 and 20, Subdivision of the Domingo Fernandez Grant, as shown on plat recorded in Plat Book 1, page 18, of the former public records of Duval County, Florida, being more particularly described as follows:

For a point of reference, commence at the Northeasterly corner of Section 38, Township 1 South, Range 27 East, said Duval County; thence North 71 degrees 45 minutes 48 seconds East along the Southerly line of Section 39, Township 1 South, Range 27 East, said Duval County, a distance of 231.0 feet to the Southeasterly corner of said Section 39; thence North 17 degrees 24 minutes 47 seconds West, along the Easterly line of said Section 39, a distance of 467.90 feet to the Point of Beginning; thence continue along said Easterly line North 17 degrees 24 minutes 47 seconds West a distance of 415.12 feet to a point of cusp of a curve concave Northwesterly having a radius of 1005.37 feet; thence from a tangent bearing of South 42 degrees 09 minutes 59 seconds West, run Southwesterly along and around the arc of said curve a distance of 162.60 feet to the Westerly line of the lands described in Official Records Volume 2695, page 886, said arc being subtended by a chord bearing South 46 degrees 47 minutes 59 seconds West and a chord distance of 162.43 feet; thence South 18 degrees 29 minutes 48 seconds East along said Westerly line a distance of 244.27 feet to a point on a curve concave Southwesterly having a

radius of 1133.14 feet; thence from a tangent bearing of South 76 degrees 30 minutes 54 seconds East, run Southeasterly along and around the arc of said curve a distance of 173.68 feet to the Point of Beginning, said arc being subtended by a chord bearing South 72 degrees 07 minutes 27 seconds East and a chord distance of 173.15 feet.

PARCEL #6:

All of the John P. Brown Donation, Section 40, Township 1 South, Range 28 East, except part in deed to J. B. Mallard and Frank L. Thornton recorded in Deed Book 1677, page 375, and part in Pelotes Island Road in Deed Book 1710, page 286.

PARCEL #7:

All the John F. Christopher Grant, Section 41, Township 1 South, Range 28 East, and Section 43, Township 1 South, Range 27 East, except part in Deed to City of Jacksonville in Official Records Volume 2095, page 361, and in Order of Taking in favor of Jacksonville Port Authority in Official Records Volume 2725, page 911.

PARCEL #8:

Lots 3, 4, 5 and 6, Section 6, Township 1 South, Range 28 East, except part in Pelote's Island Road as described in Deed Book 1710, page 286.

PARCEL #9:

East 1/2 of the Northeast 1/4 and the Northeast 1/4 of Southeast 1/4 of Section 1, Township 1 South, Range 27 East.

PARCEL #10:

Lots 1 and 2, Section 12, Township 1 South, Range 27 East, except part in Pelote's Island Road as described in Deed Book 1710, page 286.

PARCEL #11:

Lots 5 and 6, Section 12, Township 1 South, Range 27 East, except parts in Deed to City of Jacksonville in Official Records Volume 2388, page 157, (conveyed to Jacksonville Electric Authority in Official Records Volume 3247, page 1197), in deed to City of Jacksonville in official Records Volume 2581, page 78, in Order of Taking in favor of Jacksonville Port Authority in Official Records Volume 2725, page 911, and in Deed to Jacksonville Port Authority in Official Records Volume 2748, page 340.

PARCEL #12:

Lots 1 and 2, Section 13, Township 1 South, Range 27 East, except parts in deed to City of Jacksonville in Official Records Volume 2095, page 361, in Deed to City of Jacksonville in Official Records Volume 2388, page 157, in (conveyed to Jacksonville Electric Authority in

Official Records Volume 3247, page 1197) and in Deed to Jacksonville Port Authority in Official Record! Volume 2748, page 340.

PARCEL #13:

All of the John F. Christopher Grant, Section 42, Township 1 South, Range 28 East, as said Section 42 appears upon the township plat executed by Henry Washington in 1834, being more particularly described as being triangular in shape and being bounded on the Northeast and Southeast side by the meander line of unsurveyed Section 18, and being bounded on the West by the Range line dividing Ranges 27 and 28.

PARCEL #14:

Fractional Part in Northwest 1/4 of Section 7, Township 1 South, Range 28 East, except part in Pelote's Island Road as described in Deed Book 1710, page 286.

PARCEL #15:

Lots 1 to 7, inclusive, Section 7, Township 1 South, Range 28 East.

PARCEL #16:

All of Section 18, Township 1 South, Range 28 East, Duval County, Florida, according to plat of that part of said Township lying North of the St. Johns River, approved by Fred C. Elliott, Chief Drainage Engineer for the State of Florida in May, 1945, and on file in the Office of the Commissioner of Agriculture of the State of Florida, EXCEPTING THEREFROM, however (a) that portion of said section that lies East of the Westerly line of Lot 6, Block 4, San Carlos Estates, Plat Book 18, pages 44, 44A and 44B of the current public records of Duval County, Florida, extended Northerly to the waters of Brown's Creek and lying South and West of said creek; (b) that portion of said Section lying East of Brown's Creek; (c) those portions of said section lying south of the Northerly boundary line of Blocks 4, 5, 6 and 7 of said San Carlos Estates and South of the Northerly boundary line of the lands shown as Exceptions V, VI, VII, and VIII on the aforesaid plat of San Carlos Estates; (d) that portion of said section conveyed to the City of Jacksonville in deed recorded in Official Records Volume 2443, page 212; (e) those portions or said section conveyed to the Jacksonville Port Authority in deeds recorded in Official Records Volume 2746, page 337 and Volume 2748, page 340; and (f) Island No. 7 and Island No. 8.

PARCEL #17:

All that portion of unsurveyed Section 13, Township 1 South, Range 27 East, more particularly described as being triangular in shape and being bounded on the Northwest and Southwest sides by the meander line of the John F. Christopher Grant, Section 43, and being bounded on the East by the range line dividing Ranges 27 and 28 East.

PARCEL #18:

A portion of Section 12, Township 1 South, Range 27 East, Duval County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Section 12, Township 1 South, Range 27 East; thence North 89 degrees 40 minutes 03 seconds East along the Northerly line of said Section 12, a distance of 1,372.83 feet; thence South 00 degrees 03 minutes 31 seconds East, a distance of 30.0 feet to the point of intersection of the southerly right of way line of Island Drive (a 60 foot right of way) with the Easterly right of way line of New Berlin Road (a 60 foot right of way); thence continue South 00 degrees 03 minutes 31 seconds East, along said Easterly right of way line, a distance of 1,512.83 feet to the beginning of a curve concave to the Northwest having a radius of 2,896.60 feet; thence along and around the arc of said curve a distance of 110.01 feet to the Point of Beginning, said arc being subtended by a chord bearing and distance of South 01 degrees 01 minutes 36 seconds West, 110.0 feet; thence South 63 degrees 22 minutes 08 seconds East, a distance of 495.52 feet to a point on a curve concave Southeasterly having a radius of 1,165.37 feet; thence along and around the arc of said curve a distance of 1,446.44 feet to the end of said curve, said arc being subtended by a chord bearing and distance of North 39 degrees 47 minutes 20 seconds East, 1,355.37 feet; thence North 75 degrees 20 minutes 47 seconds East, a distance of 59.22 feet to the Westerly line of Government Lot 2, said Section 12; thence South 01 degrees 05 minutes 35 seconds East, along said Westerly line a distance of 1,821.47 feet to the Southerly line of Government Lot 4; thence South 89 degrees 45 minutes 25 seconds West along said Southerly line, a distance of 1,052.04 feet to the Easterly right of way line of a 150.0 foot right of way owned by the Jacksonville Electric Authority; thence North 18 degrees 48 minutes 31 seconds West, along said right of way line distance of 307.36 feet to an angle point in said right of way line; thence North 47 degrees 23 minutes 37 seconds West, along said right of way line a distance of 310.05 feet; thence North 15 degrees 38 minutes 20 seconds West, a distance of 189.74 feet to the Easterly right of way line of said New Berlin Road, said right of way line being a curve concave to the Northwest having a radius of 2,896.60 feet; thence along and around the arc of said curve a distance of 309.63 feet to the Point of Beginning, said arc being subtended by a chord bearing and distance of North 05 degrees 13 minutes 06 seconds East, 309.48 feet.

III. B. 2.

Valuation Opinion on St. Johns River Power Park (SJRPP) Shutdown
and Termination Agreement

May 1, 2017

SUBJECT: VALUATION OPINION ON ST. JOHNS RIVER POWER PARK (SJRPP) SHUTDOWN AND TERMINATION AGREEMENT

Purpose: ☒ Information Only ☐ Action Required ☐ Advice/Direction

Issue: JPMorgan is engaged to advise JEA on the SJRPP transaction and to provide a valuation opinion as to the value of the transaction to JEA.

Significance: High.

Effect: JPMorgan has analyzed the SJRPP transaction and is expected to provide a valuation opinion based on the facts and circumstances of the transaction, as well as the economic benefit to JEA.

Cost or Benefit: JPMorgan is a leader in the Global Energy Mergers and Acquisitions business. In 2016, JPMorgan advised on over \$90 billion in North American Energy Mergers & Acquisitions transactions.

Recommended Board action: No action is required by the Board. This item is presented for information only.

For additional information, contact: Ryan Wannemacher, x7223

Submitted by: PEM/ MHD/ RFW



Commitments to Action

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



INTER-OFFICE MEMORANDUM

May 1, 2017

SUBJECT: VALUATION OPINION ON ST. JOHNS RIVER POWER PARK
(SJRPP) SHUTDOWN AND TERMINATION AGREEMENT

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JPMorgan Chase & Co. is engaged to advise JEA on the SJRPP transaction and to provide a valuation opinion as to the value of the transaction to JEA.

JPMorgan is a leading global financial services firm and a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset and wealth management, and private equity. JPMorgan is a leader in the Global Energy Mergers and Acquisitions business. In 2016, JPMorgan advised on over \$90 billion in North American Energy Mergers & Acquisitions transactions.

The lead banker for JPMorgan on the SJRPP transaction is Paul Dabbar, Managing Director and Head of Energy Mergers & Acquisitions. He has advised on over \$300 billion in transactions, including corporate mergers, subsidiary sales and purchases, privatizations, joint ventures, corporate restructurings, private equity transactions, and unsolicited corporate transactions for companies in the energy sector. Both the company and its lead representative are well qualified to render a valuation opinion on this transaction.

DISCUSSION:

JPMorgan has analyzed the SJRPP transaction and is expected to provide a valuation opinion based on the facts and circumstances of the transaction, as well as the economic benefit to JEA.

RECOMMENDATION:

No action is required by the Board. This item is presented for information only.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/RFW

Return
to Agenda

PROJECT JAGUAR

May 16, 2017

III. B. 2.
5/16/2017

J.P.Morgan

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Project Jaguar Dedicated Deal Team

Organization structure (years of experience)

J.P.Morgan

Project leaders

Paul Dabbar
Head of
Power and Utilities M&A
(20)

Neil Davids
Executive Director
(12)

Jason Gredell
Executive Director
(17)

Kevin Plunkett
Executive Director
(11)

Isaac Sine
Head of Public Power
(15)

Key support personnel

John Warin
Vice President
(8)

Nick Chen
Associate
(3)

Will Kostizak
Associate
(5)

Molly Hurff
Analyst
(1)

Senior sponsors

Jay Horine
Head of Energy IB
(21)

Paul Palmeri
Co-Head of Public
Finance IB
(26)

Mike Carlson
Head of Public
Finance Infrastructure
(13)

Jamison Feheley
Co-Head of Public
Finance IB
(21)

- Mergers & Acquisitions
- Energy Coverage
- Public Finance Infrastructure Advisory
- Public Finance Power Coverage
- Senior Sponsorship

Transaction Overview and Assessment

- In March 2017, JEA and FPL announced a tentative agreement to decommission SJRPP in January 2018 (the “Transaction”)
- Upon receipt of all required approvals and the ceasing of commercial operation of SJRPP, FPL will make a payment to JEA in consideration of the early termination of the Joint Ownership Agreement (the “JOA”)
- Upon completion of the dismantlement of SJRPP, FPL will assign its right to JEA, title and interest in and the land upon which SJRPP is situated
- JEA engaged J.P. Morgan to act as the Company’s financial advisor in connection with evaluating the proposed SJRPP Transaction from a financial standpoint and providing requisite M&A advice for a transaction of this type
- In this capacity, J.P. Morgan has assisted JEA in Transaction negotiation, structuring and assessing impact of the Transaction to JEA from a financial standpoint
- J.P. Morgan has reviewed the Transaction terms and documents as well as the detailed financial projections provided by Management and independently evaluated the impact of the Transaction to JEA
- Based on our diligence and analysis to date, we believe the Transaction is beneficial to JEA
 - The consideration paid to JEA, combined with funds on hand at SJRRP, is adequate to satisfy all obligations of the JOA
 - The Transaction agreements create a framework for JEA and FPL to satisfy remaining obligations through dismantlement and environmental remediation
 - The pro-forma analysis indicates that value is created for JEA and its customers in several ways:
 - Lower overall expense profile, leading to lower revenue requirement
 - Lower fuel rates
 - Avoided base rate increases
 - Increased stability in fuel stabilization account
 - Elimination of future environmental obligations

The Transaction as currently proposed, will provide a significant net present value benefit to JEA

Transaction Summary

Key terms

Term	Summary
Transaction overview	<ul style="list-style-type: none"> ■ The termination of the Joint Operating Agreement between JEA and FPL related to the Companies' joint ownership of St. Johns River Power Park Coal Units #1 and #2 ("SJRPP") ■ The Sale of FPL's 20% undivided ownership interests in SJRPP to JEA ■ The early termination of the power purchase agreement ("PPA") by which FPL purchases 37.5% of JEA's 80% share of the generating capacity of SJRPP ■ The dismantlement and remediation of SJRPP (other than certain assets to be retained by JEA) ■ Defeasance of JEA and FPL's Issue Two debt obligations
Consideration to JEA	<ul style="list-style-type: none"> ■ \$135.6 million in cash (comprised of \$90.4 million funded directly by FPL and from FPL funds held in accounts of SJRPP; and \$45.2 million funded from FPL's portion of the Debt Service Reserve Fund to defease FPL's SJRPP Issue II debt obligation) ■ Payment by FPL to JEA 20% of all costs associated with Dismantling and Remediation of the SJRPP post-shutdown
Deal structure	<ul style="list-style-type: none"> ■ Cash and all rights, title and interest in and to all assets and properties relating to SJRPP
Key conditions to closing	<ul style="list-style-type: none"> ■ Approval of the Transaction by JEA and FPL governance bodies ■ Execution of the Asset Transfer and Contract Termination Agreement (the "ATA") ■ Finalization and execution of (a) Services Management Agreement for Management of Dismantlement and Remediation, (b) Joint Ownership Agreement Termination, (c) Transmission Service Agreement Termination, (d) Assignment and Assumption Agreements, (e) Bills of Sale, (f) Deed, and (g) Bond Defeasance documentation ■ FERC 203 Approval approving the purchase contemplated by the ATA ■ Florida Public Service Commission ("FPSC") Approval
Termination provisions	<ul style="list-style-type: none"> ■ JEA and FPL may terminate if (i) the Shutdown has not occurred on or before the first (1st) anniversary of execution of the ATA, (ii) the Transaction is not approved by the necessary Government and Regulatory authorities, and (iii) Uncured breaches by the other party

Transaction Rationale

Provides Rate Stability for Customers

- Proposed Transaction reduces revenue requirement supported by Fuel and Base Rates
- Allows JEA to maintain stable rates and continue early debt paydown

Rationalize Generation Fleet

- Increases asset utilization
- Maintains cost effective system resource mix

Reduces JEA's Impact on the Environment

- Reduces JEA's CO₂ output by 30% by 2030
- Avoids future expense for compliance with environmental rules

Stimulates Economic Development

- Repurposes 1,000 acres of SJRPP site for economic development
- Expands economic opportunities for industrial and manufacturing growth in and around the Port

Proactively Address the Future of SJRPP

- Provides clear path for the termination of the SJRPP Joint Ownership Agreement

Source: JEA

Transaction Consideration

- At the Shutdown Date, JEA will receive \$135.6 million from FPL comprised of the following:
 - Cash payment on the Shutdown Date of \$56.7 million
 - Transfer of FPL Funds held in accounts of SJRPP to JEA of \$33.7 million
 - \$45.2 million from FPL's portion of the Debt Service Reserve Fund to defease FPL's SJRPP Issue II debt obligation

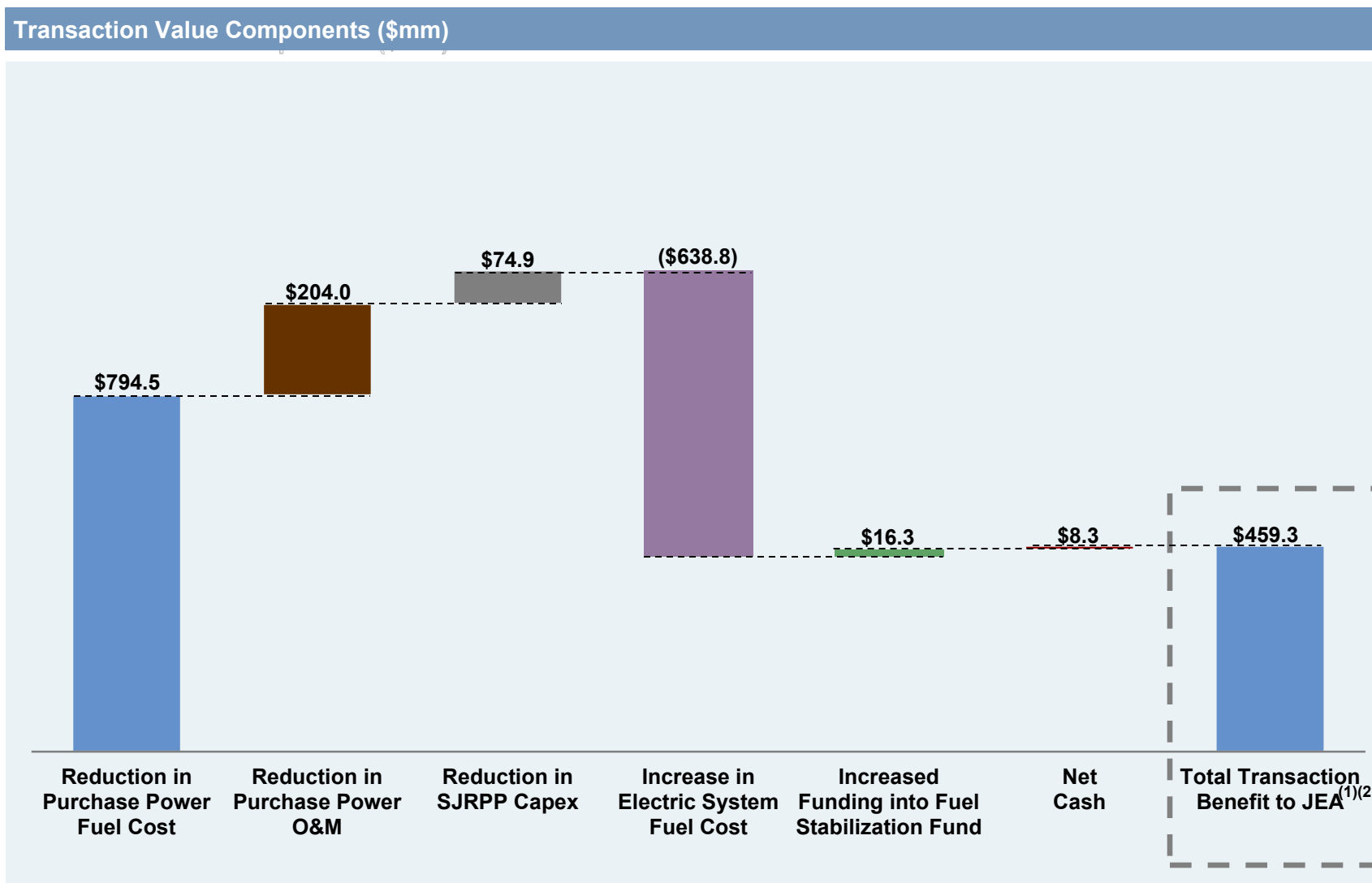
FPL Consideration - Non-Debt and Debt Summary

	Total Required Funding at Shutdown	FPL Cash Released & Applied to Shutdown Payment	Additional FPL Cash Required at Shutdown	Total FPL Shutdown Payment
Non-Debt Items	\$ 110,900,000	\$ 33,732,507 ⁽²⁾	\$ 48,717,493	\$ 82,450,000
Debt Component ⁽¹⁾	141,355,000	45,148,000 ⁽²⁾	7,950,000	53,098,000
Total Consideration	\$ 252,255,000	\$ 78,880,507	\$ 56,667,493	\$ 135,548,000

⁽¹⁾Amount is preliminary and dependent on final calculation

⁽²⁾As of 03/31/2017

Components of Transaction Benefits to JEA



Source: JEA Management Projections

Note: Items reflect net present value of 10 year projected cashflow; discounted at 4.75%

⁽¹⁾Total Transaction benefit does not include value of retained assets or fuel at closing







⁽²⁾Total transaction benefit after satisfaction of \$250.8 million of obligations related to the shutdown and dismantlement and remediation of SJRPP

III. B. 3.

Monthly Operational and Financial Review

Board of Directors Meeting May 16, 2017









Water & Wastewater Monthly Operations Scorecard

Water & Wastewater	FY2016	FY2017 Goal	FY2017 YTD	Status
JEA Safety RIR	1.82	1.40	2.20	
Sales Forecast (kGals in 1000's)	36,358	34,558	37,235	
Water Unplanned Outages (# cust.)	12,735	9,000	3,178	
CUP Compliance	Yes	Yes	Yes	
Nitrogen to the River (tons)	527	550	329	
Sanitary Sewer Overflows (SSO's)	32	27	25	

Significant Occurrences or Concerns This Month

- Three (3) OSHA recordable safety incidents for JEA in April, 27 YTD
- Unplanned Water Main Outages: 179 customers in April, event communication enhancements ongoing
- CUP: Average daily flow of 113 MGD is 15% below CY limit of 133 MGD; reclaim usage reached 20 MGD
- Nitrogen to River: 329 tons YTD with storm impacts, current forecast is 572 tons trending towards 550 tons
- SSO's Impacting Waters of the US: Twenty-Five (25) year-to-date, excluding the Hurricane events

Electric Monthly Operations Scorecard






Electric System	FY2016	FY2017 Goal	FY2017 YTD	Status
JEA Safety RIR	1.82	1.40	2.20	
Sales Forecast (million MWh)	12.6	12.4	12.0	
T&D Grid Performance Customer Outage				
<i>Frequency (outages/year)</i>	1.4	1.8	1.26	
<i>Electric Outage Duration (minutes/year)</i>	71	80	73.6	
<i>Transmission Line Faults (# per 100 miles)</i>	0.7	2.5	1.1	
<i>CEMI₅ (% cust. > 5 outages/year)</i>	1.4	1.5	0.7	
Generating Plant Performance				
<i>Generation Fleet Reliability (forced outages rate)</i>	2.0	2.1	0.98	
<i>Environmental Compliance (permit exceedances)</i>	4	5	3	

Significant Occurrences or Concerns This Month

- Generation Fleet performing well this winter. All 3 Northside successfully completed planned outages last fall. Successful outage at BBCC unit this spring. Fleet reliability is very good (at 0.98) through first 7 months of FY17.
- Despite a tough weather year, T&D grid performance metrics all better than targets. Excellent recovery work by JEA field crews.

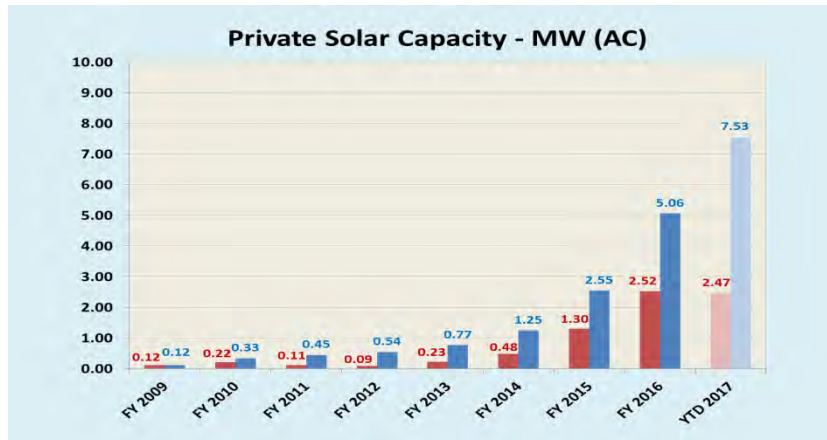


Customer Experience Monthly Operations Scorecard

Customer Experience	FY2016	FY2017 Goal	FY2017 YTD	Status
JDP Customer Satisfaction Index - Residential	2 nd Q	1 st Q	1 st Q	
JDP Customer Satisfaction Index - Business	#1	Top Decile	#12	
Overall First Contact Resolution Index	79.4%	≥79.4%	81.2%	
Self Service Utilization	76.0%	≥77.3%	78.3%	
Net Write-Offs	0.14%	≤0.20%	0.16%	

Significant Occurrences or Concerns This Month










10MW Policy Limit for Private Solar To Be Reached by September













- The installation rate of net-metered private solar on the JEA system is growing
- Private solar capacity added in April was 0.32 MW, YTD 2.47 MW. Total aggregate capacity is 7.53 MW.
- The annualized subsidy for the current 7.53 MW of installed private city is \$695,000 annually

Financial Results and Cost Metrics

Electric Systems Metrics Forecast

	Rating Agency/ Perform. Goal	Forecast	Score
System Sales (GWh)	12,000	12,060	
Base Revenue Growth	(0.1%)	0.2%	
Debt Svc. Coverage	2.3x	2.5x	
Days Liquidity (Cash)	318 (215)	309 (206)	
Debt/Asset %	62%	62%	
Non-Fuel/MWh	\$53.94	\$53.99	
Net Funded Debt Reduction	\$216m	\$216m	
Capital Expenditures	\$166m	\$146m	
Moody's/S&P/Fitch Ratings	Aa2/AA-/AA	Aa2/AA-/AA	

Water and Sewer Systems Metrics Forecast

	Rating Agency/ Perform. Goal	Forecast	Score
Water System Sales (mGals)	35,000	37,235	
Base Revenue Growth	(1.3%)	1.0%	
Debt Svc. Coverage	2.5x	2.7x	
Days Liquidity (Cash)	507 (405)	595 (496)	
Debt/Asset %	50%	50%	
Water Cost/kgal	\$4.75	\$4.66	
Sewer Cost/kgal	\$10.27	\$10.32	
Net Funded Debt Reduction	\$77m	\$77m	
Capital Expenditures	\$205m	\$214m	
Moody's/S&P/Fitch Ratings	Aa2/AA/AA	Aa2/AAA/AA	

Significant Occurrences or Concerns This Month

- Have incurred \$17.1MM of actual expenses YTD from Hurricane Matthew which includes a significant portion of the mutual aid costs.

IV. A.

Finance and Audit Committee Report

**JEA
FINANCE & AUDIT COMMITTEE AGENDA**

DATE: May 8, 2017
TIME: 8:00 – 10:00 AM
PLACE: 21 W. Church Street
8th Floor

			Responsible Person	Action (A) Info (I)	Total Time
I.	OPENING CONSIDERATIONS		Kelly Flanagan		
	A.	Call to Order			
	B.	Adoption of Agenda		A	
	C.	Approval of Minutes – March 13, 2017	Melissa Charleroy	A	
II.	NEW BUSINESS				
	A.	FY2018 Budget Presentation	Melissa Dykes/Ryan Wannemacher	I	45 mins.
	B.	Quarterly Audit Services Update	Steve Tuten	I	10 mins.
	C.	Identity Theft Protection Program Fair and Accurate Credit Transactions Act (FACTA) Annual Risk Assessment	Dan Mishra	I	5 mins.
	D.	Ethics Officer Quarterly Report	Walette Stanford	I	5 mins.
	E.	Treasury			
	1.	Electric System and Water and Sewer System Reserve Fund Quarterly Report	Joe Orfano	I	5 mins.
	2.	JEA Investment Policy – Revision to Investment Limitations	Joe Orfano	A	5 mins.
	F.	JEA Energy Market Risk Management Policy Report	Mike Brost	I	5 mins.
	G.	Announcements			
	1.	Next Meeting, August 7, 2017, 8:00 – 10:00 AM			
	Committee Discussion Sessions				
	1.	Ernst & Young	John DiSanto	I	5 mins.
	2.	Director, Audit Services	Steve Tuten	I	5 mins.
	3.	Council Auditor's Office	Robert Campbell	I	5 mins.
	Adjournment				

IV. A. 1.

Approval of Minutes - March 13, 2017

JEA FINANCE & AUDIT COMMITTEE MINUTES
March 13, 2017

The Finance & Audit Committee of JEA met on Monday, March 13, 2017, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Chair Kelly Flanagan called the meeting to order at 8:00 AM with Member Tom Petway in attendance. Member Husein Cumber attended telephonically. Member Ed Burr was absent and excused. Others in attendance were Paul McElroy, Melissa Dykes, Brian Roche, Paul Cosgrave, Mike Hightower, Ted Hobson, Jody Brooks, Steve Tuten, Joe Orfano, Walette Stanford, Janice Nelson, Ryan Wannemacher, Bill Kearson, Steve McInall, Dan Mishra, Laure Whitmer, and David Jolley. John DiSanto, Russ Jeans, and Heather Lohbeck, Ernst & Young, were also in attendance.

Due to a lack of quorum physically present, agenda items were received for information only. Action items will be brought before the March 21, 2017 full Board for action.

- B. Adoption of Agenda – Due to a lack of quorum, the agenda was received for information.
- C. Approval of Minutes – Due to a lack of quorum, the December 1, 2016 Minutes were received for information.

Agenda Item II – New Business

- A. FY2018 Budget Assumptions – Melissa Dykes, Chief Financial Officer, presented and reviewed the FY2018 Budget Assumptions and process, requesting Committee feedback and discussion. Items covered included key strategic issues, risks, major challenges, and assumptions. Ms. Dykes stated strategic issues focus on emphasizing business excellence opportunities, workforce readiness, financial performance and flexibility, with risks relating to future environmental constraints on electric generation, water resource management, and the health of the St. Johns River. Key assumptions relate to revenue projections, fuel and purchased power costs, and labor costs. Ryan Wannemacher, Director, Financial Planning & Analysis, provided information on FY2018 Electric and Water and Sewer System Budget Assumptions, including customer bill by expense category, revenue drivers, fuel rate, operating expenses, capital funding, and debt service, as well as government transfers. Mr. Wannemacher stated staff will prepare a draft budget for review at the May 8, 2017 Finance and Audit Committee. This presentation was received for information.
- B. JEA Annual Disclosure Policy Report – Melissa Dykes, Chief Financial Officer, presented JEA's Disclosure Policies and Procedures require that the Chief Financial Officer shall provide the Finance and Audit Committee each year with a report regarding the compliance with those policies in the preceding twelve-month period and to present recommendations, if any, for changes to those policies. Ms. Dykes stated staff is in the process of preparing the Annual Disclosure Reports for the fiscal year ended September 30, 2016, and plans to seek the Board's approval and authorization to disseminate those reports at its April 18, 2017 Board Meeting. Additionally, in accordance with past practice and prior Boards' requests, staff intends to provide Board Members with substantially final drafts for their review at the March 21, 2017 Board Meeting. This item was received for information.
- C. Ernst & Young FY2016 Revised Management Letter – Janice Nelson, Controller, presented Ernst & Young, LLP (EY) attended the December 1, 2016 Finance and Audit Committee meeting to discuss FY2016 audited results. EY presented an Audit Results book, which summarized the

results of the audit and also contained communications required by auditing professional standards, including a Management Letter. John DiSanto, Executive Director, Ernst & Young, presented there were no Management Letter comments related to FY2016; however, there were two comments from the prior year that were in the process of being remediated at the end of the fiscal year that were inadvertently omitted from the report. Mr. DiSanto stated that EY staff has reviewed the newly developed reconciliation reports that were developed to remediate the outstanding Management Letter comments, and is in agreement that the reports meet the requirement to close the open items. They will complete the testing as part of the review of IT systems during the fiscal year 2017 audit. Mr. DiSanto introduced Russ Jeans, Senior Manager and Heather Lohbeck with EY and thanked them for their support. Melissa Dykes, Chief Financial Officer, thanked Technology Services staff for their support with the two open items. The revised Management Letter and management's response to the recommendations are included in the Committee package. This presentation was provided for information only.

D. Audit Services

1. Quarterly ERM/Audit Update – Steve Tuten, Director, Audit Services, provided an update to the Committee regarding the Senior Auditor open position, progress of the FY17 Internal Audit Plan, and open audit and investigation report issues, Enterprise Risk Management (ERM) highlights, risks and trend report, and the Ethics Hotline Report. This presentation was received for information.
2. Finance & Audit Committee Members – Self-Assessment Survey Questionnaire – Steve Tuten, Audit Services, presented the Committee conducts a self-assessment that is conducted on an annual basis. Self-assessments are considered a best practice for Audit Committees and also for full Boards. Mr. Tuten advised completed forms can be submitted by the end of April for compiling and summarization. Results will be reported at the May 8, 2017 Finance & Audit Committee meeting. This presentation was received for information.

- E. Cyber Security Activities – Paul Cosgrave, Chief Information Officer, provided information to the Committee related to recent political hacking events within the past year, key steps Boards should take regarding cyber security, Enterprise Compliance & Risk Committee structure, Critical Infrastructure Protection (CIP) risks, potential information security threats for 2017, ransomware and how JEA protects against it, information security defensive trends, and JEA's role on the Large Public Power Council (LPPC) Cyber Security Taskforce. This presentation was provided for information.
- F. CIP Compliance Update – Ted Hobson, Chief Compliance Officer, presented an overview of the systems JEA has in place to protect our critical infrastructures. Mr. Hobson provided information on the benefits and risks of the Grid interconnection, history of blackouts or cascading outages, standards, monitoring methods of the North American Electric Reliability Organization (NERC), timeline for the Critical Infrastructure Protection (CIP) standards. Mr. Hobson was pleased to announce that JEA has been the only utility in the Florida region to complete a CIP audit with no findings. The next CIP Audit will be conducted July 10-14, 2017; the NERC GridEx Conference will take place on November 15-17, 2017. This item was received for information.
- G. Ethics Officer Quarterly Report –Walette Stanford, Ethics Officer and Director, Workforce Strategies, provided an update regarding ethics inquiries and the FY17 gift registry. Ms. Stanford stated the Nepotism project, which began in December 2016, was completed in February 2017. This review was to ensure compliance with JEA's Nepotism procedure. Ms. Stanford attended the Utilities & Energy Compliance & Ethics Conference February 19-22, 2017 in Washington, D.C. Ms. Stanford highlighted March as National Ethics Awareness Month and stated JEA is rolling out its new Business Ethics Computer-Based Training module to employees for 100%

completion no later than March 31, 2017. The focus this year will be on secondary employment attestation. This presentation was received for information.

- H. JEA Energy Market Risk Management Policy Report – Steve McInall, Electric Production Resource Planning, reviewed the Energy Market Risk Management Policy Report, which was received for information.

I. Treasury

1. Resolution Determining the Sufficiency of Revenues – St. Johns River Power Park – Joe Orfano, Treasurer, presented that there is an annual requirement under the St. Johns River Power Park (SJRPP) Bond Resolutions for JEA to determine that for the upcoming fiscal year, the Electric System's revenues will be sufficient to make all required payments under the bond resolutions. JEA staff recommends that the Board approve and adopt Resolution No. 2017-27, determining that the estimated revenues for the fiscal year ending September 30, 2018, will be sufficient for their intended purposes. Due to a lack of quorum, this item was received for information and will be presented at the March 21, 2017 Board Meeting for action.
2. Recap of Recent JEA Electric System Advance Fixed Rate Debt Refunding Delegated Transactions – Joe Orfano, Treasurer, presented that at the November 15, 2016 JEA Board Meeting, Board Members adopted Resolution No. 2016-17 and 2016-18, relating to the Electric System Senior and Subordinated Revenue Bonds, respectively, which provided the Managing Director/CEO the authorization to price and execute a fixed rate advance refunding bond transaction within stated parameters. Pursuant to Resolution No. 2016-17 and 2016-18, JEA staff priced approximately \$18.7 million in senior and \$71.7 million in subordinated fixed rate bonds on January 31, 2017. Mr. Orfano provided results as compared to the delegated parameters for the Electric System Revenue Bonds, Series Three 2017A and Subordinated 2017 Series A on February 1, 2017. Mr. Orfano recognized J.P. Morgan, who served as the senior manager, and Nixon Peabody LLP, who served as JEA's bond counsel and Public Financial Management, who served as JEA's financial advisor for the refunding transaction. This presentation was received for information.
3. Electric System and Water and Sewer System Reserve Fund Quarterly Report – Joe Orfano, Treasurer, reviewed the Electric System and Water and Sewer System Reserve Fund Quarterly Report, which was received for information.

J. Announcements

1. The next Finance and Audit Committee meeting will be held on May 8, 2017, at 8:00 AM.

K. Committee Discussion Sessions

1. Ernst & Young – At 9:28 AM, Ms. Flanagan dismissed staff and the Committee held a general conversation with John DiSanto.
2. Director, Audit Services – At 9:33 AM, Ms. Flanagan and the Committee held a general conversation with Steve Tuten, Director, Audit Services.
3. Council Auditor's Office – The Council Auditor's Office was not in attendance.

Closing Considerations

With no further business claiming the attention of this Committee, the meeting was declared adjourned at 9:42 AM.

APPROVED BY:

Kelly Flanagan, Committee Chair

Date: _____

Submitted by:

Melissa Charleroy
Executive Assistant

DRAFT

IV. A. 2.

FY2018 Budget Presentation



Building Community

AGENDA ITEM SUMMARY

April 28, 2017

SUBJECT: FY2018 BUDGET PRESENTATION

Purpose: ☒ Information Only ☐ Action Required ☒ Advice/Direction

Issue: Obtain feedback and direction from the Finance and Audit Committee regarding the FY2018 Budget prior to submittal to the Board at the June meeting.

Significance: High: The budget is the plan and basis for appropriating revenues and expenses, as well as capital expenditures and debt financing.

Effect: The budget effects customers and the City of Jacksonville, and is integral to JEA's strategic planning, financial performance and resulting metrics, and regulatory accounting.

Cost or Benefit: The budget process benefits from the Committee providing feedback and direction regarding the key strategic issues, risks, major challenges, and assumptions for the FY2018 Budget covering: revenue; fuel revenue and expense; O&M expense levels; interest rates and the resulting financial metrics; capital expenditures and related financing plan; and regulatory accounting items.

Recommended Board action: Staff recommends that the Finance and Audit Committee provide feedback and direction regarding the key strategic issues and major budget assumptions used in preparing the FY2018 operating and capital budgets including revenue, O&M expense levels, interest rates and debt structure, financial metrics, and regulatory accounting items. Staff also recommends that the Finance and Audit Committee provide feedback and direction, in its report or staff presentation to the Board, at the May 2017 meeting for final Board approval at the June 2017 meeting.

For additional information, contact: Melissa Dykes

Submitted by: PEM/ MHD/ DRJ



Commitments to Action

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



INTER-OFFICE MEMORANDUM

April 28, 2017

SUBJECT: FY2018 BUDGET PRESENTATION

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
Tom Petway
Husein Cumber

BACKGROUND:

Annually, JEA staff recommends and, after the JEA Board's review and action, transmits JEA's recommended Electric System, Water and Sewer System, and District Energy System operating and capital budgets to the Jacksonville City Council for final action. By law, JEA must submit its proposed budget to the City Council by July 1, 2017.

DISCUSSION:

Staff will present key strategic initiatives and major budget assumptions for the FY2018 operating and capital budgets. Budget assumptions include: no rate adjustments for Electric or Water and Sewer systems; and financial metrics that are within Pricing Policy goals. The proposed budgets include considerable internal funding for the capital program in an effort to support the "pay-go" philosophy for all recurring capital expenditures. The proposed budgets address key strategic initiatives to support the quality of service delivery, climate change, Total Water Resource Plan, regulatory compliance, workforce readiness, communications, conservation, sewer resiliency, and customer satisfaction initiatives. In addition, the budget includes a record high contribution to the City of Jacksonville General Fund in the amount of \$117.0 million. The operating and capital budget schedules that will be transmitted to the City Council upon JEA Board approval are attached as Schedules A and B. As required by the City of Jacksonville, JEA transmits its Five-Year Capital Improvement Program during the annual budget process and is attached as Schedule C.

The proposed budgets include the following:

1. Consolidated Operating Budget and Capital Budget Schedules
The proposed budgets include considerable internal funding for the capital program in an effort to support the "pay-go" philosophy for all recurring capital expenditures.
2. Electric System
There are no planned rate increases in FY2018. The FY2018 operating budget includes a \$17.4 million reduction from FY2017. Budget assumptions include a \$54.6 million reduction in Fuel and Purchased Power. The proposed Salaries and Benefits budget includes a \$12.8 million net decrease in pension payments and a \$7.0 million net increase in bargaining unit salaries. FY2018 Budget assumptions include stable debt service coverage and an increase of \$0.6 million in debt service.

3. Water and Sewer System

There are no planned rate increases in FY2018. The FY2018 operating budget includes a \$77.4 million increase from FY2017. Budget assumptions include stable debt service coverage and a decrease of \$1.5 million in debt service. The proposed Salaries and Benefits budget includes a \$3.5 million net decrease in pension payments and a \$3.7 million net increase in bargaining unit salaries.

4. Government Transfers

The budget includes a record high contribution to the City of Jacksonville General Fund in the amount of \$117.0 million.

5. Regulatory Accounting

In connection with the Pricing Policy, the budget was prepared using the Utility Basis, resulting in the inclusion of regulatory accounting items such as Pension, Demand-side Management (DSM)/Conservation, Debt Management, Environmental, Fuel, Purchased Power and Self-Funded Health Plan.

Under the terms of the St. Johns River Power Park (SJRP) Joint Ownership Agreement (JOA), the co-owners share the cost of constructing, operating, maintaining, and decommissioning the two coal-fired units. The JEA Board approves the annual operating and capital budget for JEA's ownership interest in SJRP. The total SJRP budget is approved by the SJRP Executive Committee representing the two co-owners. The SJRP budget is not approved by the City Council. JEA's share of the SJRP budget is a component of fuel and purchased power expense in JEA's Electric System Operating budget. Schedule D, attached, summarizes JEA's share of the proposed FY2018 operating and capital budgets for SJRP, which includes no capital expenditures, three months of fuel and operating expenses, and decommissioning costs.

JEA owns a 23.64 percent interest in Unit 4 of the Robert W. Scherer Electric Generating Plant (Scherer Unit 4). As with SJRP, JEA's share of the operating and capital budgets for this unit is a component of the JEA Electric System fuel and purchased power expense. Decisions regarding the operation of Unit 4 are made by majority vote of the co-owners. The JEA Board approves JEA's share of the annual budget for Scherer Unit 4, but the City Council does not review or approve the Plant Scherer budget. Schedule D, attached, summarizes JEA's share of the FY2018 operating and capital budgets for Plant Scherer. Note that this budget is subject to approval by the other co-owners.

RECOMMENDATION:

Staff recommends that the Finance and Audit Committee provide feedback and direction regarding the key strategic issues and major budget assumptions used in preparing the FY2018 operating and capital budgets including revenue, O&M expense levels, interest rates and debt structure, financial metrics, and regulatory accounting items. Staff also recommends that the Finance and Audit Committee provide feedback and direction, in its report or staff presentation to the Board, at the May 2017 meeting for final Board approval at the June 2017 meeting.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/DRJ

**JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2018**

	Electric System	Water & Sewer System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$ 417,649,053	\$ -	\$ -	\$ 417,649,053
Total Net Revenues	<u>\$ 417,649,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,649,053</u>
FUEL EXPENSES:				
Fuel & Purchased Power	<u>\$ 417,649,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,649,053</u>
FUEL SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 802,292,405	\$ 428,490,220	\$ 9,125,828	\$ 1,239,908,453
Environmental Charge Revenue	7,942,200	28,360,500	-	36,302,700
Conservation Charge & Demand Side Revenue	1,000,000	0	-	1,000,000
Other Revenues	30,551,894	34,091,486	-	64,643,380
Natural Gas Pass Through Revenue	2,383,913	0	-	2,383,913
Total Base Related Revenues	<u>\$ 844,170,412</u>	<u>\$ 490,942,206</u>	<u>\$ 9,125,828</u>	<u>\$ 1,344,238,446</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 216,333,937	\$ 151,804,759	\$ 5,139,991	\$ 373,278,687
Environmental	7,942,200	1,589,300	-	9,531,500
Conservation & Demand-side Management	7,510,000	0	-	7,510,000
Natural Gas Pass Through Expense	2,290,414	0	-	2,290,414
Non-Fuel Purchased Power	83,012,056	0	-	83,012,056
Non-Fuel Uncollectibles & PSC Tax	1,210,993	685,277	-	1,896,270
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	<u>\$ 323,299,600</u>	<u>\$ 155,079,336</u>	<u>\$ 5,139,991</u>	<u>\$ 483,518,927</u>
BASE OPERATING INCOME:	\$ 520,870,812	\$ 335,862,870	\$ 3,985,837	\$ 860,719,519
NON-OPERATING REVENUE:				
Investment Income	6,714,534	4,854,301	-	11,568,835
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	21,000,000	-	21,000,000
Total Non Operating Revenues	<u>\$ 6,714,534</u>	<u>\$ 25,854,301</u>	<u>\$ -</u>	<u>\$ 32,568,835</u>
NON-OPERATING EXPENSES:				
Debt Service	229,196,947	121,122,632	3,019,084	353,338,663
Total Non Operating Expenses	<u>\$ 229,196,947</u>	<u>\$ 121,122,632</u>	<u>\$ 3,019,084</u>	<u>\$ 353,338,663</u>
BASE INCOME BEFORE TRANSFERS	\$ 298,388,399	\$ 240,594,539	\$ 966,753	\$ 539,949,691
City Contribution Expense	93,193,399	23,787,781	-	116,981,180
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	64,537,408	23,950,558	440,362	88,928,328
Operating Capital Outlay	140,657,592	153,685,000	526,391	294,868,983
Environmental Capital Outlay	-	18,171,200	-	18,171,200
Capacity Fees	-	21,000,000	-	21,000,000
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 298,388,399</u>	<u>\$ 240,594,539</u>	<u>\$ 966,753</u>	<u>\$ 539,949,691</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	\$ 1,268,533,999	\$ 516,796,507	\$ 9,125,828	\$ 1,794,456,334
TOTAL APPROPRIATIONS	\$ 1,268,533,999	\$ 516,796,507	\$ 9,125,828	\$ 1,794,456,334
BUDGETED EMPLOYEE POSITIONS	1,554	599	6	2,159
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2018

	Electric System	Water & Sewer System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 64,537,408	\$ 23,950,558	\$ 440,362	\$ 88,928,328
Operating Capital Outlay	140,657,592	153,685,000	526,391	294,868,983
Environmental Capital Outlay	-	18,171,200	-	18,171,200
Capacity Fees	-	21,000,000	-	21,000,000
Debt Proceeds	-	-	-	-
Other Proceeds	-	19,704,242	2,274,247	21,978,489
Total Capital Funds	<u>\$ 205,195,000</u>	<u>\$ 236,511,000</u>	<u>\$ 3,241,000</u>	<u>\$ 444,947,000</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 27,585,000	\$ -	\$ -	\$ 27,585,000
Transmission & Distribution Projects	102,012,000	-	-	102,012,000
District Energy Projects	-	-	3,241,000	3,241,000
Water Projects	-	56,551,000	-	56,551,000
Sewer Projects	-	153,488,000	-	153,488,000
Other Projects	75,598,000	26,472,000	-	102,070,000
Total Capital Projects	<u>\$ 205,195,000</u>	<u>\$ 236,511,000</u>	<u>\$ 3,241,000</u>	<u>\$ 444,947,000</u>

II. A.
05/8/2017

IV. A. 2.
5/16/2017

JEA
Five Year Capital Improvement Program
Fiscal Years 2018-2022
(\$000'S Omitted)

Project Title	FY2018	FY2019	FY2020	FY2021	FY2022	Project Total
Electric System Generation	27,585	28,723	19,568	16,500	22,040	114,416
Electric System Transmission and Distribution	102,012	89,767	72,677	69,547	73,179	407,182
Electric System Other	75,598	81,245	29,401	31,516	29,230	246,990
Total	\$205,195	\$199,735	\$121,646	\$117,563	\$124,449	\$768,588
Water Treatment and Distribution	56,551	62,583	49,936	42,968	48,005	260,043
Sewer, Wastewater, and Reclaimed	153,488	132,576	122,867	142,793	115,980	667,704
Other Capital	26,472	21,582	20,401	22,124	20,695	111,274
Total	\$236,511	\$216,741	\$193,204	\$207,885	\$184,680	\$1,039,021
District Energy System	\$3,241	\$2,658	\$1,350	\$1,783	\$1,350	\$10,382

JEA
ST. JOHNS RIVER POWER PARK (SJRPP)
AND PLANT SCHERER (SCHERER)
OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2018

	SJRPP	SCHERER
<hr/>		
OPERATING BUDGET:		
Revenue:		
Operating Revenue from JEA	\$ 58,681,078	\$ 78,041,893
	<hr/>	<hr/>
Expenses:		
Fuel and O & M	\$ 44,136,015	\$ 43,589,508
Transmission	-	5,300,000
Debt Service	18,940,373	9,942,757
Renewal & Replacement	(4,395,310)	19,209,628
Total Expenses	\$ 58,681,078	\$ 78,041,893
	<hr/>	<hr/>
<hr/>		
CAPITAL BUDGET :	\$ -	\$ 19,209,628
	<hr/>	<hr/>

MWHs Purchased by JEA Electric System	842,700	1,214,400
Employee Positions	230	

Note: all Plant Scherer employees are Georgia Power Co. employees.

FY2018 Budget

Finance & Audit Committee

May 8, 2017

Agenda

Budget Process Summary

JEA Budget Summary and Consolidated Schedules

Electric System

Water and Sewer System

District Energy System

Rate Stabilization Funds

Summary

Supplemental Schedules

JEA Budget Process Summary

Background

JEA Budget development is a continuous process where the annual Budget is constructed for the following fiscal year beginning each fall, a full year prior to the Budget being in effect. The formation of the annual Budget begins with the Five-Year Financial Plan component of the annual Rating Agency presentation which includes key current inputs such as the Annual Resource Master Plans and the prior year's unit sales and financial results for the fiscal year ending September 30th. The annual Budget development process follows the steps and timeline displayed below, culminating in the formation of the annual Operating and Capital Budgets for JEA Board approval in June and submission to the City Council by July 1st for their approval prior to October 1st. In recent years, the JEA Board's Finance and Audit Committee has reviewed the proposed Budget assumptions in March and the proposed Budget in May, with the full Board receiving a report or presentation in May and then approving the Budget in June.

Budget Cycle Timeline



Process Steps

Executive Management Strategy Initiatives are incorporated in the financial plans and annual Budgets such as Climate Change, Consumptive Use Permit requirements, September 2008 cost reductions, Succession Planning, Customer Satisfaction and Strategic Technology Services and Sourcing initiatives.

Annual Resource Master Plans provides long term investment plans for non-recurring investments in major assets such as electric generation or transmission, water / wastewater / reclaim production or transmission, distribution, system reliability and regulatory needs, and serve as the direct input of non-recurring projects into the five-year and ten-year Capital Plans and Annual Budget.

Five-Year Financial Plan is based on integrated ten-year financial projection models for each utility System (Electric, Water/Wastewater/Reclaim, and District Energy) which utilize input variables including projected unit sales and revenues, fixed expenditures such as Debt Service, City Contribution, and Renewal and Replacement (R&R) funding required by bond covenants along with variable expenditures such as Fuel, O&M, and Other Capital Outlay. The JEA Pricing Policy provides guidelines centered on issuing debt only for non-recurring, growth related or major regulatory projects, and target financial metric ranges for Debt Service Coverage, Debt/Asset and Liquidity ratios. The Five-Year Financial Plan assumptions and final plan are presented and discussed with the Board each fall in October and/or November prior to its inclusion as a major component in the annual Rating Agency Presentation conducted each December.

The ten-year financial projections and Five-Year Financial Plan include the following years' targeted Operating and Capital Budgets and serve as a foundation in developing the following year's annual Budget. In addition, the ten-year projections serve as the Revenue Requirements in each system's Utility Cost of Service report, produced every five years per the Pricing Policy that support both overall system and class rate design.

Capital Investment Program for the annual Budget is based on the multi-year Annual Resource Plan and Five-Year Financial Plan, with updates made each February, reflecting timing, scope, cost or other changes to the unique, non-recurring major capital investments. In addition, annual updates are received from the organization's project owners each February on all other capital project requests which include recurring capital R&R projects, such as electric pole replacement, wastewater pump station renewal, new services, meters, fleet, and technology projects. All capital projects greater than \$200,000 are itemized requiring project definitions to include scope, justification, process design, schedule, project delivery methodology, and cost estimates prior to approval, and milestone updates at 30% design and 100% design. A Core Team, consisting of the VP/GM of Electric Systems, VP/GM of Water Wastewater Systems and representatives from Operations and Finance, lead the development of the five-year capital plan, the annual Capital Budget and monthly monitoring/reporting. The Capital Core Team reviews the project requests, prioritizes and formulates the annual Capital Program of itemized projects such that the targeted expenditures are within the allocation of funding based on the prior Five-Year Financial Plan.

Operating Budget Preparation each spring begins with the input variables of unit sales, revenue, fuel, O&M expenses, interest rates and debt service, and capital expenditure assumptions based on the prior Five-Year Financial Plan and then updated with the most current information and results which are monitored and reported on a continuous basis during monthly financial forecast meetings.

The business units' O&M expenses line item totals \$373 million or 21% of the \$1.8 billion proposed FY2018 JEA Consolidated Budget consisting of \$255 million of payroll expenses and

the remaining \$118 million is in material and supplies, other services and charges, insurance payments, succession planning and other expenses.

- Payroll expenses are monitored throughout the year through Human Resources and business unit processes along with monthly budget variance reporting. The payroll expenses in the annual Budget is formed based on a selected payroll period in January, summing each filled personnel allocation and the employees current salary plus all active recruitments and budgeted vacancies with their targeted salaries. If there are new or emerging positions needed to be added to the organization they would also be added to the budgeted baseline salary expense. Benefit costs, primarily medical expenses and pension expenses including unfunded liability payments associated with prior employees no longer on the payroll, are added to the salary and benefit expense. If any bargaining unit or other specific planned salary increases are known, including step increases or general increases, the amounts are added to form the salary and benefit expense. Overtime expenses that are budgeted via the bullet below are added to salary and benefit roll-up amount. Then a “salary lapse” credit is utilized to account for the natural or strategic variances in position vacancies through attrition, and wage differences associated with the hiring of staff at entry level wages replacing staff retiring or leaving at higher level wages. The FY2018 budgeted salary lapse is 6.25% for the Electric System and 4.00% for the Water and Sewer System, which are representative of recent year’s activity.
- Material and Supplies, and Other Services and Charges include chemicals and supplies, information technology and other licensing and maintenance contracts, industrial services, professional services, supplemental workforce, training, utility services and vehicle fuel expense types. All planned expenditures of these expense types over \$20,000 (and many lower than the threshold) are included in a Budget Detail listing. Each year during the month of March, the Budget Detail along with prior year and year-to-date variance reports by expense types are provided to the business unit’s VP/GM’s or Chiefs. The VP/GM’s or Chiefs work with their staff to update the requirements for the next fiscal years’ Budget by denoting betterments and reductions to each line item as required to meet customer service levels and strategy initiatives.
- Capitalization Credits, Fuel and Byproduct Handling Credits, and Shared Services Credits are utilized to allocate payroll, material and supplies, other services and charges, and motor pool costs initially charged to business units’ O&M expenses, and then transferred to capital work orders, fuel expenses or to the Water and Sewer System O&M expenses.
- Reductions are made by the team, if necessary, to meet the financial targets depicted in the prior Five-Year Financial Plan or new targets updated with current business strategies and objectives.

JEA Board Review and Approval formation of the annual Operating and Capital Budgets for JEA Board approval prior to submission to the City Council by July 1st. In recent years, the JEA Board’s Finance and Audit Committee has reviewed the proposed Budget assumptions in March and the proposed Budget in May. The full Board receives the presentations and budget schedules prepared for discussion at the Finance and Audit (F&A) Committee meetings in the monthly Board packages, and either receives a report from the F&A Committee chair or staff presentation in May.

At the June Board meeting, the Board is scheduled to approve the Budget to be submitted to the City Council.

City Council Review and Approval process formally begins each year with the JEA budget transmittal letter and Consolidated Operating and Capital Budget schedules from JEA's Board Chair to the incoming City Council President by July 1st. There is ongoing communication with the City Council throughout the year via Quarterly Financial Schedules that JEA prepares for the City Council Auditor's review and inclusion in the Council Auditor's financial reports to the Council.

- JEA's Five-Year Capital Improvement Plan (CIP) is transmitted to either the City Planning Department or Budget Department as requested each year after the JEA Board approves the annual Budget, and accompanying Five-Year CIP schedule. In recent years, the COJ Budget Department has requested this schedule early, June 1st, thus will receive the Five-Year CIP schedule in Draft Final form pending JEA Board approval.
- After submittal of the Consolidated Operating and Capital Budget schedules, JEA prepares Council Auditor prescribed budget schedules which depict the current year budget, current year projections, and prospective year proposed budget, along with variance analysis and comments.
- JEA CEO, CFO, Legislative Affairs and Director of Financial Planning and Analysis meet individually with the Council Finance Committee members to review JEA's Financial Plan and proposed JEA Board approved Budget.
- In recent years, lead Council Auditor staff provides a report of the JEA Budget to the Council Finance Committee and then the full Council during sessions held in August and September. The Council Auditor has communicated that JEA presentations are not wanted, but JEA CEO, CFO or other designee should be present at scheduled meeting times to answer questions the Council Members may have prompted by the Council Auditor led report.
- Note: the Council Auditor staff and the City Council Liaison to JEA attend most JEA Board Meetings, the Council Auditor is offered Agenda time at JEA's Finance and Audit Committee Meetings, and JEA has ongoing communication with the Council Auditor staff throughout the year on JEA budget and financial related matters.

Agenda

Budget Process Summary

JEA Budget Summary and Consolidated Schedules

- ✓ FY2018 Proposed Budget Summary
- ✓ Government Transfers

Electric System

Water and Sewer System

District Energy System

Rate Stabilization Funds

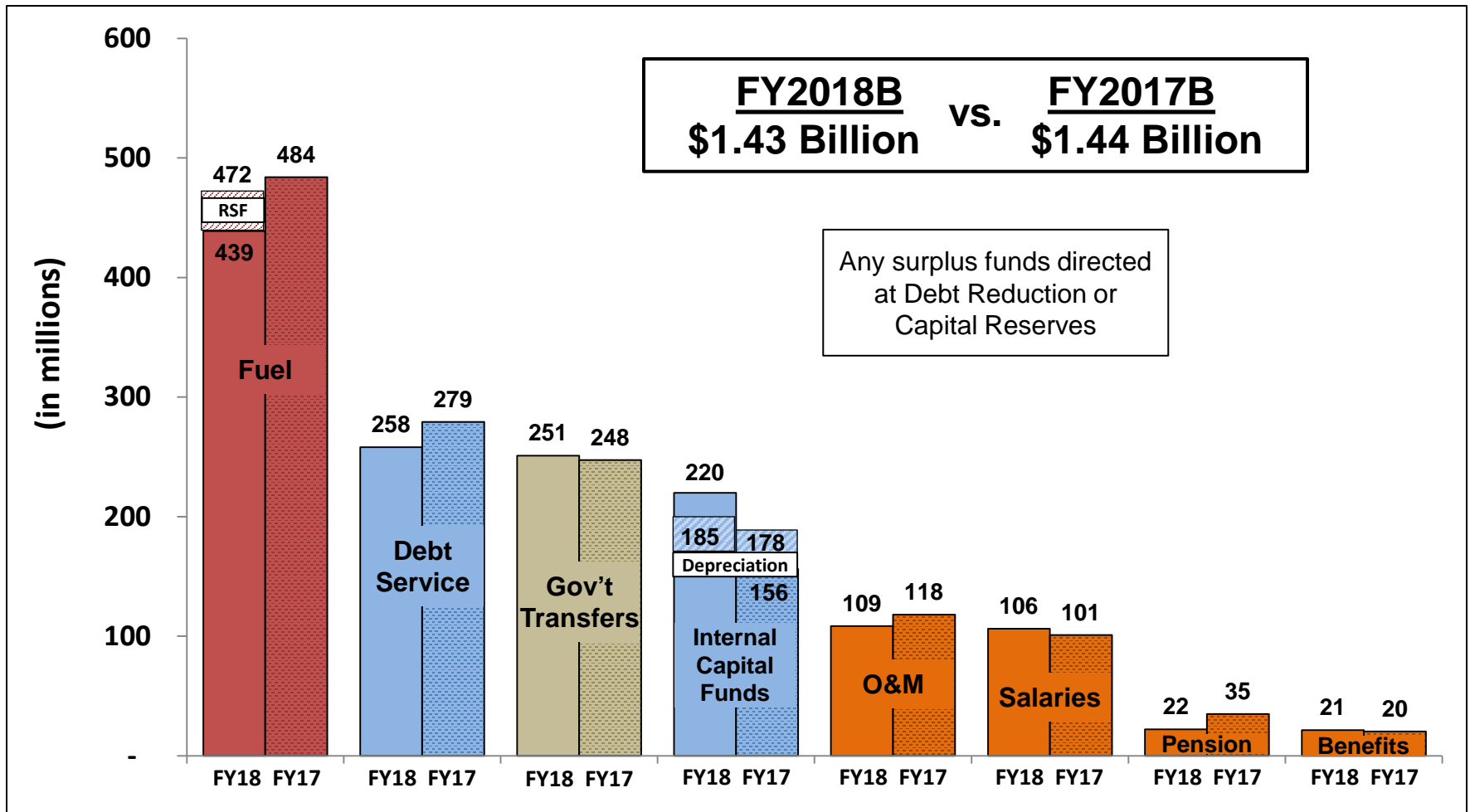
Summary

Supplemental Schedules

Proposed FY2018 Budget Summary

Electric System					Water and Sewer System				
Revenue	FY18B	FY17B	Δ	FY17F	Revenue	FY18B	FY17B	Δ	FY17F
(in millions)	\$1,269	\$1,286	(\$17)	\$1,242	(in millions)	\$517	\$439	\$78	\$446
Unit Sales Growth No change to system sales from FY2017B 5.0% weather contingency					Unit Sales Growth 18.6 % increase to water sales from FY2017B 5.0% weather contingency				
Pricing Variable Fuel Rate decreased to \$32.50/MWh in FY2017, no change for FY2018					Pricing There are no planned rate changes for FY2018				
COJ Transfer	FY07	FY15	FY16	FY17F	COJ Transfer	FY07	FY15	FY16	FY17F
Total (\$ in millions)	\$121	\$191	\$192	\$192	Total (\$ in millions)	\$27	\$46	\$47	\$48
O&M Increases by \$7.2m or 3.4% versus prior year's budget <ul style="list-style-type: none"> Generating Unit Outages, \$12.2m vs. \$8.0m in FY2017 Includes net pension decrease of \$12.8m and net bargaining unit increases of \$7.0m Includes funding for strategic initiatives and enterprise asset management 					O&M Increases by \$10.1m or 7.1% over prior year's budget <ul style="list-style-type: none"> Includes net pension decrease of \$3.5m and net bargaining unit increases of \$3.7m Includes funding for strategic initiatives and enterprise asset management 				
Capital (millions)	FY17F	FY18*	FY19	FY20	Capital (millions)	FY17F	FY18*	FY19	FY20
Depreciation	\$ 185	\$185	\$185	\$185	Depreciation	\$143	\$140	\$140	\$140
Expenditures	\$ 151	\$205	\$200	\$122	Expenditures	\$217	\$237	\$217	\$193
Funding					Funding				
R&R	\$ 62	\$ 64			R&R	\$ 23	\$ 24		
OCO	\$ 80	\$141			OCO/Capacity Fee	\$112	\$175		
Prior	\$ 9	\$ 0			Environmental	\$ 14	\$ 18		
Debt	\$ 0	\$ 0			Prior	\$ 68	\$ 20		
	\$ 151	\$205			Debt	\$ 0	\$ 0		
						\$217	\$237		
* FY18 Budget includes 10% contingency					* FY18 Budget includes 10% contingency				
Metrics	FY18B	Pricing Policy			Metrics	FY18B	Pricing Policy		
Coverage	2.4x	≥ 2.2x			Coverage	2.7x	≥ 1.8x		
Debt to Asset	60%	≤ 53.5%			Debt to Asset	48%	≤ 49%		
Days of Liquidity	257	150-250 days			Days of Liquidity	513	150-250 days		
Total Debt	\$2.53bn	-----			Total Debt	\$1.56bn	-----		
Δ Debt	(\$162m)	-----			Δ Debt	(\$51m)	-----		

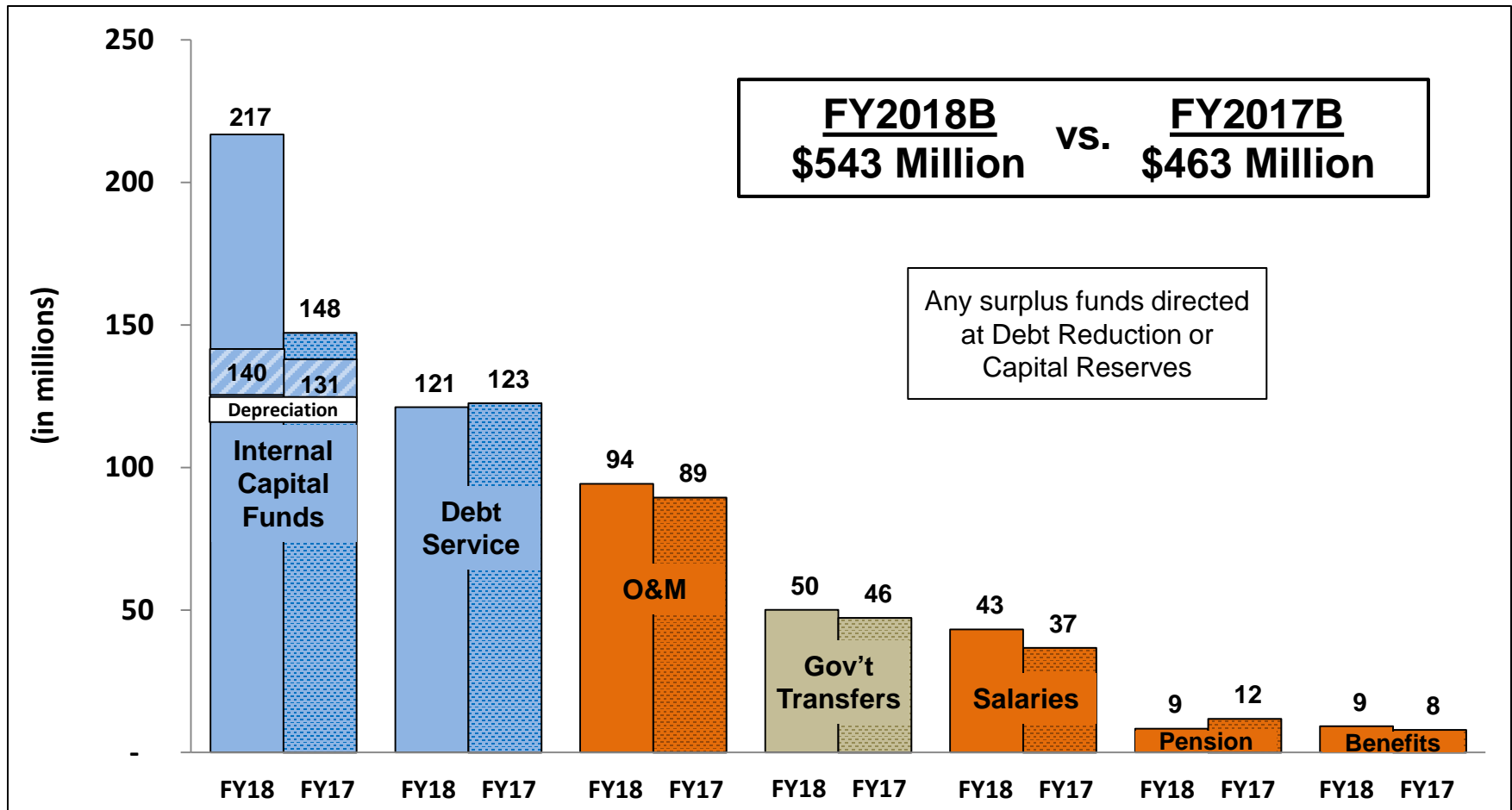
FY2018 Budget: Customer Electric Bill by Expense Category



Notes:

1. Fuel includes Scherer transmission and capacity expenses. Fuel expense is \$472 million with a reduction of \$33 million from the Fuel Rate Stabilization Fund
2. SJRPP and Scherer non-fuel purchase power expenses included in Debt Service, Internal Capital and O&M. SJRPP expected to be decommissioned January 1, 2018.
3. Government Transfers include City Contribution, COJ Public Service Tax, COJ Franchise Fee, State Gross Receipt Tax, and State and COJ Sales Tax (Commercial customers only)
4. O&M Salaries, Benefits, and Pension are net of capital
5. FY2018 O&M includes \$2.3 million Natural Gas retail sale operations
6. Internal Capital Funds include JEA Electric System R&R and OCO, SJRPP R&R, and Scherer R&R, no new debt is required. The capital budget for FY2018 is \$205 million

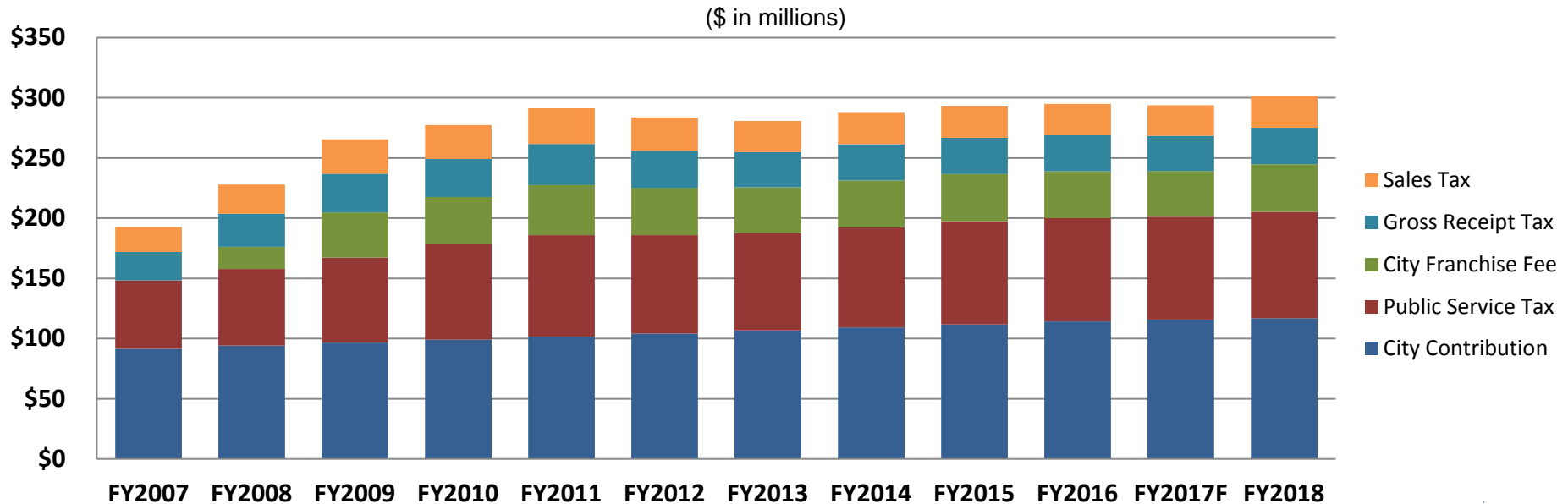
FY2018 Budget: Customer Water and Sewer Bill by Expense Category



Notes:

1. Government Transfers include City Contribution, COJ Public Service Tax, and COJ Franchise Fee
2. O&M Salaries, Benefits, and Pension are net of capital
3. The FY2018 capital program is funded by Internal Capital, no new debt is required
4. FY2018 Debt Service decrease reflects lower interest payments
5. Internal capital funds for FY2018 are greater than annual depreciation but less than the annual capital plan for FY2018. The capital budget for FY2018 is estimated at \$237 million

Government Transfers via the JEA Bill



Description	Paid To	FY2007	FY2008	FY2009	FY2014	FY2015	FY2016	FY2017F	FY2018
City Contribution	COJ	\$91.4	\$94.2	\$96.7	\$109.2	\$111.7	\$114.2	\$115.8	\$117.0
Public Service Tax	COJ	56.9	63.6	70.5	83.1	85.6	85.8	85.3	88.3
City Franchise Fee	COJ	-	18.3	37.5	39.0	39.4	38.9	38.0	39.5
Gross Receipt Tax	State	23.7	27.6	32.1	30.2	30.2	29.8	29.2	30.2
Sales Tax	State and COJ	20.6	24.1	28.5	26.1	26.4	26.0	25.4	26.4
Total		\$192.6	\$227.8	\$265.3	\$287.6	\$293.3	\$294.7	\$293.7	\$301.4
Percent increase from FY2007			18%	38%	49%	52%	53%	52%	56%

\$239
COJ

\$245
COJ

Discussion and Analysis



- JEA transfers to the City of Jacksonville have increased to \$245 million

FY2018 Electric System Budget: Non-Fuel Purchased Power

SJRPP (Planned shut down 1/1/2018)	<u>FY2017</u>	<u>FY2018</u>	<u>Variance</u>	<u>Explanation</u>
O&M	\$26,067,196	\$6,250,000	(\$19,817,196)	Three months of operations
Debt Service	39,704,711	18,940,373	(20,764,338)	Remaining after debt defeasance
R&R	(20,678,814)	(4,395,310)	16,283,504	Capital credit from co-owner
Subtotal SJRPP	\$45,093,093	\$20,795,063	(\$24,298,030)	
Scherer				
Debt Service	\$9,679,445	\$9,942,757	\$263,312	
O&M	10,044,173	11,960,608	1,916,435	Outage
R&R	6,877,585	19,209,628	12,332,043	Increased Capital Program
Transmission	4,700,000	5,300,000	600,000	
Subtotal Scherer	\$31,301,203	\$46,412,993	\$15,111,790	
Other				
Other Capacity	\$7,000,000	\$15,804,000	\$8,804,000	PPA for additional power
Vogtle Debt Service	9,231,667	11,744,583	2,512,916	Planned D/S payment
Rate Stabilization	(9,231,667)	(11,744,583)	(2,512,916)	
Subtotal Other	\$7,000,000	\$15,804,000	\$8,804,000	
Total Non-Fuel Purch. Pwr.	\$83,394,296	\$83,012,056	(\$382,240)	

Note: Additional SJRPP costs include \$2.2 million for discontinued service level agreements and \$2.7 million in Electric System O&M for contingencies

Total JEA Labor Costs

(\$ in millions)	FY2016	Budget FY2017	Budget FY2018 ¹	Budget FY2018 vs FY2017
Payroll Expense²	\$167.9	\$171.1	\$182.2	6.5%
Benefits	35.1	34.8	36.2	4.0%
Subtotal	\$203.0	\$205.9	\$218.4	6.0%
Pension	44.0	54.6	35.1	(35.7%)
Total	\$247.0	\$260.5	\$253.5	(2.8%)

Current JEA Salary Adjustment Summary ³						
	General Increase – Prior Period			General Increase – Current Contract		
Unit	FY14	FY15	FY16	FY17	FY18	FY19
IBEW	0%	3%	2%	4.5%	4.5%	4.5%
JSA	0%	0%	2%	3.0%	3.0%	3.0%
LIUNA	0%	2%	2%	4.5%	5.0%	4.5%
AFSCME	0%	0%	1.5%	2.5%	2.5%	3.0%
M&C	0%	0%	2%	TBD	TBD	TBD
PEA	0%	0%	3%	5.0%	5.0%	3.0%
Appointed	0%	0%	0% - 6%, avg 2%	TBD	TBD	TBD

Discussion and Analysis

- Base payroll expense for FY2018 increases 6.5% vs FY2017
- The current 37.1% pension payment is expected to be reduced to 27.85% of covered payroll for a FY2018 contribution of approximately \$35 million

Notes

1) Includes Bargaining Unit adjustments in 2017-2018 per new contracts

2) Payroll expense includes salary, wages, temporary and contract for the Electric, Water and DES systems. Does not include Succession Planning of \$3.1m FY2016; and \$3.6m in FY2017 and FY2018

3) Total JEA salary adjustments are for both Electric and Water and Sewer Systems, appointed adjustments per market study

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JEA Budget Summary and Consolidated Schedules

Electric System

- ✓ **Operating Budget**
- ✓ **Capital Budget**
- ✓ **Fuel Rate**
- ✓ **O&M**
- ✓ **Capital Plan**
- ✓ **Debt Service**
- ✓ **Financial Metrics and Ratios**

Water and Sewer System

District Energy System

Rate Stabilization Funds

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JEA
ELECTRIC SYSTEM
OPERATING BUDGET

	FY 2018 Budget	FY 2017 Budget	Change	FY 2017 Forecast
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$ 417,649,053	\$ 472,264,680	\$ (54,615,627)	\$ 392,392,444
Transfer To/From Fuel Recovery	-	-	-	(3)
Total Net Revenues	<u>417,649,053</u>	<u>472,264,680</u>	<u>\$ (54,615,627)</u>	<u>\$ 392,392,441</u>
FUEL EXPENSES:				
Fuel & Purchased Power	<u>\$ 417,649,053</u>	<u>\$ 472,264,680</u>	<u>\$ (54,615,627)</u>	<u>\$ 392,392,441</u>
FUEL SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 802,292,405	\$ 762,971,975	\$ 39,320,430	\$ 741,339,597
Environmental Charge Revenue	7,942,200	7,942,200	-	7,350,282
Conservation Charge & Demand Side Revenue	1,000,000	1,000,000	-	704,395
Other Revenues	30,551,894	29,966,575	585,319	91,086,953
Natural Gas Pass Through Revenue	2,383,913	7,188,723	(4,804,810)	3,773,298
Total Base Related Revenues	<u>\$ 844,170,412</u>	<u>\$ 809,069,473</u>	<u>\$ 35,100,939</u>	<u>\$ 844,254,525</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 216,333,937	\$ 209,105,373	\$ 7,228,564	\$ 196,186,945
Environmental	7,942,200	7,942,200	-	7,350,282
Conservation & Demand-side Management	7,510,000	7,510,000	-	6,748,584
Natural Gas Pass Through Expense	2,290,414	6,880,298	(4,589,884)	3,757,081
Non-Fuel Purchased Power	83,012,056	83,394,296	(382,240)	78,205,184
Non-Fuel Uncollectibles & PSC Tax	1,210,993	1,749,583	(538,590)	1,006,462
Emergency Contingency	5,000,000	5,000,000	-	867,320
Total Base Related Expenses	<u>\$ 323,299,600</u>	<u>\$ 321,581,750</u>	<u>\$ 1,717,850</u>	<u>\$ 294,121,858</u>
BASE OPERATING INCOME:	\$ 520,870,812	\$ 487,487,723	\$ 33,383,089	\$ 550,132,667
NON-OPERATING REVENUE:				
Investment Income	6,714,534	4,631,588	2,082,946	5,626,788
Transfer To/From Fuel Recovery	-	-	-	3
Total Non Operating Revenues	<u>\$ 6,714,534</u>	<u>\$ 4,631,588</u>	<u>\$ 2,082,946</u>	<u>\$ 5,626,791</u>
NON-OPERATING EXPENSES:				
Debt Service	229,196,947	229,848,619	(651,672)	321,488,766
Total Non Operating Expenses	<u>\$ 229,196,947</u>	<u>\$ 229,848,619</u>	<u>\$ (651,672)</u>	<u>\$ 321,488,766</u>
BASE INCOME BEFORE TRANSFERS	\$ 298,388,399	\$ 262,270,692	\$ 36,117,707	\$ 234,270,692
City Contribution Expense	93,193,399	92,270,692	922,707	92,270,692
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	64,537,408	62,198,300	2,339,108	62,198,300
Operating Capital Outlay	140,657,592	107,801,700	32,855,892	79,801,700
Contingencies & Working Capital	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 298,388,399</u>	<u>\$ 262,270,692</u>	<u>\$ 36,117,707</u>	<u>\$ 234,270,692</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	<u>\$ 1,268,533,999</u>	<u>\$ 1,285,965,741</u>	<u>\$ (17,431,742)</u>	<u>\$ 1,242,273,757</u>
TOTAL APPROPRIATIONS	<u>\$ 1,268,533,999</u>	<u>\$ 1,285,965,741</u>	<u>\$ (17,431,742)</u>	<u>\$ 1,242,273,757</u>
BUDGETED EMPLOYEE POSITIONS	1,554	1,554	-	1,554
BUDGETED TEMPORARY HOURS	104,000	104,000	-	104,000

JEA
ELECTRIC SYSTEM
CAPITAL BUDGET

	FY 2018 Budget	FY 2017 Budget	Change	FY 2017 Forecast
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 64,537,408	\$ 62,198,300	\$ 2,339,108	\$ 62,198,300
Operating Capital Outlay	140,657,592	107,801,700	32,855,892	79,801,700
Environmental Capital Outlay	-	-	-	-
Debt Proceeds	-	-	-	-
Construction Fund Investment Income	-	-	-	-
Other Proceeds	-	-	-	9,342,520
Total Capital Funds	\$ 205,195,000	\$ 170,000,000	\$ 35,195,000	\$ 151,342,520
CAPITAL PROJECTS:				
Generation Projects	\$ 27,585,000	\$ 33,340,000	\$ (5,755,000)	\$ 27,832,273
Transmission & Distribution Projects	102,012,000	82,368,000	19,644,000	81,202,148
Other Projects	75,598,000	54,292,000	21,306,000	42,308,099
Total Capital Projects	\$ 205,195,000	\$ 170,000,000	\$ 35,195,000	\$ 151,342,520

Operating Variance Analysis (\$ millions)	Budget FY2018	Budget FY2017	Change	Percent Chg
MWh sales	13,020,000	13,020,000	0	0.0%
Fuel Revenues ¹	\$417.65	\$472.26	(\$54.61)	-11.6%
Variable Fuel Rate per MWh	\$32.50	\$36.75	(4.25)	-11.6%
Fuel (excluding reserve adj & discounts) ²	\$450.45	\$434.56	15.89	3.7%
Gas & Oil per MWh produced	25.26	\$25.34	(\$0.08)	-0.3%
Solid Fuel per MWh produced	29.70	\$26.21	\$3.49	13.3%
Base Revenues ³	\$802.29	\$762.97	39.32	5.2%
Electric O&M (see O&M schedule)	\$216.33	\$209.11	\$7.22	3.5%
Non-Fuel Purchased Power ⁴	\$83.01	\$83.39	(0.38)	-0.5%
Scherer O&M and R&R ⁴	\$31.17	\$16.92	14.25	
SJRPP R&R	(\$4.40)	(\$20.68)	16.28	
Debt Service	\$229.20	\$229.85	(0.65)	-0.3%
Renewal & Replacement ⁵	\$64.54	\$62.20	\$2.34	3.8%
Operating Capital Outlay ⁵	\$140.66	\$107.80	32.86	30.5%
City Contribution	\$93.19	\$92.27	0.92	1.0%
Capital Budget Variance Analysis				
Capital Funds ⁶	\$205.20	\$170.00	35.20	20.7%
Capital Projects ⁷	\$205.20	\$170.00	35.20	20.7%

(1) Reduced Fuel Rate from \$36.75 to \$32.50

(2) See fuel rate detail sheet

(3) Increased Base Rate from \$58.60 to \$61.62

(4) Increased Scherer capital expenses. Lower SJRPP debt service and O&M. SJRPP expected to be decommissioned January 1, 2018

(5) The FY18 R&R is based on FY17 forecasted revenues. The FY18 OCO is the remaining amount to fully fund the FY18 capital expenses

(6) FY18 Capital Fund Sources are from Current Year Internal Funding and prior year balances

(7) Includes Management target of \$187M plus a 10% contingency

Electric System Revenues

Revenue Line Items (000's omitted)	FY2018B	FY2017B
Base Revenue	\$802,292	\$762,972
Variable Fuel Revenue	417,649	472,265
Environmental Revenue	7,942	7,942
Transmission Revenue	7,909	11,653
Investment Revenue	6,715	4,632
Pole Attachment Revenue	4,980	-
Wireless Colocation Revenue	3,050	-
Joint Dispatch Revenue	2,791	-
Natural Gas Revenue	2,384	7,189
Dark Fiber Revenue	1,754	-
Conservation/DSM Revenue	1,000	1,000
Other Revenue ¹	10,068	18,313
Total	\$1,268,534	\$1,285,966

Electric System Capital Budget

Budget Line Items (000's Omitted)	FY2018B	FY2017B	FY2017F
Electric System Generation Projects	\$27,585	\$33,340	\$27,832
Electric System Transmission and Distribution Projects	102,012	82,368	81,202
Electric System Other Projects	75,598	54,292	42,308
Total	\$205,195	\$170,000	\$151,342



Note: Detailed FY2017 project list is included in the CIP Schedules within the Supplemental section

Fuel Rate per MWh

	<u>FY2016</u>	<u>FY2017F</u>	<u>FY2018B</u>	<u>FY2019</u>
<u>Variable Fuel Rate per MWh</u>				
Fuel Rate Budgeted per \$/MWh	\$41.00	\$36.75	\$32.50	\$32.50
Reserve as a % of Target Expense	29%	21%	16%	14%
Annual Fuel Cost (millions)	\$397	\$438	\$452	\$412

Discussion and Analysis

- The Fuel Fund Rate Stabilization Reserve is currently at 21% of the historical maximum 12-month fuel expense
- Current projections are based on the NYMEX natural gas price forecasts and assume no major market disruptions

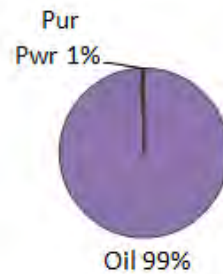
Note: Variable Fuel Rate decreased to \$32.50/MWh per Board approval in November 2016. New rate was made effective December 1, 2016.

Historical Fuel Mix

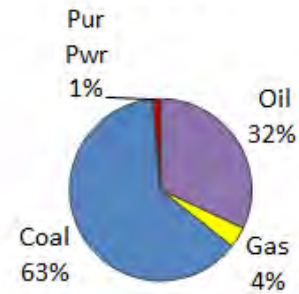
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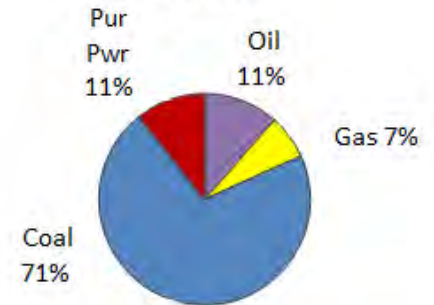
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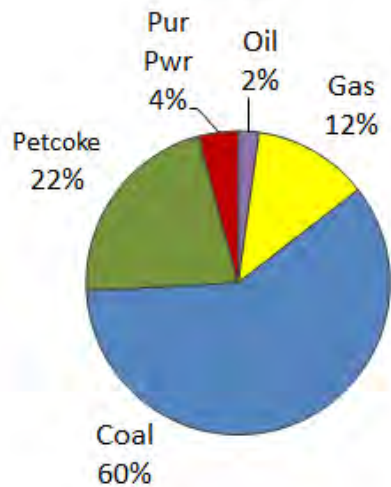
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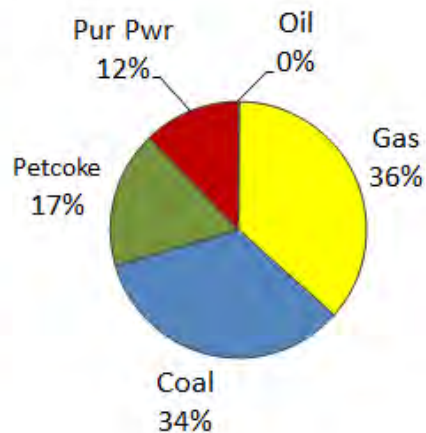
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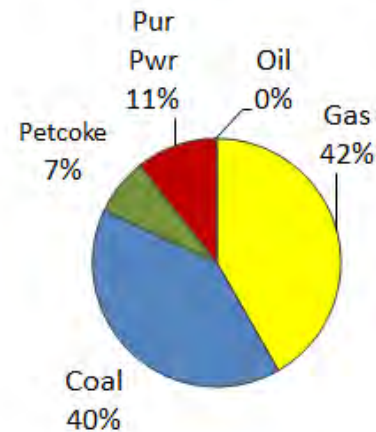
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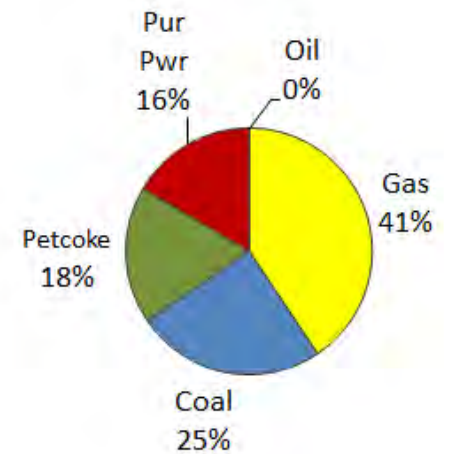
2016



2017 (Forecast)



2018 (Budget)



FY2018 Electric System Budget: Operating Expenses

(\$ in millions)	FY2017 Budget¹	FY2018 Budget¹	Variance	Explanation
Salaries & Benefits	\$183.9*	\$176.7*	(\$7.2)	Step increases, market adjustments, new contract adjustments and related change in pension expense
Other Services	101.4	108.9	7.5	Outages and Enterprise Asset Management
Material & Supplies	15.9	16.2	0.3	
Other	12.8	18.5	5.7	T&D Insurance premium, SJRPP & Contingencies
Credits – Shared Services	(49.2)	(51.7)	(2.5)	Water Billing Credit and Enterprise Asset Mgmt
Credits – Capitalization	(38.7)	(37.2)	1.5	
Credits – Other	(17.0)	(15.1)	1.9	
Total	<u>\$209.1</u>	<u>\$216.3</u>	<u>\$7.2</u>	

3.4%

Key Strategic Issues <u>Included</u> in Budget			
FY2017		FY2018	
Generating Unit Outages	8.0	Generating Unit Outages (NS 1&2, CTs)	12.2
Succession Planning Staffing Risks	2.6	Succession Planning Staffing Risks	2.6
Climate Change	1.0	Climate Change	1.0
Enterprise Asset Management	2.0	Enterprise Asset Management	5.0
Net Pension Increase	4.3	Net Pension Decrease	(12.8)
Compensation	*	Compensation	*
Total	<u>\$17.9</u>	Total	<u>\$8.0</u>

¹Excludes Customer Benefit, Environmental, and Retail Natural Gas

Electric System: Capital Funding

No New
Debt



FY2018 – Electric System Capital Budget: \$205 Million

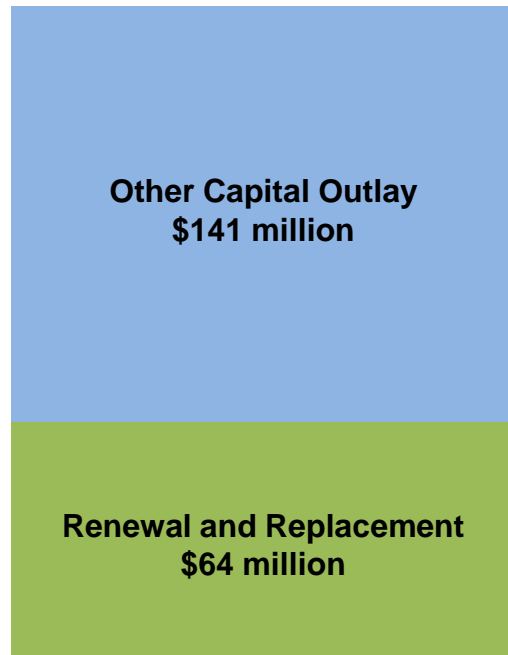
System Maintenance: \$189 Million

- Renewal and Replacement
- Distribution
- Facilities, Fleet, Technology

System Expansion: \$16 Million

- New or Expanded Generation
- New Transmission lines
- New or Expanded Substations

Source of Capital Funding



Discussion and Analysis

- FY2018 capital funding plan utilizes existing capital cash balances to fund the “long-term eligible funds” qualified projects, resulting in no new debt issuance for FY2018
- FY2017 capital plan budget was \$170 million, current forecast is \$151 million
- December 2016 rating agency FY2018 capital program was projected to be \$195 million

FY2018 Electric System Budget: Debt Service

(\$ in millions)	<u>FY2017 Budget</u>	<u>FY2017 Forecast</u>	<u>FY2018 Budget</u>	<u>Budget Variance</u>	<u>Explanation</u>
Debt Service – Principal	\$90.0	\$117.7	\$124.2	\$34.2	Debt Restructuring
Debt Service – Prepayment	38.9	106.4 ¹	10.7	(28.2)	
Debt Service – Interest	<u>100.9</u>	<u>97.4</u>	<u>94.3</u>	<u>(6.6)</u>	Lower Debt Balance
Total²	<u>\$229.8</u>	<u>\$321.5</u>	<u>\$229.2</u>	<u>(\$0.6)</u>	
Debt Service Coverage	2.7x	2.4x	2.4x	(0.3x)	
Debt to Asset %	64.0%	64.0%	60.0%	(4.0%)	Accelerated Debt Paydown
<u>Variable Rate Debt %</u>					
Gross	21.0%	22.0%	23.0%	2.0%	Paydown of Fixed Rate Debt
Net of Swaps	7.0%	7.0%	7.0%	---	
Variable Interest Rate %	3.0%	2.1%	3.0%	---	
Liquidity – Days³	277	311	257	(20)	Cash Used on Debt Paydown

Notes:

¹ Includes defeasance of \$69.1 million for Advanced Refunding and \$37.3 million in projected Bond Buy-Back

² Includes scheduled interest and principal payments to bondholders, variable rate financing costs, and swap payments

³ Includes Renewal and Replacement

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JEA Budget Summary and Consolidated Schedules

Electric System

Water and Sewer System

- ✓ **Operating Budget**
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- ✓ **O&M**
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JEA
WATER AND SEWER SYSTEM
OPERATING BUDGET

	FY2018 Budget	FY2017 Budget	Change	FY2017 Forecast
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 428,490,220	\$ 381,678,122	\$ 46,812,098	\$ 385,600,129
Environmental Charge Revenue	28,360,500	23,908,290	4,452,210	23,666,983
Other Revenues	34,091,486	11,638,859	22,452,627	11,744,499
Total Base Related Revenues	<u>\$ 490,942,206</u>	<u>\$ 417,225,271</u>	<u>\$ 73,716,935</u>	<u>\$ 421,011,611</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 151,804,759	\$ 141,698,943	\$ 10,105,816	\$ 136,768,364
Environmental CUP - DSM	1,589,300	2,449,584	(860,284)	1,520,463
Non-Fuel Uncollectibles & PSC Tax	685,277	844,390	(159,113)	412,308
Emergency Contingency	1,000,000	1,000,000	-	1,000,000
Total Base Related Expenses	<u>\$ 155,079,336</u>	<u>\$ 145,992,917</u>	<u>\$ 9,086,419</u>	<u>\$ 139,701,135</u>
BASE OPERATING INCOME:	\$ 335,862,870	\$ 271,232,354	\$ 64,630,516	\$ 281,310,476
NON-OPERATING REVENUE:				
Investment Income	4,854,301	3,152,787	1,701,514	4,983,805
Capacity Fees	21,000,000	19,000,000	2,000,000	19,800,226
Total Non Operating Revenues	<u>\$ 25,854,301</u>	<u>\$ 22,152,787</u>	<u>\$ 3,701,514</u>	<u>\$ 24,784,031</u>
NON-OPERATING EXPENSES:				
Debt Service	121,122,632	122,572,849	(1,450,217)	127,040,443
Total Non Operating Expenses	<u>\$ 121,122,632</u>	<u>\$ 122,572,849</u>	<u>\$ (1,450,217)</u>	<u>\$ 127,040,443</u>
BASE INCOME BEFORE TRANSFERS	\$ 240,594,539	\$ 170,812,292	\$ 69,782,247	\$ 179,054,064
City Contribution Expense	23,787,781	23,552,258	235,523	23,552,258
Interlocal Payments	-	-	-	287,373
Renewal and Replacement Fund	23,950,558	22,766,900	1,183,658	22,766,900
Operating Capital Outlay	153,685,000	92,634,428	61,050,572	92,634,427
Operating Capital Outlay - Environmental	18,171,200	12,858,706	5,312,494	13,595,296
Capacity Fees	21,000,000	19,000,000	2,000,000	19,800,226
Contingencies & Working Capital	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 240,594,539</u>	<u>\$ 170,812,292</u>	<u>\$ 69,782,247</u>	<u>\$ 172,636,480</u>
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ 6,417,584
TOTAL REVENUES	\$ 516,796,507	\$ 439,378,058	\$ 77,418,449	\$ 445,795,642
TOTAL APPROPRIATIONS	\$ 516,796,507	\$ 439,378,058	\$ 77,418,449	\$ 439,378,058
BUDGETED EMPLOYEE POSITIONS	599	599	0	599
BUDGETED TEMPORARY HOURS	20,800	20,800	0	20,800

JEA
WATER AND SEWER SYSTEM
CAPITAL BUDGET

	FY2018 Budget	FY2017 Budget	Change	FY2017 Forecast
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 23,950,558	\$ 22,766,900	\$ 1,183,658	\$ 22,766,900
Operating Capital Outlay	153,685,000	92,634,428	61,050,572	92,634,427
Environmental Capital Outlay	18,171,200	12,858,706	5,312,494	13,465,751
Capacity Fees	21,000,000	19,000,000	2,000,000	19,800,226
Debt Proceeds	-	-	-	-
Construction Fund Investment Income	-	-	-	-
Other Proceeds	19,704,242	78,239,966	(58,535,724)	68,427,708
Total Capital Funds	<u>\$ 236,511,000</u>	<u>\$ 225,500,000</u>	<u>\$ 11,011,000</u>	<u>\$ 217,095,012</u>
CAPITAL PROJECTS:				
Water Projects	56,551,000	60,237,863	(3,686,863)	60,628,103
Sewer Projects	153,488,000	140,790,137	12,697,863	134,179,682
Other Projects	26,472,000	24,472,000	2,000,000	22,287,227
Total Capital Projects	<u>\$ 236,511,000</u>	<u>\$ 225,500,000</u>	<u>\$ 11,011,000</u>	<u>\$ 217,095,012</u>

Operating Variance Analysis (\$ millions)	Budget FY2018	Budget FY2017	Change	Percent Chg
Water kGal Sales (in thousands)	42,000	36,750	5,250	14.3%
Base Rate Revenues ¹	\$428.49	\$381.68	46.81	12.3%
Other Revenues ²	\$34.09	\$11.64	22.45	192.9%
Operating and Maintenance (See O&M Schedule)	\$151.80	\$141.70	(10.10)	-7.1%
Debt Service ³	\$121.12	\$122.57	1.45	1.2%
Renewal & Replacement ⁴	\$23.95	\$22.77	(1.18)	-5.2%
Operating Capital Outlay ⁵	\$153.68	\$92.63	(61.05)	-65.9%
Capacity Fees ⁶	\$21.00	\$19.00	2.00	10.5%
Capital Budget Variance Analysis (\$ millions)				
Capital Funds ⁷	\$236.51	\$225.50	11.01	4.9%
Capital Projects ⁷	\$236.51	\$225.50	11.01	4.9%
(1) 18.6% increase in total system sales (2) Includes \$21.5m in prior year revenues to be used for Operating Capital Outlay (3) FY2018 Debt Service increase reflects lower P&I payments (4) FY2018 R&R is based upon forecasted FY17 total revenues (5) OCO is the remaining amount to fund the FY2018 capital expenses (6) Adjusted to recent trends (7) Includes management budget of \$215m plus 10% contingency				

Water and Sewer System Revenues

Revenue Line Items (000's omitted)	FY2018B	FY2017B
Sewer Revenues	\$245,530	\$226,018
Water Revenues	165,693	149,493
Environmental Revenues	28,361	23,908
Prior Year Surplus Revenue Utilization ¹	21,501	-
Capacity and Extension Fees	21,000	19,000
Reclaimed Revenues	17,267	6,167
Investment Income	4,854	3,153
Other Revenues ²	12,591	11,639
Total	\$516,797	\$439,378



¹ Prior year surplus will be used for Operating Capital Outlay

² Other Revenues include rental income, meter tap fees, connection fees, late fees, and other utility operating income

Water and Sewer System Capital Budget

Budget Line Items (000's Omitted)	FY2018B	FY2017B	FY2017F
Water Treatment and Distribution Projects	\$56,551	\$60,238	\$60,628
Wastewater and Reclaimed Projects	153,488	140,790	134,179
Other Capital Projects	26,472	24,472	22,287
Total	\$236,511	\$225,500	\$217,094



Note: Detailed FY2018 project list is included in the CIP Schedules within the Supplemental section

FY2018 Water and Sewer System Budget: Operating Expenses

(\$ in millions)	FY2017 Budget ¹	FY2018 Budget ¹	Variance	Explanation
Salaries & Benefits	\$67.8*	\$69.2*	\$1.4	Step increases, market adjustments, new contract adjustments and related change in pension expense, headcount
Other Services	25.2	28.5	3.3	Storm generator leases, backflow inspections, sewer resiliency
Material & Supplies	13.2	13.5	0.3	
Shared Services	49.1	51.6	2.5	Enterprise Asset Management
Other	3.4	3.4	-	
Credits – Capitalization	(16.5)	(13.9)	2.6	Lower direct capitalization
Credits – Fuel Handling	(0.5)	(0.5)	-	
Total	<u>\$141.7</u>	<u>\$151.8</u>	<u>\$10.1</u>	
	7.1%			

Key Strategic Issues <u>Included</u> in Budget			
FY2017		FY2018	
Water Purification	\$1.0	Water Purification	\$1.0
Succession Planning Staffing Risks	1.0	Succession Planning Staffing Risks	1.0
		Enterprise Asset Management	2.0
		Storm Generator Leases / Tree Mitigation	1.5
		Sewer Resiliency Study	0.5
Net Pension Increase	1.3	Net Pension Decrease	(3.5)
Compensation	*	Compensation	*
Total	<u>\$3.3</u>	Total	<u>\$2.5</u>

¹Excludes Customer Benefit and Environmental

Water and Sewer System: Capital Funding

No New Debt



FY2018 – Water and Sewer System Capital Budget: \$237 Million

Environmental: \$18 Million

- BMAP*/ TMDL*/ Reclaim
- Total Water Management Plan
- Major Environmental Initiatives
- Support COJ Septic Tank Phase-Out

System Maintenance: \$142 Million

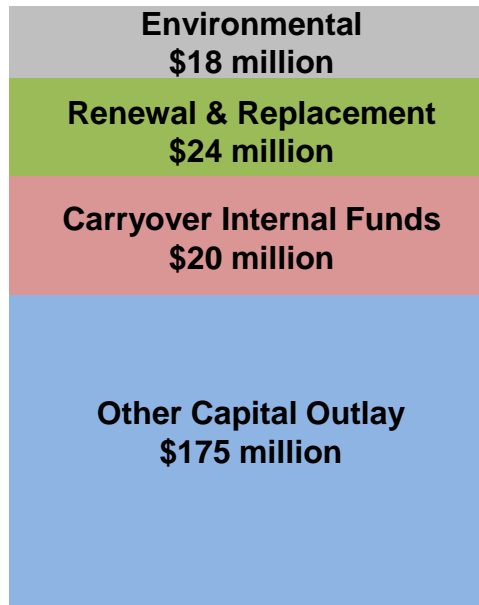
- Renewal and Replacement
- Distribution
- Facilities, Fleet, Technology

System Expansion: \$78 Million

- New or Expanded Treatment
- New Transmission lines
- New or Expanded Master Pump Stations

- Basin Management Action Plan
- Total Maximum Daily Limit of Nitrogen

Source of Capital Funding



Discussion and Analysis

- FY2018 capital funding plan utilizes existing capital cash balances to fund the “long-term eligible funds” qualified projects, resulting in no new debt issuance for FY2018
- FY2017 capital plan budget was \$226 million, current forecast is \$217 million
- December 2016 rating agency FY2018 capital program was projected to be \$200 million

FY2018 Water and Sewer System Budget: Debt Service

(\$ in millions)	<u>FY2017 Budget</u>	<u>FY2017 Forecast</u>	<u>FY2018 Budget</u>	<u>Budget Variance</u>	<u>Explanation</u>
Debt Service - Principal	\$51.0	\$51.0	\$51.7	\$0.7	
Debt Service - Prepayment	---	5.7	---	---	
Debt Service - Interest	<u>71.6</u>	<u>70.3</u>	<u>69.4</u>	<u>(2.2)</u>	Lower Debt Balance
Total¹	<u>\$122.6</u>	<u>\$127.0</u>	<u>\$121.1</u>	<u>(\$1.5)</u>	
Debt Service Coverage	2.6x	2.6x	2.7x	0.1x	
Debt to Asset %	50.0%	52.5%	47.6%	(2.4%)	
Variable Rate Debt %					
Gross	18.0%	18.0%	18.0%	---	
Net of Swaps	10.0%	10.0%	10.0%	---	
Variable Interest Rate %	3.0%	2.1%	3.0%	---	
Liquidity – Days	396	447	513	117	Capital Expenses Internally Funded

Notes:

¹ Includes scheduled interest and principal payments to bondholders, variable rate financing costs, swap payments, and Revolving Credit Agreement payments

² Includes Renewal and Replacement

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JEA
DISTRICT ENERGY SYSTEM
OPERATING BUDGET

	FY2018 Budget	FY2017 Budget	Change	FY2017 Forecast
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 9,125,828	\$ 9,247,921	\$ (122,093)	\$ 8,807,248
Total Base Related Revenues	<u>\$ 9,125,828</u>	<u>\$ 9,247,921</u>	<u>\$ (122,093)</u>	<u>\$ 8,807,248</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 5,139,991	\$ 5,252,918	\$ (112,927)	\$ 5,002,312
Total Base Related Expenses	<u>\$ 5,139,991</u>	<u>\$ 5,252,918</u>	<u>\$ (112,927)</u>	<u>\$ 5,002,312</u>
BASE OPERATING INCOME:	\$ 3,985,837	\$ 3,995,003	\$ (9,166)	\$ 3,804,936
NON-OPERATING EXPENSES:				
Debt Service	3,019,084	3,022,454	(3,370)	3,022,454
Total Non Operating Expenses	<u>\$ 3,019,084</u>	<u>\$ 3,022,454</u>	<u>\$ (3,370)</u>	<u>\$ 3,022,454</u>
BASE INCOME BEFORE TRANSFERS	\$ 966,753	\$ 972,549	\$ (5,796)	\$ 782,482
City Contribution Expense	-	-	-	-
Renewal and Replacement Fund	440,362	437,650	2,712	437,650
Operating Capital Outlay	526,391	534,899	(8,508)	344,832
Total Non-Fuel Expenses	<u>\$ 966,753</u>	<u>\$ 972,549</u>	<u>\$ (5,796)</u>	<u>\$ 782,482</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	\$ 9,125,828	\$ 9,247,921	\$ (122,093)	\$ 8,807,248
TOTAL APPROPRIATIONS	\$ 9,125,828	\$ 9,247,921	\$ (122,093)	\$ 8,807,248
BUDGETED EMPLOYEE POSITIONS	6	5	1	5
BUDGETED TEMPORARY HOURS	0	0	0	0

JEA
DISTRICT ENERGY SYSTEM
CAPITAL BUDGET

	FY2018 Budget	FY2017 Budget	Change	FY2017 Forecast
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 440,362	\$ 437,650	\$ 2,712	\$ 437,650
Operating Capital Outlay	526,391	534,899	(8,508)	344,832
Construction Fund Investment Income	-	-	-	-
Other Proceeds	2,274,247	2,098,451	175,796	1,756,295
Total Capital Funds	<u>\$ 3,241,000</u>	<u>\$ 3,071,000</u>	<u>\$ 170,000</u>	<u>\$ 2,538,777</u>
CAPITAL PROJECTS:				
District Energy Projects	3,241,000	3,071,000	170,000	2,538,777
Total Capital Projects	<u>\$ 3,241,000</u>	<u>\$ 3,071,000</u>	<u>\$ 170,000</u>	<u>\$ 2,538,777</u>

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(\$ in thousands)	FY2016	Forecast FY2017			Budget FY2018		
	Ending Balance	Deposits	Withdrawals	Ending Balance	Deposits	Withdrawals	Ending Balance
<u>Electric System</u>							
DSM/Conservation	\$ 3,515	\$ 6,748	\$ (7,178)	\$ 3,085	\$ 7,510	\$ (8,126)	\$ 2,469
Debt Management	42,126	-	(12,242)	29,884	-	-	29,884
Environmental ¹	29,975	7,350	(1,282)	36,043	7,942	(2,051)	41,934
Fuel ²	180,115	2,845	(48,866)	134,094	-	(32,800)	101,294
Purchased Power	34,400	-	(8,130)	26,270	-	(11,745)	14,525
Self Funded Health Plan	11,179	32,000	(34,000)	9,179	29,800	(30,700)	8,279
<u>Water & Sewer System</u>							
Debt Management	\$ 20,290	\$ -	\$ (6,081)	\$ 14,209	\$ -	\$ -	\$ 14,209
Environmental ³	1,699	23,667	(23,537)	1,829	28,361	(28,361)	1,829

Notes

¹ FY18 Environmental rate stabilization withdrawals may increase due to SJRPP environmental remediation costs. The amount of funds to be withdrawn is under evaluation and the authorization to use these funds will be brought to the Board for approval at a later date

² The variable fuel rate was decreased to \$32.50/MWh in FY2017 to bring the fund in line with the Pricing Policy

³ Includes \$19.8 million in Environmental O&M and capital projects and \$8.6 million in funds repaid to the Water and Sewer System R&R fund

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Finance and Audit Committee Action

- Provide feedback and direction regarding the key issues for the FY2018 Budget specifically covering:
 - Revenue
 - O&M Expense Levels
 - Interest Rates and Debt Structure
 - Financial Metrics
- Provide feedback and direction for staff to present the Proposed Budget to the full Board

Staff

- Prepare Draft Final Budget, agenda items for the June Board Meeting
- Prepare budget package for approval at the June Board meeting
- Communicate with the Council Auditor
- Begin communication plan for other key stakeholders

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Preliminary FY2018 Budget: FY2018 Electric System Fuel and Purchase Power Expense

	Costs			
	FY 18 Budget	FY 17 Budget	Budget vs Budget Variance	FY 17 % Change
	(\$ in millions)			
Solid Fuel				
SJRPP	\$ 37.9	\$ 95.0		
Scherer	31.6	34.3		
NS 1 & 2	101.4	78.3		
Subtotal	170.9	207.6	\$ (36.7)	-17.7%
Gas and Oil				
Gas	142.6	123.7		
Oil	1.1	1.5		
Diesel	0.6	0.5		
Subtotal	144.3	125.7	(18.6)	14.8%
Other Purchases	72.0	35.5		
Off System Sales	(2.9)	(3.8)		
By-Product Exp	18.8	20.3		
TEA Equity	(3.1)	(5.5)		
Other Expense	516	51.3		
Reserve Adjustment	(34.3)	41.8		
Rate Discount	5.9	5.6		
Total	\$ 423.2	\$ 478.5	\$ (55.3)	-11.6%
MWH Sales	13.02	13.02	0.0	0.00%
\$ per MWH Sold	\$ 32.50	\$ 36.75	\$ (4.25)	-11.6%
Fuel Rate	\$ 32.50	\$ 36.75	\$ (4.25)	-11.6%

	Units Produced			
	FY 18 Budget	FY 17 Budget	Budget vs Budget Variance	FY 17 % Change
	(MWh's in millions)			
	0.84	2.64	(1.80)	
	1.21	1.24	(0.03)	
	3.71	4.04	(0.33)	
	5.76	7.92	2.16	-27.2%
	5.70	4.95	0.75	
	0.01	0.01	0.00	
	0.00	0.00	0.00	
	5.71	4.96	0.75	15.1%
	2.16	0.82	1.34	163.1%
	(0.12)	(0.18)	0.07	35.8%
	13.51	13.52	(0.01)	-0.1%

Cost Per Unit		
FY 18 Budget \$/MWH	FY 17 Budget \$/MWH	% Change
\$ 44.96	\$ 35.99	24.9%
26.04	27.55	-5.5%
27.35	19.39	41.0%
29.70	26.21	13.3%
25.00	24.99	0.0%
186.18	196.80	-5.4%
194.15	140.46	38.2%
25.26	25.34	-0.3%
33.31	43.15	-22.8%
24.60	20.50	20.0%
5.06	5.02	0.9%
\$ 31.32	\$ 35.39	-11.5%

Discussion and Analysis

- FY2018 natural gas prices are based upon current industry projections.
- FY2018 solid fuel prices are projected to increase compared to FY2017 Budget. SJRPP expected to be decommissioned January 1, 2018.

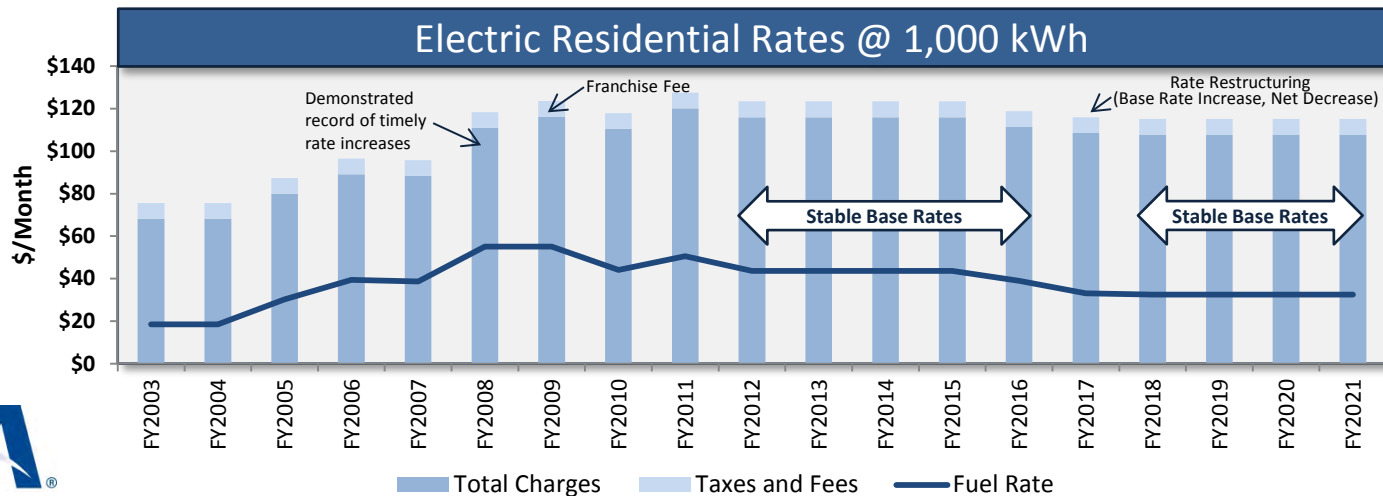
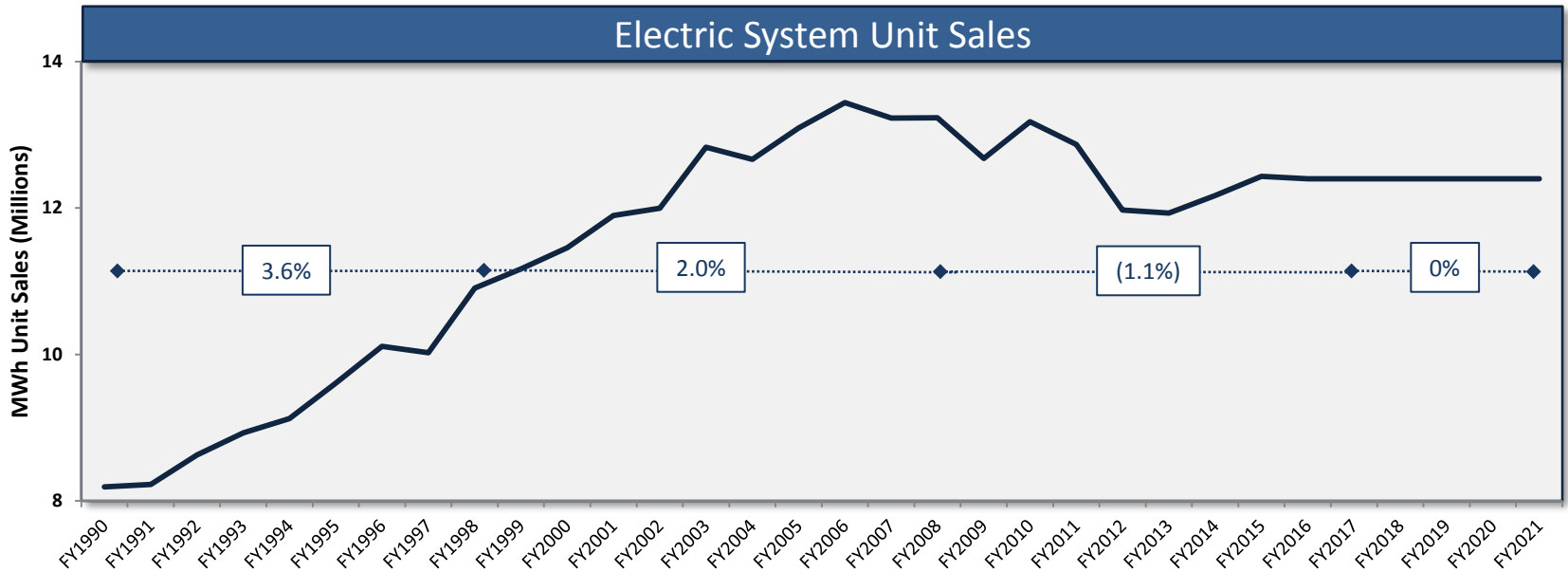
Current Year: FY2017 Electric System Fuel and Purchase Power Expense

	Costs				Units Produced				Cost Per Unit		
	FY 17 Forecast @ 4/11/17	FY 17 Budget	Forecast vs Budget Variance	FY 17 % Change	FY 17 Forecast @ 4/11/17	FY 17 Budget	Forecast vs Budget Variance	FY 17 % Change	FY 17 Forecast \$/MWH	FY 17 Budget \$/MWH	% Change
Solid Fuel	(\$ in millions)				(MWh's in millions)						
SJRPP	\$ 118.6	\$ 95.0			3.02	2.64	0.38		\$ 39.25	35.99	9.1%
Scherer	39.0	34.3			1.50	1.24	0.26		25.98	27.55	-5.7%
NS 1 & 2	43.7	78.3			1.45	4.04	(2.59)		30.20	19.39	55.7%
Subtotal	201.3	207.6	\$ (6.3)	-3.0%	5.97	7.92	(1.95)	-24.6%	33.72	26.21	28.7%
Gas and Oil											
Gas	132.4	123.7			5.23	4.95	0.28		25.33	24.99	1.4%
Oil	0.1	1.5			0.00	0.01	(0.01)		268.84	196.80	-36.6%
Diesel	0.4	0.5			0.00	0.00	(0.00)		240.26	140.46	71.0%
Subtotal	132.9	125.7	7.2	5.8%	5.23	4.96	0.27	5.4%	25.42	25.34	0.3%
Other Purchases	49.8	35.5			1.33	0.82	0.51	62.0%	37.40	43.15	-13.3%
Off System Sales	(3.2)	(3.8)			(0.10)	(0.18)	0.08	40.9%	32.06	20.50	56.4%
By-Product Exp	12.5	20.3							8.62	5.02	71.8%
TEA Equity	(3.0)	(5.5)									
Other Expense	47.9	51.3									
Emission Allowances	0.2	0.0									
Reserve Adjustment	(46.0)	41.8									
Rate Discount	5.7	5.6									
Total	\$ 398.1	\$ 478.5	\$ (80.4)	-16.8%	12.43	13.52	(1.09)	-8.0%	\$ 32.03	\$ 35.39	-9.5%
MWH Sales	12.03	13.02	(0.99)	-7.6%							
\$ per MWH Sold	\$ 33.11	\$ 36.75	\$ (3.64)	-9.9%							
Fuel Rate	\$ 33.11	\$ 36.75									

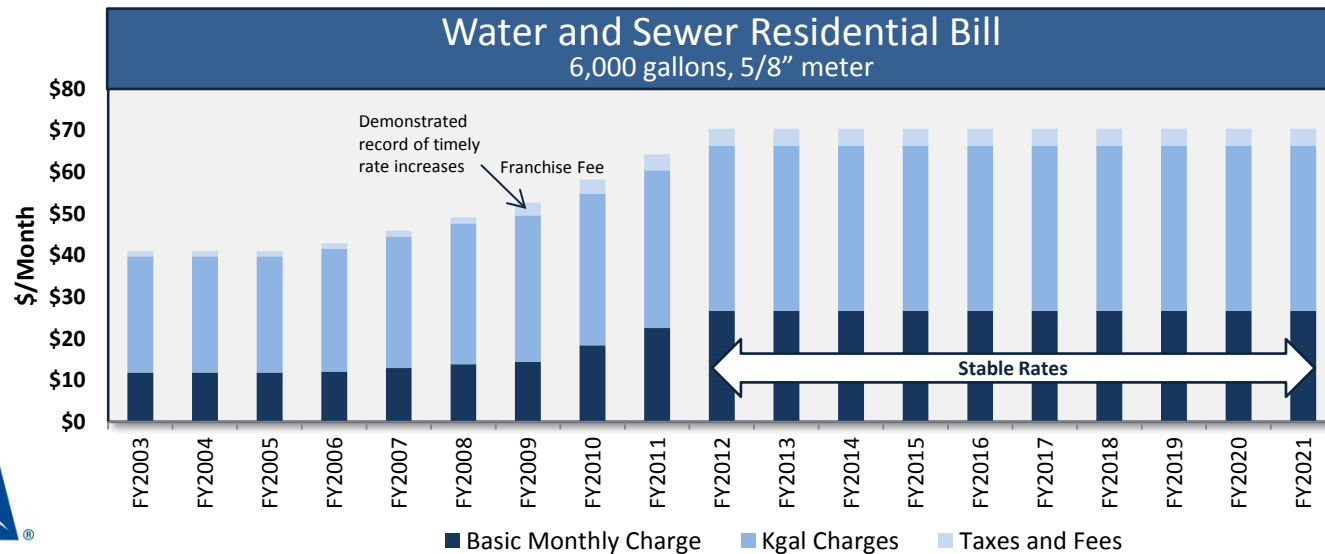
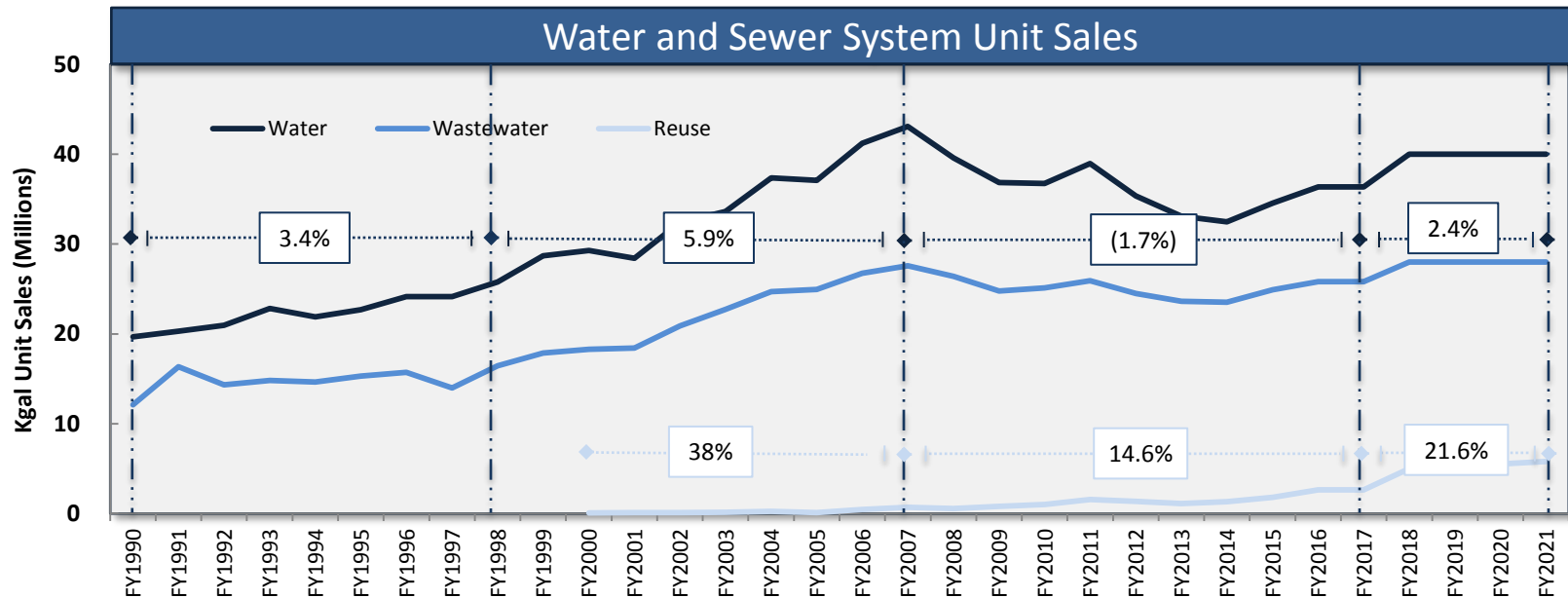
Discussion and Analysis

- FY2017 Fuel and Purchased Power expense is projected to be \$80.4 million lower than budgeted. This variance is due to weather impacted lower unit MWh sales and production units (\$36.6M), and lower than budgeted fuel rate of \$32.50 as of December 1, 2016 (\$43.8M).
- The FY2017 forecasted fuel reserve is expected to be 21% of highest 12-month fuel cost.

FY2018 Electric System Budget: Revenue Drivers



FY2018 Water and Sewer System Budget: Revenue Drivers



FY2018 Budget: Electric System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
GENERATION						
Greenland Energy Center Diesel Fuel Oil Tanks Installation	6,480	0	0	0	0	6,480
Kennedy Center Turbine 7 Hot Gas Path Inspection #3	5,482	0	0	0	0	5,482
Northside Generating Station - N00 Limestone Utilization Improvement PH 1	2,888	446	0	0	0	3,334
Northside Units 1, 2, & 3 Capital Improvement Projects	2,500	6,000	6,000	6,000	6,000	26,500
Steam Plant General Capital Improvements	2,500	2,000	2,000	2,000	2,000	10,500
Brandy Branch - Greenland Energy Center General Capital Improvements	1,700	2,000	2,000	2,000	2,000	9,700
Brandy Branch - B51, 52, 53, 54 - EX2000 DFE Upgrade	1,223	0	0	0	0	1,223
Brandy Branch - B52, B53 SCR Catalyst Replacement	982	0	0	0	0	982
Brandy Branch - B51 Exhaust Stack Silencer Replacement	634	1,333	0	0	0	1,967
Northside Generating Station Fly/Bed Ash Silos 1&2 Slurry Pump and Piping	563	553	0	0	0	1,116
Kennedy - Fire Loop Piping Replacement	450	0	0	0	0	450
Northside Generating Station - Groundwater Recovery System Reuse to SDAs	395	0	0	0	0	395
Northside Generating Station - N33-N36 Pre-Purchase Inspection Parts	330	0	0	0	0	330
Brandy Branch Combustion Turbine 2 Hot Gas Path Inspection #5	250	5,318	0	0	0	5,568
Brandy Branch Combustion Turbine 3 Hot Gas Path Inspection #5	250	5,318	0	0	0	5,568
Northside Generating Station - N00 Electric Fire Pump Replacement	236	0	0	0	0	236
Northside Generating Station - Bed Ash Silo Rail Scales	210	0	0	0	0	210
Brandy Branch Low Voltage Ride Through System Installation	192	0	0	0	0	192
Northside Generating Station - N01, N02 Fly ash Filter Separator Upgrade	187	508	0	0	0	695
Northside 1 & 2 - DCS Power System Replacement	49	0	0	0	0	49
Brandy Branch - B52, 53 - Main Steam Manual Gate Valve Replacement	46	650	0	0	0	696
Brandy Branch - B51, 52, 53 - LCI Static Starter Digital Front End Upgrade	18	773	0	0	0	791
Northside Generating Station - N01, N02 EX2000 Digital Front End Upgrade	14	630	0	0	0	644
Northside - N01 & N02 Turbine, BFP, CFB Fans Bentley 3300 Rack	6	694	0	0	0	700
Potential Gas Line Capacity Upgrades	0	1,500	3,000	0	0	4,500
Brandy Branch - Cooling Tower Fan Blades and Drift Eliminators	0	1,000	0	0	0	1,000
Kennedy Center Turbine 8 Hot Gas Path Inspection #1	0	0	5,568	0	0	5,568
Compression Upgrade to Baldwin-Brandy Branch	0	0	1,000	6,000	0	7,000
Brandy Branch Combustion Turbine 2 Hot Gas Path Inspection #6	0	0	0	250	5,995	6,245
Brandy Branch Combustion Turbine 3 Hot Gas Path Inspection #6	0	0	0	250	5,745	5,995
Greenland Energy Center Turbine 1 Hot Gas Path Inspection #1	0	0	0	0	300	300
GENERATION SUBTOTAL	27,585	28,723	19,568	16,500	22,040	114,416
TRANSMISSION AND DISTRIBUTION						
230kV - 42MVAR Capacitor Bank Additions	8,278	0	0	0	0	8,278
Customer Order Management - New Electric Service Additions	8,100	7,800	8,000	8,500	8,500	40,900
Electric Distribution Maintenance Capital Upgrades	8,000	7,000	7,000	7,500	7,500	37,000

FY2018 Budget: Electric System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Customer Order Management - Development Driven Projects	7,000	5,000	5,000	5,000	5,000	27,000
Electric Meter Replacement	5,728	4,728	4,978	4,728	4,477	24,639
Greenland Energy Center to Bartram 230 kV Circuit 909 Addition	5,650	3,571	0	0	0	9,221
13kV Electric Distribution Network Improvements Placeholder	5,000	3,500	500	0	0	9,000
Eagle 138 - 13.8 kV Substation	3,627	7,240	0	0	0	10,867
Greenland Energy Center to Bartram 230 kV Circuit 909 ROW	3,500	2,000	0	0	0	5,500
CEMI-5 Electric Distribution Betterment	3,500	3,000	3,000	3,000	3,000	15,500
Joint Participation Electric Relocation Projects	3,500	2,000	2,000	2,000	2,000	11,500
Kennedy Substation 13kV Switchgear Replacement	3,160	0	0	0	0	3,160
Distribution Automation and Smart Grid Deployment Project	3,080	2,780	10,500	8,880	8,880	34,120
500 kV Transmission Line Upgrades	2,800	0	0	0	0	2,800
Electric Meter Growth	2,790	1,649	1,679	1,740	1,709	9,567
Electric Distribution System Improvements	2,611	1,624	1,637	1,650	1,664	9,186
Pole Replacement Program	2,000	1,500	1,500	1,500	1,500	8,000
General Underground Network and Commercial R&R and Upgrades	1,750	1,500	1,500	1,500	1,500	7,750
Substation R&R Project - Transformer Replacements	1,400	1,400	1,400	1,400	1,400	7,000
Transmission Circuit 666 Replace Structures 31-37 - Storm Hardening	1,328	0	0	0	0	1,328
Energy Management System - Distribution Management System Integration	1,200	150	0	0	0	1,350
Center Park Substation Protection Improvements	1,074	480	0	0	0	1,554
Eagle 138 - 13.8 kV Substation - System Protection and Controls Project	986	71	0	0	0	1,057
Automatic Recloser Deployment	940	940	235	235	235	2,585
Transmission Lines & Control Updates - System Protection and Controls	922	900	900	0	0	2,722
Dinsmore 230 - 26 kV Substation	860	6,020	3,867	0	0	10,747
Southside GIS 69kV Contoller Replacement	835	0	0	0	0	835
26kV Feeder Circuit Breaker Replacement	754	754	754	754	754	3,770
General Substation Improvements	700	500	500	500	500	2,700
Normandy Substation Protection Improvement	659	0	0	0	0	659
Distribution System - Pole Removal	600	600	600	600	600	3,000
230KV_138KV_69 kV Insulator Refurbishment	600	500	500	500	500	2,600
Underground Cable Replacement Program - Existing Developments	500	500	500	500	500	2,500
General Distribution Improvements	500	500	500	500	500	2,500
230 KV_138KV_69 kV Pole Refurbishment	500	500	500	500	500	2,500
Distribution Photovoltaic Project	490	0	0	0	0	490
Bartram 230 kV Bay & Breaker addition Circuit 909	458	60	0	0	0	518
Real Time Electric Outage Alerts for Critical Sites	450	0	0	0	0	450
Northside Substation Improvements	434	0	0	0	0	434
Lane Ave T1 Transformer Replacement	427	0	0	0	0	427
Bartram 230 kV Bay and Breaker Addition for Circuit 909	410	2,336	0	0	0	2,746

FY2018 Budget: Electric System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
West Jax Substation Protection Improvement	364	0	0	0	0	364
General Transmission Improvements	300	300	300	300	300	1,500
General Protection System Improvements Transmission	300	300	300	300	300	1,500
Capital Tools and Equipment - Electric	295	175	175	175	175	995
Kennedy Substation 13kV Switchgear - System Protection & Controls Project	290	0	0	0	0	290
Cable Pothead Replacements – Kennedy Circuit 682 and Hunter Rd. Circuit 688	250	430	0	0	0	680
(R) JP - Twin Creeks - SR210 - Electric	234	275	0	0	0	509
Greenland Energy Center 230 kV Bay and Breaker Addition for Circuit 909	220	1,152	0	0	0	1,372
Ft Caroline Substation Protection Improvement	203	0	0	0	0	203
Greenland 230 kV Bay & Breaker Addition Circuit 909	198	219	0	0	0	417
4kV Conversion - Fairfax and 21st & Hubbard	189	1,446	319	0	0	1,954
Blair Rd Solar Center Project	188	0	0	0	0	188
Kennedy and Dillon HPFF Pipe - Type Cable Pumping Skid Replacements	186	0	0	0	0	186
Dinsmore 230 - 26 kV Substation - System Protection & Controls Project	182	468	0	0	0	650
Greenland Substation Protection Improvement	130	0	0	0	0	130
Ritter Park 429 Reconductor	126	629	71	0	0	826
Staratt 365 Extension: Webb Rd from Staratt Rd to Staratt Solar Center	121	0	0	0	0	121
(R) - FP&L - Nassau Substation Interconnection	117	0	0	0	0	117
Baldwin 23kV to 26 kV Conversion	116	0	0	0	0	116
Sutton Lakes URD Tie 219 & 442	101	0	0	0	0	101
OM - General Transmission Improvements	100	100	100	100	100	500
Energy Management System - Remote Terminal Units Upgrade	100	50	50	50	50	300
Capital Tools and Equipment	80	80	80	80	80	400
Eagle 138kV Circuit 847 Interconnect	60	408	0	0	0	468
Electric Customer Service Response Tools and Equipment	55	55	55	55	55	275
26KV Reconductor Circuit 417-418 - Woodley Rd from New Kings to Old Kings	54	377	243	0	0	674
Dinsmore 230 kV Circuit 937 Interconnect	54	240	206	0	0	500
Dinsmore Distribution Feeders	51	355	228	0	0	634
College St Substation 13kV Protection and Arc Flash Upgrade	51	0	0	0	0	51
Normandy 361 Extension: Blair Rd to Blair Rd Solar Center Electric and Fiber	50	0	0	0	0	50
Inmansolar Starratt Solar Center - Protection	50	0	0	0	0	50
Bartram 298: Substation to Bartram Park Bv	40	240	0	0	0	280
Bartram 230 kV Circuit 909 Interconnect	32	296	100	0	0	428
Greenland Energy Center 230 kV Circuit 909 Interconnect	24	409	0	0	0	433
Nocatee 230 - 26 kV Substation	0	4,000	5,000	1,000	0	10,000
Substation R&R Projects	0	3,000	3,000	3,000	3,000	12,000
Transmission R&R Projects	0	2,500	2,500	2,500	2,500	10,000
4kV Rehab – Distribution Projects	0	500	500	500	500	2,000

FY2018 Budget: Electric System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Nocatee Substation Distribution Feeders	0	250	1,500	500	0	2,250
Nocatee 230 kV Circuit 911 Interconnect	0	200	200	100	0	500
Nocatee 230 kV Circuit 917 Interconnect	0	200	200	100	0	500
Bartram 298: Substation to Bartram Park Bv System Protection & Controls	0	10	0	0	0	10
Cecil Commerce South Transmission	0	0	0	5,000	5,000	10,000
Cecil Commerce South Substation	0	0	0	2,000	7,000	9,000
West Jax T3 200 MVA Autotransformer Addition	0	0	0	2,000	2,500	4,500
Cecil Commerce South Distribution	0	0	0	300	400	700
TRANSMISSION AND DISTRIBUTION SUBTOTAL	102,012	89,767	72,677	69,547	73,179	407,182
ELECTRIC OTHER						
General Administration Office Building	25,000	26,000	0	0	0	51,000
Technology Services - Electric	11,395	10,815	10,245	12,585	10,245	55,285
Capital Administrative Overhead- Electric	11,300	9,300	9,300	9,300	9,300	48,500
New Operations Center (South)	7,000	15,000	0	0	0	22,000
Fleet - Replacement - Electric	6,865	8,020	6,646	6,846	6,900	35,277
Streetlight Improvements	5,000	5,000	0	0	0	10,000
WSSC Administrative and Warehouse Space	2,734	0	0	0	0	2,734
Fleet - Expansion - Electric	2,090	0	0	0	0	2,090
Facilities Security - Electric	620	620	620	620	620	3,100
Facilities Improvements - Building Upgrades - Electric	500	425	425	200	200	1,750
CWSC Drainage and Parking Issues – Electric	465	0	0	0	0	465
Facilities Roof Replacement - Electric	450	450	450	450	450	2,250
Facilities Heating, Ventilation, & Air - Electric	430	430	430	430	430	2,150
Streetlight Improvements - Jacksonville Downtown Phases 1.1, 1.2, and 2.0	325	0	0	0	0	325
Facilities - Paving & Site Improvements – Electric	250	250	250	250	250	1,250
Facilities Improvements - Lighting - Electric	200	200	300	100	100	900
Security - Fire System Sprinklers - Electric	200	200	200	200	200	1,000
Facilities Improvements, Plumbing and Fire System Upgrades - Electric	135	100	100	100	100	535
Security - Fencing - Electric	130	130	130	130	130	650
Energy Management System - Base Upgrade Project	130	130	130	130	130	650
Westside Service Center Paving Upgrades - Electric	130	0	0	0	0	130
Laboratory Equipment Upgrades - Electric	75	75	75	75	75	375
Enabling Technologies	74	0	0	0	0	74
Utility Locate Group - Capital Equipment - Electric	50	50	50	50	50	250
Facilities Improvements - Elevators - Electric	50	50	50	50	50	250
SSSC HVAC Safety Restroom and Door Upgrades	0	2,000	0	0	0	2,000
CWSC - Interior and Roof Upgrades	0	2,000	0	0	0	2,000

FY2018 Budget: Electric System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
ELECTRIC OTHER SUBTOTAL	75,598	81,245	29,401	31,516	29,230	246,990
GRAND TOTAL	205,195	199,735	121,646	117,563	124,449	768,588

FY2018 Budget: Water System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
WATER						
OM - Water Delivery System R&R	4,400	4,400	4,400	4,400	4,400	22,000
West Nassau Regional WTP - Expansion from 1.0 to 5.0 MGD	4,376	0	0	0	0	4,376
Water Meter Replacement	3,600	3,400	3,500	3,600	6,500	20,600
Northwest Regional WTP - New 6.0 MGD WTP	2,874	0	0	0	0	2,874
Nassau Regional WTP - Well No. 3	2,580	0	0	0	0	2,580
Water Meter Growth	2,403	2,250	2,350	2,450	2,030	11,483
Residential Network Meter Reading Meter and Module Replacement Project	2,100	0	0	0	0	2,100
Otter Run Water Treatment Plant R&R	1,965	0	0	0	0	1,965
Yellow Bluff Rd - Marshland Dr to Tisons Bluff Rd - Transmission - Water	1,911	0	0	0	0	1,911
Large Water Meter Replacement	1,900	1,820	1,925	2,030	0	7,675
Well Rehabilitation & Maintenance - McDuff Wells	1,783	1,285	10	0	0	3,078
Integrated Water Supply Testing Evaluation and Rehabilitation	1,660	2,000	2,000	342	0	6,002
Arlington WTP - High Service Pump Replacement	1,421	0	0	0	0	1,421
JP - JTA - Alta Drive Roadway Improvements - Water	1,356	355	0	0	0	1,711
Woodmere WTP - Well No 3 and Storage Tank Replacement	1,302	2,280	0	0	0	3,582
Main St WTP - Well No 15 - New Lower FI Aquifer Well	1,288	100	0	0	0	1,388
Baptist Hospital Water Main Replacement	1,285	0	0	0	0	1,285
Main St WTP - 1st St to Franklin St - Transmission - Water	1,095	5,183	1,492	0	0	7,770
RiverTown WTP - New 6.0 MGD WTP	1,050	6,113	6,000	0	0	13,163
Joint Participation Projects - Water	1,050	1,500	2,000	2,000	2,000	8,550
Water Transmission Replacement - Program	1,050	1,170	3,161	1,831	7,755	14,967
Water Plant Capital Renewal & Replacement	1,050	1,000	1,000	1,000	1,000	5,050
South Grid Water Quality - Well Improvement	825	827	180	0	0	1,832
Main Extensions and Taps - Water	750	750	750	750	750	3,750
Well Rehabilitation & Maintenance - Fairfax Wells	744	880	498	0	0	2,122
Riverview Watermain Phase 1	714	0	0	0	0	714
US1 South Water Repump Facility	700	4,900	0	0	0	5,600
Marietta WTP - High Service Pump Upgrade	672	0	0	0	0	672
JP - COJ - Lower Eastside Drainage (First St - APR Blvd to Van Buren) - Water	625	630	0	0	0	1,255
William Burgess - Harts Rd to Nevada Ave - Transmission - Water	613	0	0	0	0	613
Cecil TP Ground Storage Tank and High Service Pump	545	2,493	1,100	0	0	4,138
E 1st St Main St to E 4th St - Raw Water	532	2,785	700	0	0	4,017
Rivertown - SR13 - Estate Lots - Water Main	521	0	0	0	0	521
Main St WTP - Ozone Generator - Addition	519	1,237	1,236	0	0	2,992
Lakeshore WTP - Reservoir Rehabilitation	457	2,122	1,401	0	0	3,980
Water Treatment Plants - Sodium Hypochlorite Storage Tank Upgrades	440	440	440	440	440	2,200
Pepsi Water Main Replacement	420	0	0	0	0	420

FY2018 Budget: Water System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Well Field R&R	400	700	700	700	700	3,200
Greenland WTP - Expansion from 6.0 to 12.0 MGD	396	1,087	1,779	1,779	0	5,041
JP - JTA - Collins Rd - Water	360	0	0	0	0	360
Ponce De Leon WTP - Well No 2 Replacement	345	698	0	0	0	1,043
McDuff WTP - High Service Pump Replacement	328	1,500	193	0	0	2,021
Westlake WTP - Well No 4 and Raw Water Main	315	1,198	1,137	0	0	2,650
Grid - Cost Participation - Water	250	250	250	250	250	1,250
Beaver St - Lane Ave to Carnegie St - Transmission - Water	245	0	0	0	0	245
Lofton Oaks WTP Improvements	200	1,000	470	0	0	1,670
JP - FDOT - (SR13) San Jose Blvd - Cornell Rd to San Marco Blvd - Water	179	0	0	0	0	179
Nocatee - Landing Trail - Water	136	0	0	0	0	136
Development Driven Projects - Water	100	500	500	500	500	2,100
WTP Reservoir R&R	100	100	100	100	100	500
JP - SJC - Race Track Rd - Water Main Relocation	100	0	0	0	0	100
Rivertown - 2A - Orange Branch Rd - Water	91	0	0	0	0	91
JP - COJ - 11th and 12th Street Connector - Boulevard to Davis - Water	87	0	0	0	0	87
Rivertown - SR13 - Landings to Parcel 46 - Water	69	0	0	0	0	69
JP - FDOT - Pecan Park Rd - I-95 - Water	61	0	0	0	0	61
Norwood WTP High Service Pump	50	200	1,000	500	0	1,750
JP - FDOT - Kings Rd - Cleveland St to Darrow Rd - Water	44	0	0	0	0	44
JP - FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3 - Water	36	40	0	0	0	76
JP - FDOT - (SR111) Cassat Ave - Lenox Ave to Blanding Blvd - Water	20	0	0	0	0	20
Main ST WTP - Well 13 - Water	20	0	0	0	0	20
JP - FDOT - SR 9A (I-295) - Managed Lanes - JTB - 9B Extension - Water	18	0	0	0	0	18
JP - FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Sect 1 - Water	9	9	3	0	0	21
Owens Rd - Ranch Rd to Max Leggett Pkwy - Water	8	242	977	341	0	1,568
JP - FDOT Beaver Street Water Improvements - Stockton to Ocean - Water	5	0	0	0	0	5
JP - FDOT - SR 9B - Duval - St Johns County Line to CR2209 - Water	3	3	0	0	0	6
103rd St - Pressure Sustaining Valve - Addition	0	2,250	0	0	0	2,250
Ft. Caroline Rd - McCormick Rd to Fulton Rd - Distribution - Water	0	1,028	0	0	0	1,028
Alternative Water Supply - Pilot Plant	0	500	1,500	3,000	9,000	14,000
Pages Dairy Rd - Felmor Rd to Chester Ave - Transmission - Water Main	0	408	1,566	3,471	0	5,445
Westlake WTP - Expansion from 3.0 to 7.0 MGD	0	320	1,500	2,180	2,500	6,500
N Main St Dr - Setzer Rd to Gun Club Rd - Transmission - Water	0	280	1,100	2,382	0	3,762
Jones Rd - Teague Rd to Prichard Rd - Transmission - Water	0	250	1,000	2,476	0	3,726
St Johns Forest Wells	0	50	1,000	500	0	1,550
Fire Hydrant In-Fill	0	50	50	50	50	200
T-Line - US 1 to Bartram Repump - Transmission - Water	0	0	308	626	2,647	3,581

FY2018 Budget: Water System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Cisco Dr - Westlake WTP to Garden St - Transmission - Water	0	0	220	850	1,895	2,965
Trout River Blvd - US1 to Sibald Ave - Transmission - Water	0	0	150	580	1,296	2,026
Pritchard Rd - Old Plank Rd to Cisco Dr W - Transmission - Water	0	0	140	540	1,192	1,872
Southeast WTP Ground Storage Tank	0	0	50	2,000	500	2,550
Beacon Hills Ground Storage Tank	0	0	50	750	0	800
Main St WTP - Wells 7 & 12 Lining	0	0	50	250	0	300
Nocatee South Water Repump	0	0	0	200	800	1,000
Oakridge WTP High Service Pump Expansion	0	0	0	50	300	350
Brierwood WTP High Service Pump Expansion	0	0	0	50	300	350
Chaffee Rd - Westmeadows Dr S to Samaritan Wy - Transmission - Water	0	0	0	0	500	500
New World Av - Waterworks Ave to Chaffee Rd - Transmission - Water	0	0	0	0	500	500
Lovegrove HSP and Building Replacement	0	0	0	0	50	50
Royal Lakes WTP High Service Pump Expansion	0	0	0	0	50	50
WATER SUBTOTAL	56,551	62,583	49,936	42,968	48,005	260,043
SEWER						
Greenland WW Treatment Plant - 6.0 MGD	24,320	4,000	15,000	25,000	21,000	89,320
Blacks Ford WRF - Expansion from 3.0 to 6.0 MGD	18,031	1,000	0	0	0	19,031
DII - T-Line to Busch Dr - Transmission - Force Main	10,317	0	0	0	0	10,317
Pump Station Electrical Reliability - Generators, Switches, Controls, etc	8,000	7,500	7,500	7,500	7,500	38,000
Bradley Road Pump Station Improvements	6,971	2,247	0	0	0	9,218
Argyle Forest Booster Station & Related Stations Upgrades	3,683	1,000	0	0	0	4,683
Arlington East Secondary Clarifier Addition	3,594	980	0	0	0	4,574
Ductile Iron Force Main Replacement - Program	3,400	3,075	4,325	3,400	3,320	17,520
OM - Sewer Collection System R&R	3,150	3,000	3,000	3,000	3,000	15,150
Pumping Stations - Capital Equipment Replacement	2,600	2,600	2,500	2,500	2,500	12,700
DII - Main St to Pulaski Rd- Transmission - Force Main	2,428	820	0	0	0	3,248
Huffman Bv - Tulip Cir N to St Johns Bluff Rd - Force Main - Sewer	2,419	0	0	0	0	2,419
OM - Sewer Collection System Trenchless R&R	2,400	2,400	2,400	2,400	2,400	12,000
2304 McMillan - Class III/IV	2,322	0	0	0	0	2,322
4511 Spring Park Rd Lift Station	2,307	150	0	0	0	2,457
Mandarin - Old St Augustine Booster WW Pump Station	2,250	0	0	0	0	2,250
Gravity Sewer Replacement - Program	2,016	1,853	1,194	1,822	3,000	9,885
DII - Robena Rd Booster WW Pump Station	2,004	338	0	0	0	2,342
Wastewater Treatment Facilities - Capital Equipment Replacement	2,000	2,000	2,000	2,000	2,000	10,000
Pumping Stations - Class I, II Station Rehabilitation	2,000	1,900	1,900	1,900	1,900	9,600
Nassau RW Main - Radio Av to Harts Rd - Transmission - Reclaim	1,967	100	0	0	0	2,067
William Burgess Rd - SR200 to Harts Rd - Transmission - Reclaim	1,759	0	0	0	0	1,759

FY2018 Budget: Water System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
William Burgess Rd - SR200 to Harts Rd - Transmission - Force Main	1,752	0	0	0	0	1,752
Ponce De Leon WWTP - Package Treatment Plant	1,703	0	0	0	0	1,703
Herschel St Pump Station Force Main Replacement: Herschel St to Challen Ave	1,595	500	0	0	0	2,095
Buckman WRF - Aeration Basin Air Header and Diffuser Replacement	1,500	1,500	1,500	1,500	0	6,000
Julington Creek WWTF - Influent Structure Rehabilitation	1,393	0	0	0	0	1,393
Arlington East WRF - Influent Channel Rehabilitation	1,378	0	0	0	0	1,378
Nassau WWTF Expansion to 4 MGD	1,227	5,091	11,395	23,784	4,902	46,399
SCADA RTU and Control Panel Upgrades	1,200	1,200	1,200	1,200	1,500	6,300
Biosolids Process R&R	1,100	1,100	800	800	740	4,540
Southwest WRF - Screening Conveyance & Grit Removal Replacement	1,096	0	0	0	0	1,096
T - Line - JTB to Town Center Pkwy - Transmission - Force Main	1,064	1,450	0	0	0	2,514
Buckman WRF - Blower System Improvements	1,000	3,000	0	0	0	4,000
Galvanized Pipe Replacement - Program	1,000	2,000	2,000	2,000	2,000	9,000
Joint Participation Projects - Sewer	1,000	1,000	1,000	1,000	1,000	5,000
Gate Pkwy - Glen Kernan to T-Line - Transmission - Reclaim	942	5,353	372	0	0	6,667
Buckman - 5307 Buffalo Ave - Class III/IV	942	3,050	0	0	0	3,992
DII - Pulaski Rd Booster WW Pump Station	858	1,599	0	0	0	2,457
West Grid - Lenox to Timuquana - Force Main and Pump Station Improvements	795	8,900	450	0	0	10,145
Walnut St Trunkline Replacement: 32nd St PS to 16th St E	750	3,600	3,600	0	0	7,950
CR210 - Old Dixie Hwy to Twin Creeks - Transmission - Reclaim	750	0	0	0	0	750
Southwest - 5104 118th St - Class III/IV	665	5,327	330	0	0	6,322
Arlington East WRF - Site Lighting Upgrade	651	0	0	0	0	651
Buckman Disinfection System Replacement	648	5,704	347	0	0	6,699
Tredinick Pkwy - Millcoe Rd to Mill Creek Rd - Transmission - Reclaim	612	557	0	0	0	1,169
SW Service Area Infiltration and Inflow Analysis and Remediation	607	1,000	2,000	1,000	0	4,607
Arlington East WRF - Biotrickling Filter Rehabilitation	604	0	0	0	0	604
District II - 10800 Key Haven Bv - Class III/IV	591	302	0	0	0	893
Southwest WRF - Upgrade Aeration Blowers	591	0	0	0	0	591
Greenland - GEC to US-1 - Transmission - Force Main	558	2,215	0	0	0	2,773
Buckman WRF - Gallery Pipe Support Replacement	520	0	0	0	0	520
Buckman Biosolids Conversion - Process Facility	500	5,000	9,500	1,600	4,000	20,600
South Shores Sub-Aqueous FM Rehabilitation	500	500	4,000	4,000	0	9,000
Main Extensions and Taps – Sewer	500	500	500	500	500	2,500
St Johns Pkwy - Racetrack Rd to Espada Ln - Transmission - Reclaim	491	0	0	0	0	491
Monument Rd - Cancun Dr to Hidden Hills Ln - Transmission - Reclaim	475	0	0	0	0	475
Southwest - 4881 Timuquana Rd - Class III/IV	461	1,779	0	0	0	2,240
Buckman Biosolids Conveyor System Replacement	435	555	0	0	0	990
JP - JTA - Alta Drive Roadway Improvements - Sewer	423	107	0	0	0	530

FY2018 Budget: Water System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Arlington East WRF - Replace Auto-Transfer Switch	400	0	0	0	0	400
JP - COJ - Lower Eastside Drainage (First St - APR Blvd to Van Buren) - Sewer	395	460	0	0	0	855
District II WRF Primary Clarifier No. 2 and 3 Rehabilitation	389	2,890	35	0	0	3,314
Buckman - 1636 Talleyrand Ave - Sluice Gate Replacement	318	54	0	0	0	372
Gate Pkwy - Shiloh Mill Blvd to Town Ctr Pkwy - Reclaim	316	0	0	0	0	316
Twin Creeks Reclaim Water Storage Tank and Booster Pump Station	300	2,280	720	0	0	3,300
Nocatee South Reclaim Water Storage Tank and Booster Pump Station	300	2,030	2,770	0	0	5,100
RG Skinner - North Rd - Transmission - Reclaim	300	1,080	1,620	0	0	3,000
District II WWTP Reclaim Water Storage Tank and Offsite Booster Station	300	1,000	2,000	0	0	3,300
Diesel-driven Backup Pumps	300	300	300	300	300	1,500
OM - Turberculated Iron Gravity Pipe R&R	300	300	300	300	300	1,500
Arlington East - 201 Ponte Vedra Blvd Pump Station Replacement - Class I	293	0	0	0	0	293
Southwest WRF - Replace Main Breakers	291	0	0	0	0	291
Southwest - 6217 Wilson Bv - Class III/IV	290	2,776	254	0	0	3,320
5th St W - Imeson Rd to Melson Ave - Transmission - Force Main	290	1,847	3,763	0	0	5,900
Buckman WRF - Secondary MCC 9A and 9B Replacement	269	331	0	0	0	600
JP - JTA - Alta Drive Roadway Improvements - Reclaim	255	105	0	0	0	360
Bernita St FM Replacement: Macy Ave to Monterey WWTP	251	923	0	0	0	1,174
Grid - Cost Participation - Reclaim	250	250	250	500	500	1,750
Grid - Cost Participation - Force Main	250	250	250	500	500	1,750
Wastewater Odor Control - All Plants and Pump Stations	250	250	250	250	250	1,250
DII - Main St - Sara Dr to Noah Rd - Force Main	241	0	0	0	0	241
Rivertown - SR13 - Estate Lots - Force Main - Sewer	238	0	0	0	0	238
Ponte Vedra WRF Access Platform Addition and Handrail Replacement	222	278	0	0	0	500
7703 Blanding Bv - Class III/IV	203	512	512	0	0	1,227
Arlington East WRF - Parallel Sludge Transfer Line	200	1,100	1,200	600	0	3,100
RG Skinner - 9B to Parcels 10A - 11 - Reclaim	200	914	0	0	0	1,114
RG Skinner - 9B to T-Line - Reclaim	200	826	0	0	0	1,026
Baymeadows Rd -Point Meadows Rd to Old Still PUD- Transmission - Reclaim	200	320	240	0	0	760
Buckman WRF Turbo Blower Improvements	200	0	0	0	0	200
Southwest WWTP - Bio-filter Bed Replacement	180	1,620	0	0	0	1,800
SCADA R&R	150	150	150	150	150	750
Development Driven Projects - Pump Stations	134	700	700	700	700	2,934
Nocatee - Landing Trail - Reclaim	122	0	0	0	0	122
Julington Creek WWTF - Clarifier Replacement and Access Platform Addition	116	514	0	0	0	630
CR210 - South Hampton to Ashford Mills - Transmission - Reclaim	106	526	0	0	0	632
Development Driven Projects - Reclaim	100	400	400	400	400	1,700
Development Driven Projects - Sewer	100	200	200	200	200	900

FY2018 Budget: Water System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Waste Water Pumping Station Safety Improvements - Guard Rail Installation	100	100	100	100	100	500
OM - Air Relief Valves R&R	100	100	100	100	100	500
JP - JTA - Girvin Rd - Atlantic Bv to Wonderwood Dr - Sewer	100	0	0	0	0	100
Southwest WWTF Expansion from 14 to 18 MGD	89	2,000	5,000	10,000	14,800	31,889
Southwest WRF - Replace RAS Valves	86	0	0	0	0	86
District II Effluent Outfall Land Acquisition	85	0	1,100	0	0	1,185
Rivertown - 2A - Orange Branch Rd - Reclaim	83	0	0	0	0	83
DII - 11308 Harts Rd - Class III/IV	70	1,358	0	0	0	1,428
Alachua 24 inch Transmission Force Main - Alachua MPS to Wilson Blvd	70	0	0	0	0	70
Rivertown - 2A - Orange Branch Rd - Sewer	69	0	0	0	0	69
JP - JTA - Collins Rd - Sewer	69	0	0	0	0	69
OM - Reuse Delivery R&R	50	50	50	50	50	250
Diesel-driven Backup Pump R&R	50	50	50	50	50	250
OM - Manhole SCADA R&R	50	50	50	50	50	250
Reuse Facility - Capital Equipment Replacement	50	50	50	50	50	250
JP - FDOT - (SR13) San Jose Blvd - Cornell Rd to San Marco Blvd - Sewer	50	0	0	0	0	50
Nocatee Augmentation Well - Reclaim	42	0	0	0	0	42
JP - SJC - Race Track Rd - Reuse Main Relocation	38	0	0	0	0	38
Rivertown - 2A - Orange Branch Rd - Pump Station	37	0	0	0	0	37
JP - FDOT - SR 200 (A1A) Rubin to O'Neil Scott - Section 3 - Sewer	30	30	0	0	0	60
JP - COJ - 11th and 12th Street Connector - Boulevard to Davis - Sewer	30	0	0	0	0	30
JP - FDOT - SR 200 (A1A) I-95 to Still Quarters Rd - Sect 1 - Sewer	20	10	3	0	0	33
JP - FDOT - SR 9A (I-295) - Managed Lanes - JTB - 9B Extension - Sewer	19	0	0	0	0	19
JP - FDOT - Pecan Park Rd - I-95 - Sewer	15	0	0	0	0	15
JP - FDOT - SR 9B - Duval - St Johns County Line to CR2209 - Reclaim	13	8	0	0	0	21
T-Line - Amelia Concourse to Amelia National - Transmission - Reclaim	12	132	510	146	0	800
JP - SJC - Race Track Rd - Force Main Relocation	10	0	0	0	0	10
DII - Dunn Ave - Key Haven Blvd to Wingate Rd S - Transmission - Force Main	5	0	0	0	0	5
JP - FDOT - SR 9B - Duval - St Johns County Line to CR2209 - Sewer	4	2	0	0	0	6
Alachua Master Pump Station Improvements	4	0	0	0	0	4
Monterey WWTP - PS Discharge Main Replacement	4	0	0	0	0	4
1638 Talleyrand Av - Class III/IV	0	717	0	0	0	717
Nassau - Radio Ave - Class III/IV - New Pump Station	0	500	500	2,000	0	3,000
District II - 14491 Duval Rd - Class III/IV - Pump Upgrade	0	500	0	0	0	500
Blacks Ford & Ponte Vedra Treatment Plant	0	481	1,025	0	0	1,506
US 1 - Greenland WRF to CR 210 - Transmission - Reclaim	0	300	2,600	3,500	1,400	7,800
T-Line - Greenland Substation to GEC - Transmission - Reclaim	0	300	1,120	1,680	0	3,100
St Johns Bluff Rd - UNF to Bradley MPS - Transmission - Force Main	0	300	1,100	2,570	0	3,970

FY2018 Budget: Water System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
CR210 - Twin Creeks to Russell Sampson Rd - Transmission - Reclaim	0	300	1,080	1,620	0	3,000
District 2 WWTF UV Upgrades	0	300	2,920	3,780	0	7,000
Mandarin - 9247 Baymeadows Rd - Class III/IV - Pump Upgrade	0	250	750	0	0	1,000
Mandarin - 8751 Bayleaf Dr - Class III/IV - Pump Upgrade	0	250	750	0	0	1,000
Monterey - 3254 Townsend Rd - Class III/IV - Pump Upgrade	0	250	750	0	0	1,000
Monterey - 5838 Pompano - Class III/IV - Pump Upgrade	0	250	750	0	0	1,000
Mandarin - 8331 Princeton Sq - Class III/IV - Pump Upgrade	0	250	250	1,000	0	1,500
RiverTown WTP - RW - New Storage and Pumping System	0	200	1,620	2,130	0	3,950
Greenbriar - Longleaf Pine Pkwy to Spring Haven Dr- Transmission - Reclaim	0	200	1,320	1,980	0	3,500
Russell Sampson Rd - St. Johns Pkwy to CR210 - Transmission - Reclaim	0	200	920	1,380	0	2,500
8431 Springtree Rd - Class III/IV	0	38	438	0	0	476
Deercreek Club Rd - Southside Bv to Waterton La - Distribution - Force Main	0	12	144	249	0	405
Buckman Biosolids Conversion O&M, Warehouse & Pump Shop Facility	0	0	500	2,500	2,000	5,000
T-Line - Brandy Branch to Beaver St - Distribution - Force Main	0	0	360	1,300	3,190	4,850
US-1 - Twin Creeks MPS to Alphons St - Transmission - Force Main	0	0	300	2,500	3,500	6,300
Greenland - Reedy Branch PS to GEC - Transmission - Force Main	0	0	300	2,500	3,500	6,300
DII - New Berlin Rd - Yellow Bluff Rd to Eastport Rd - Force Main	0	0	300	1,260	2,784	4,344
Old Middleburg Rd- Argyle Forest Blvd to Maynard- Transmission - Force Main	0	0	250	950	2,112	3,312
Monterey - 7732 Merrill Rd - Class III/IV - Pump Upgrade	0	0	250	750	0	1,000
Monterey - 8043 Carlotta Rd - Class III/IV - Pump Upgrade	0	0	250	750	0	1,000
Mandarin - 4181 Lavista Cr - Class III/IV - Pump Upgrade	0	0	250	750	0	1,000
Southwest - 1060 Ellis Rd - Class III/IV - Pump Upgrade	0	0	250	500	0	750
Deerwood Pk - Burnt Mill to JTB - Transmission - Force Main	0	0	80	310	712	1,102
T-Line - Park Ave to Pulaski Rd MPS - Easement Acquisitions	0	0	0	1,000	0	1,000
Old Middleburg Rd - Maynard PI to Shindler Dr - Force Main	0	0	0	935	0	935
118th St - Kinkaid Rd to Ricker Rd - Transmission - Force Main	0	0	0	680	2,719	3,399
Mandarin - 106 Twin Creeks - Class III/IV - Pump Upgrade	0	0	0	500	0	500
Arlington East - 420 Tresca Rd - Class III/IV - Pump Upgrade	0	0	0	500	0	500
Veterans Pkwy - Longleaf Pine Pkwy to CR210 - Transmission - Reclaim	0	0	0	300	3,000	3,300
District 2 WWTF RIB - Transmission ands Pumping - Reclaim	0	0	0	300	3,000	3,300
CCUA RW Transmission Main - Southwest WWTF to CCUA - Reclaim	0	0	0	300	1,400	1,700
Buckman Biosolids 1MW Scrubber, Generator, Load Transformer, Circuit	0	0	0	250	2,250	2,500
CR210 - Longleaf Pine Pkwy to Ashford Mills Rd - Transmission - Reclaim	0	0	0	250	2,050	2,300
DII - Woodley to Key Haven - Transmission - Force Main	0	0	0	190	0	190
DII Yellow Bluff Rd- New Berlin Rd to Victoria Lakes- Transmission - Force Main	0	0	0	177	936	1,113
DII - 10340 Woodley PS - Pump Mods	0	0	0	100	0	100
Monument Rd - AE WRF to St Johns Bluff Rd - Transmission - Reclaim	0	0	0	0	300	300
Arlington East Reclaim Water Filter - Increase Capacity from 8.0 to 10.0 MGD	0	0	0	0	300	300

FY2018 Budget: Water System Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Davis - Gate Pkwy to RG Skinner - Transmission - Reclaim	0	0	0	0	250	250
Greenland Reclaim Repump Facility - Storage Tank and Booster Pump Station	0	0	0	0	250	250
Ridenour WTP - Reclaim - Storage and Repump	0	0	0	0	200	200
Lenox Ave - Fouraker Rd to Palisades Dr - Distribution - Force Main	0	0	0	0	115	115
CR210 - St Johns Pkwy to Leo Maguire Pkwy - Transmission - Reclaim	0	0	0	0	100	100
Bartram Trail HS - Longleaf Pine Pkwy - Transmission - Reclaim	0	0	0	0	50	50
Glen Kernan Pkwy - Kernan Bv to Royal Troon La - Transmission - Reclaim	0	0	0	0	50	50
Station Creek Rd - Beach Bv to Hunt Club Rd N - Transmission - Reclaim	0	0	0	0	50	50
SEWER SUBTOTAL	153,488	132,576	122,867	142,793	115,980	667,704
WATER OTHER						
Technology Services - Water	6,730	7,210	6,830	8,390	6,830	35,990
Capital Administrative Overhead - Water	4,900	4,900	4,900	4,900	4,900	24,500
Fleet - Replacement - Water	4,616	4,142	4,266	4,394	4,525	21,943
Buckman - New Administration Building	2,585	0	0	0	0	2,585
JEA Tower - Building Renovations	1,000	1,000	0	0	0	2,000
Fleet - Expansion - Water	991	0	0	0	0	991
Facilities Generators - Water	850	850	850	850	850	4,250
Facilities Security - Water	635	635	635	635	635	3,175
Facilities Heating, Ventilation, & Air - Water	520	520	520	520	520	2,600
Facilities Improvements, Building Upgrades - Water	520	400	400	400	400	2,120
PSSC - Facility Upgrades and Site Improvements	450	0	0	0	0	450
Facilities Roof Replacement - Water	400	400	400	435	435	2,070
Springfield Lab Hood Upgrade	400	0	0	0	0	400
Facilities Improvements, Electric and Lighting Systems	300	300	400	400	400	1,800
Security - Fire Alarm and Sprinkler Systems - Water	300	300	300	300	300	1,500
Facilities - Paving & Site Improvements - Water	300	250	250	250	250	1,300
Facilities Improvements & Plumbing Upgrades	275	275	250	250	250	1,300
Laboratory Equipment Upgrades - Water	250	100	100	100	100	650
Easement Location and Acquisitions	150	150	150	150	150	750
Facilities Improvements - Elevators - Water	150	0	0	0	0	150
Security - Fencing - Water	100	100	100	100	100	500
Utility Locate Group - Capital Equipment - Water	50	50	50	50	50	250
OTHER SUBTOTAL	26,472	21,582	20,401	22,124	20,695	111,274
GRAND TOTAL	236,511	216,741	193,204	207,885	184,680	1,039,021

FY2018 Budget: DES Capital Improvement Plan

Project Description	(in thousands)					
	FY18	FY19	FY20	FY21	FY22	FY18-22
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
DES						
Downtown Development	2,000	0	0	0	0	2,000
Facilities - District Energy System	1,150	658	700	700	400	3,608
Springfield - Additional Back-up Generator	91	2,000	0	0	0	2,091
Springfield - Replace Chiller - 1	0	0	650	0	0	650
Springfield - Replace Chiller - 4	0	0	0	650	0	650
Hogan's Creek - Building Rehab & Paint	0	0	0	300	0	300
DES - Downtown Plant - Tower R&R	0	0	0	133	0	133
Springfield - Replace Chiller - 3	0	0	0	0	650	650
San Marco - Replace air cooled chiller with liquid cooled	0	0	0	0	300	300
GRAND TOTAL	3,241	2,658	1,350	1,783	1,350	10,382

IV. A. 3.

Quarterly Audit Services Update



AGENDA ITEM SUMMARY

April 24, 2017

SUBJECT: QUARTERLY AUDIT SERVICES UPDATE

Purpose: ☒ Information Only ☐ Action Required ☐ Advice/Direction

Issue: The Quarterly Audit Services Update provides the JEA Board of Directors with information on the current Internal Audit, Enterprise Risk Management and Ethics Investigations & Audit activities.

Significance: The Internal Audit Group reviews internal control processes and ensures that departments maintain compliance with all procedures and regulations. JEA's Enterprise Risk Management (ERM) Program identifies, assesses, measures, monitors and actively manages risk. The Ethics Investigations and Audit Group conducts internal investigations of confidential reports into JEA's Ethics Hotline (EHL) and from other sources.

Effect: JEA is able to manage risks and monitor controls, identifying issues to reduce and/or prevent impact to business operations.

Cost or Benefit: The benefits to the organization are seen in risk avoidance or management and the knowledge that the business is in compliance with rules and regulations.

Recommended Board action: No action required. The Quarterly Audit Services Update is for information only.

For additional information, contact: Ted Hobson, 904-665-7126

Submitted by: PEM/TEH/SVT



Commitments to Action

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

Audit Services Q2 FY17 Report

Steve Tuten - Director, Audit Services

As of March 31, 2017

Audit Services Q2 FY17 Report – Table of Contents

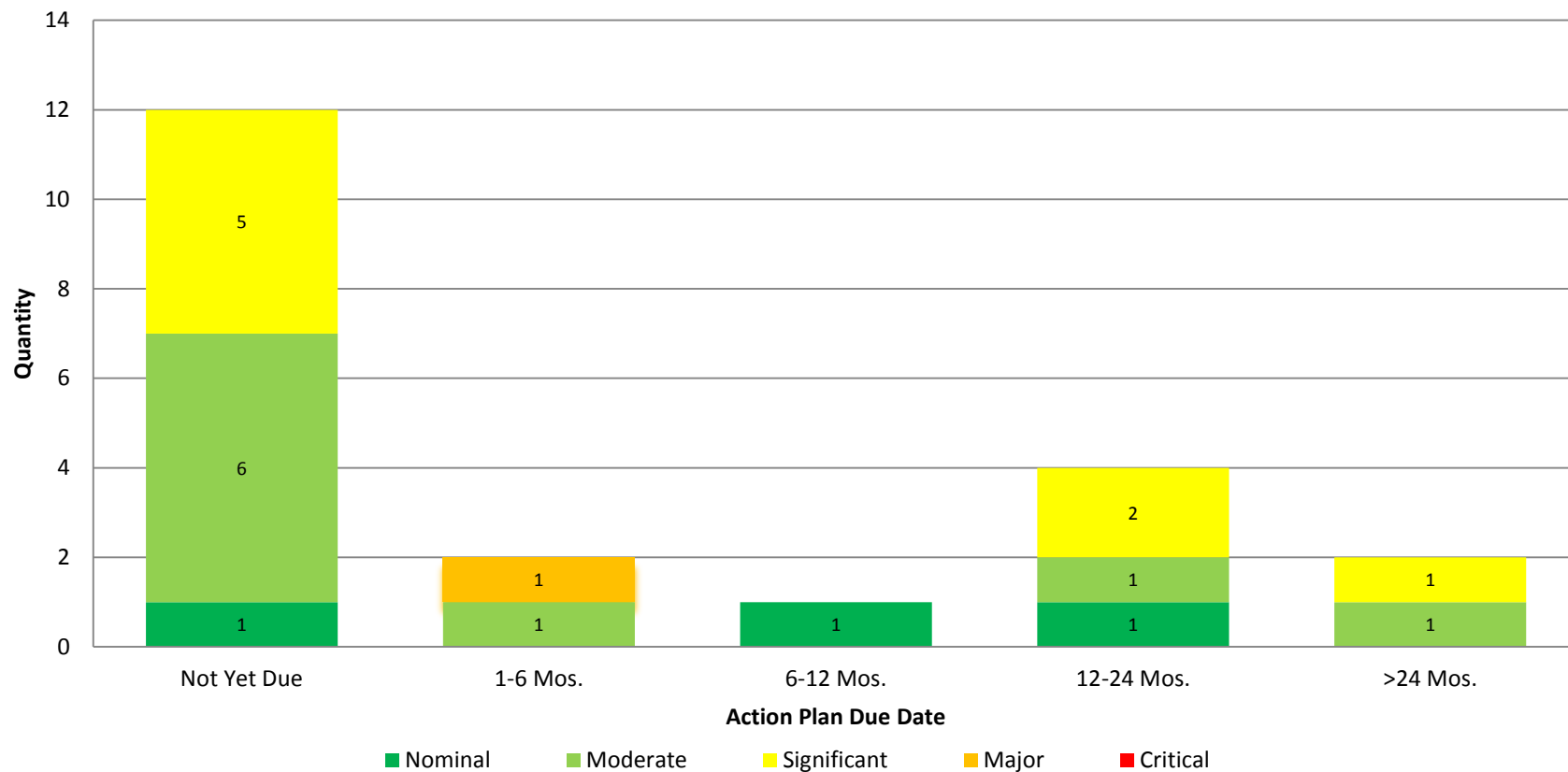
<u>Topic</u>	<u>Pages</u>
• Internal Audit	3-6
• Enterprise Risk Management (ERM)	7-12
• Ethics Investigations & Audit	13-16

Internal Audit Team Highlights

- **Senior Auditor/Auditor Open Position** - We recently opened our fourth recruitment, this time for both position levels; will fill one or the other with the right candidate. We will continue to use the Randstad contractor (Chris Page) through the end of May.
- **FY17 Internal Audit Plan** - We are slightly behind schedule, due primarily to the open position, but, due to adjustments to our Plan, have a good chance of completing the Plan. The current timeline and details regarding the changes to the FY17 Internal Audit Plan are shown on pages 5-6.
- **Open Audit and Investigation Report Issues** - As of 3/31/17, there were 21 open issues requiring management's corrective action plans. This represents a decrease of twelve open items since our last report. See pg. 4 for the distribution of these issues by issue rating and action plan due date. Note: The more aged issues are dependent on the actions of third parties (e.g. MEAG/Vogtle) and/or completion of key projects (e.g. Oracle eAM).

Open Audit and Investigation Report Issues

Open Action Plan (21) by Issue Rating and Action Plan Due Date



FY17 Internal Audit Plan – Schedule

Audit/Project	Auditor-in-Charge	Status	FY 2017 Hours			First Draft Report			Comments	Final Draft Report Date	Audit Report Rating	2017 Audit Timeline						
			Budgeted Hours (adjusted)	Actual Hours	Will Meet/Met Budget	Audit Estimate due date (italic if updated)	Actual Date	Will Meet/Met Due Date				Mar	Apr	May	Jun	Jul	Aug	Sep
2016 Distribution, Development & Joint Projects <i>(400 hrs. total)</i>	Troy England (TE)	Final Draft Issued	60	257	●	8/29/2016	1/6/2017	●	Exceeded budget due to the time it's taken to thoroughly go through each project and grasp the processes involved.	2/27/2017	Satisfactory							
2016 Facilities Management <i>(375 hrs. total - 116 hrs. in FY16)</i>	David Arnold (DA) / Chris Page (CP)	Final Draft Issued	259	188	●	<i>11/7/2016 (1)</i>	12/2/2016	●	Audit Estimate updated due to Call Center work during Hurricane Matthew. Exceeded budget due to issues related to ADA. Chris Page hrs. not included in calculation.	1/17/2017	Satisfactory							
2016 System Protection & Controls <i>(350 hrs. total - 191 hrs. in FY16)</i>	Laurie Gaughan (LG)	Final Report Issued	153	155	●	<i>11/8/2016 (1)</i>	11/8/2016	●	Audit Estimate updated due to Call Center work during Hurricane Matthew	11/29/2016	Satisfactory							
Information Security <i>(FY16 - 60hrs. / FY17 566 hrs.)</i>	Rashid Brittain (RB)	First Draft Issued	500	640	●	<i>3/24/2017 (1)</i>	4/13/2017	●	Audit Estimate updated due to Call Center work during Hurricane Matthew. Hours overage due to complex audit report with 18 issues and a "Needs Improvement"	TBD	Needs Improvement							
TEA Audit	LG	Completed	100	99	●	No Report	N/A	N/A	Audit conducted 11/14-18/16. Nebraska Public Power District (NPPD) led audit.	N/A	Final report to be issued by NPPD.							
JEA & SJRPP FY2016 Performance Pay Audit	TE	Completed	200	79	●	11/22/2016 (JEA)	11/17/2016 (SJRPP) 11/22/2016 (JEA)	●	Memos were issued for JEA and SJRPP Performance Pay reviews.	11/17/2016 (SJRPP) 11/22/2016 (JEA)	-							
Real Estate Services & Revenue Contracts	CP / DA	Second Draft Issued	350	132	●	1/23/2017	2/10/2017	●	Hours for Randstad resource (CP) are not tracked on this spreadsheet.	TBD	Satisfactory							
SJRPP Enviro Engineering & Preventive Maintenance	LG	Final Draft Issued	350	348	●	2/28/2017	3/1/2017	●	Workpaper review is completed. First draft report is projected to be issued by due date.	3/27/2017	Satisfactory							
Security	DA / RB	First Draft Issued	DA - 375 RB - 175	DA - 306 RB - 146	●	2/28/2017	3/22/2017	●	Estimated due date was not met due to complex workpaper review process.	TBD	Satisfactory							
W/W/W Reuse & Delivery	TE	Testing	440	404	●	4/18/2017	TBD	●	Will not meet due date - new target April 28									
Electric Production CT Operations	LG / RB	Testing	LG - 400 RB - 68	LG - 132 RB - 21	●	6/6/2017	TBD	●	On track to meet due date and not exceed budgeted hours.									
Meter Operations <i>(formerly Water Meter Services)(2)</i>	DA / CP	Testing	450	152	●	6/15/2017	TBD	●	In addition to the estimated hours, Chris Page has been assigned 150 hours for several tests.									
Payroll and Compensation	RB	Planning	400	15	●													
FY2017 Action Plan Follow-Up	All Staff	Ongoing	400	199	●													
FY2018 Annual Risk Assessments	All Staff	Not Started	300	4	●													

Notes:

- (1) Updated due to Hurricane Matthew call center duties.
- (2) CEO request to audit both electric and water meters.



●	Audit will be/has been completed within estimated hours and due date.
●	Audit will be/has been completed slightly above estimated hours and due date. <i>(No more than a 10% variance!)</i>
●	Audit will be/has been completed significantly above estimated hours and due date.
N/A	Not Applicable or no data.

Completed Audit
In-Progress Audit
Scheduled Audit
Pending Audit
Administrative

FY17 Internal Audit Plan - Adjustments

The following scheduled audits have been expanded or postponed:

- **Meter Operations** – A requested scope expansion has been added from the original Water Meter Services audit to also include Electric Meter Services.
- **Telecommunications and Support** – Audit has been postponed due to the upcoming Critical Infrastructure Protection (CIP) audit and a recent reorganization of responsibilities within this area. We will re-evaluate the updated functions of this area during the 2018 Annual Risk Assessment process.
- **Technology Infrastructure** – Audit has been postponed due to the upcoming CIP audit and an installation of new system to be fully implemented before the end of fiscal year 2017. We have agreed with Management to include this area in the 2018 Audit Plan.

Enterprise Risk Management (ERM) Highlights

- **Current Initiatives:** Continuing to better evaluate Top Corporate Risks (TCRs) and assessing mitigation efforts. Projects underway include:
 - Working with Procurement and Financial Services to implement a vendor risk management process, including an ongoing vendor financial review.
 - New risk/mitigations underway for District Energy.
 - Working on developing a HIPAA (Health Insurance Portability and Accountability Act of 1996) risk assessment.
 - Reviewing and updating fraud management, physical security, terrorism, employee safety and public safety risks.
 - Developing consistent TCR talking points for the media and/or COJ.
- **Changes to Risk Score:** Based on the current decision to decommission the SJRPP plant, the risk score was changed from a Tier 1 (3/3) to a Tier 3 (1/1) risk. Effective mitigation is deemed to be in place to address any residual risks associated with the decommissioning of the facility and subsequent environmental cleanup.

- **Environmental Risks:** We are continuing to evaluate our environmental risks based on the political changes at the federal government/regulatory agency levels. These may add uncertainty to the requirements, such as less stringent standards, extended timeframes for compliance and/or rollback of some requirements. Current mitigations focus on monitoring regulatory changes to reassess impact and requirements.
- **Business Unit Risk Assessments** – Continuing to better align business processes with top corporate risk mitigations efforts, as well as identify/manage risks that may negatively impact business objectives. Eleven assessments have been completed to date, with twelve in progress.
- **Training** – The latest iteration of ERM training is soon to be available to all appointed employees and is expected to further enhance JEA's overall risk management culture, risk identification/mitigation skills, and interdepartmental synergy. Since the September, 2016 rollout, **75** employees (approximately 50% of Directors/Managers) have attended the class.

ERM – Tier 1 Top Corporate Risk Trends

ERM - Tier 1 Risk Trends as of Current Quarter (Q3 FY17)

ERM - Tier 1 Risk Trends as of Current Quarter (Q3 FY17)																		
Risk E= Electric, W= Water/Wastewater, F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function	FY13	FY14					FY15				FY16				FY17			Long Term Risk Exposure Trend (> 5 Years)
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3		
Electric Risks																		
E1 - Carbon Emission Mitigation - Clean Power Plant	20	20	20	25	25	25	25	25	25	25	25	25	25	25	25	25	25	↔ Stable
E2 - Effluent Limit Guidelines for Steam Units	16	16	16	16	16	16	16	16	16	16	16	16	16	20	20	15	15	↔ Stable
E4 - Adverse Electric Commodity Supply and Pricing	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	↔ Stable
E3 - Coal Combustion Residual Rule (CCR)	15	15	15	15	15	15	15	10	10	10	10	10	10	15	15	15	15	↔ Stable
E5 - Cooling Water Intake Structures 316(b)	10	10	10	10	10	10	10	10	10	10	10	10	10	20	20	20	20	↔ Stable
E6 - Long-term Planning/Load Forecast - Electric	6	6	6	10	10	10	10	10	10	10	10	10	10	10	10	10	10	↑ Increasing
E7 - Critical Infrastructure Protection (CIP) Compliance	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	↑ Increasing
Water/Wastewater Risks																		
W1 - Water Supply Management/Long Term Planning	12	12	12	12	15	15	15	15	15	15	15	15	15	15	15	15	15	↑ Increasing
W3 - Sanitary Sewer Overflow Management	6	6	6	6	6	6	8	8	8	8	8	8	8	8	12	12	12	↓ Decreasing
Corporate Wide Risks																		
H1 - Pensions	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	↔ Stable
F1 - Revenues and Expenses Management	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	↑ Increasing
C1 - Customer Relationship Management	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	↔ Stable
C2 - Physical Security (Facilities Infrastructure Security and Regulatory Compliance)	9	9	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	↑ Increasing
C3 - New Technology				12	12	12	12	12	12	12	12	12	12	12	12	12	12	↑ Increasing
C16 - Weather & Climate Change Impact											15	15	15	15	15	15	15	↑ Increasing

Note: E1 Carbon Emission Mitigation risk is under review based on post-election results.

ERM – Tier 2 Top Corporate Risk Trends

ERM - Tier 2 Risk Trends as of Current Quarter (Q3 FY17)

Risk

E= Electric, W= Water/Wastewater. F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function

Risk E= Electric, W= Water/Wastewater. F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function	FY13	FY14				FY15				FY16				FY17			Long Term Risk Exposure Trend (> 5 Years)
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Electric Risks																	
E9 - FERC/NERC (Section 693) O&P Reliability & Compliance	9	9	9	9	8	8	8	8	8	8	8	8	8	8	8	8	↔ Stable
E10 - Nuclear Power Portfolio	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	9	↑ Increasing
E11 - Infrastructure Maintenance - Electric Systems Assets	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	↔ Stable
E20 - Operations Technology Management - Electric	4	4	4	4	4	4	6	6	6	6	6	6	6	6	6	6	↔ Stable
E12 – By-Product Management	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	↔ Stable
E13 - Infrastructure Destruction Due to Severe Weather	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	↔ Stable
Water/Wastewater Risks																	
W2 - Operations Technology Management - Water/Wastewater Systems	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	↔ Stable
W4 - Infrastructure Maintenance - Water/Wastewater Systems	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	↔ Stable
Corporate Wide Risks																	
C5 - Records Management	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	↔ Stable
C6 - Fraud Risk Management	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	↑ Increasing
T2 - Cyber Security Information Protection	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	↑ Increasing
H2 - Staffing	12	12	9	9	9	9	9	9	9	9	9	9	9	9	9	9	↔ Stable
H3 - Public and Employee Safety	6	6	6	9	9	9	9	9	9	9	9	9	9	9	9	9	↔ Stable
T1 - Technology Infrastructure Reliability	12	12	12	12	12	12	4	4	4	4	8	8	8	8	8	8	↔ Stable
T3 - Cyber Security Business Disruption							8	8	8	8	8	8	8	8	8	8	↑ Increasing
T4 - Technology Services Disaster Recovery/Business Continuity							8	8	8	8	8	8	8	8	8	8	↔ Stable
T5 - Technology Services Resource Optimization										9	9	9	9	9	9	9	↑ Increasing
C7 - Disaster Recovery/Business Continuity	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	↔ Stable
C8 - Black Swan (High Impact - Low probability event)	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	↔ Stable
F3 - Credit Availability/Cost	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	↔ Stable
C9 - Other Regulatory Compliance	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	↔ Stable
F4 - Counterparty Risk	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	↔ Stable
C4 - External Influence on Policy	9	9	10	10	10	10	10	10	10	10	8	8	8	8	8	8	↔ Stable
W6 - Water Quality Management												8	8	8	8	8	↔ Stable

ERM – Tier 3 Top Corporate Risk Trends

ERM - Tier 3 Risk Trends as of Current Quarter (Q3 FY17)

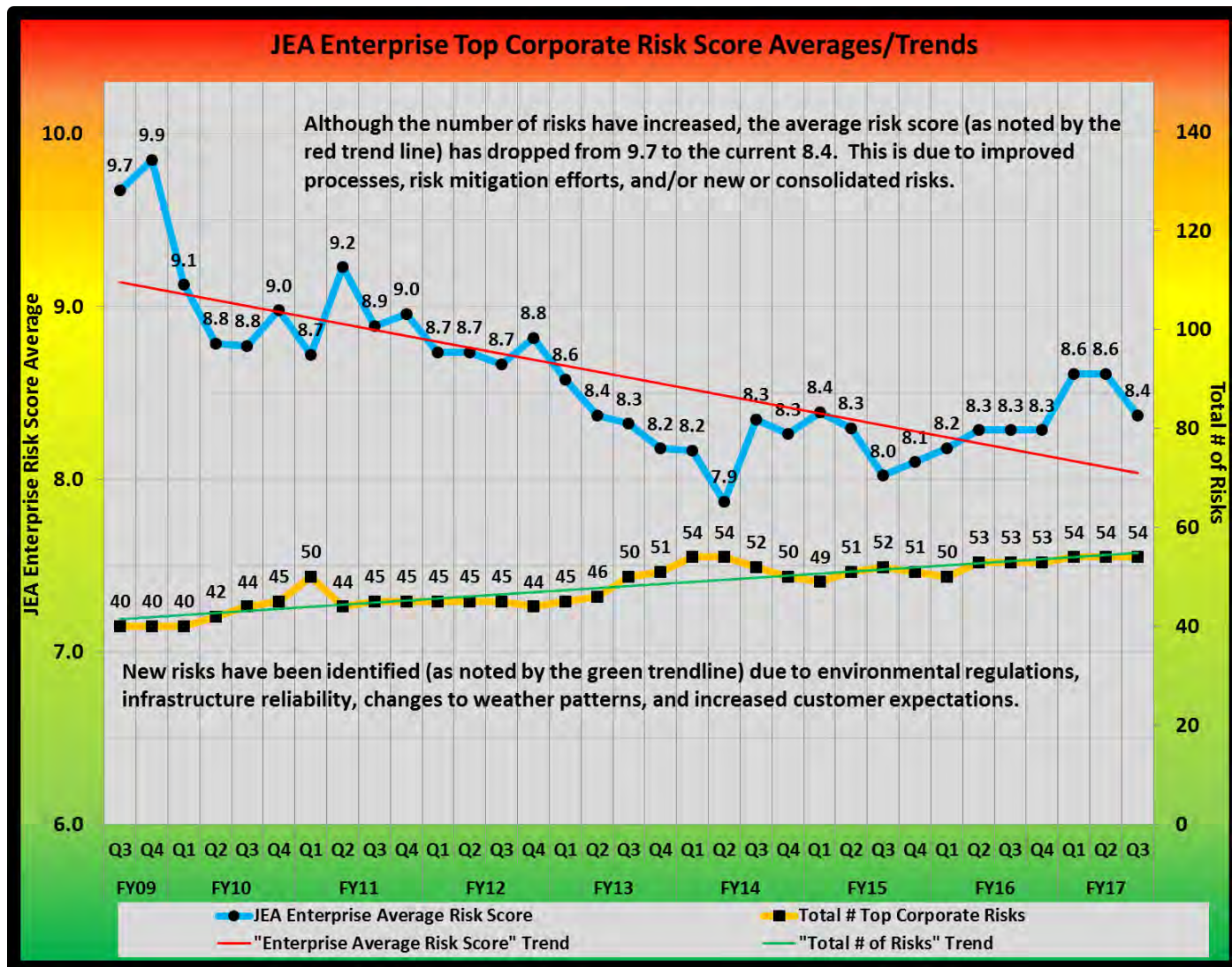
Risk
E= Electric, W= Water/Wastewater, F= Financial, H= Human Resources, T= Technology, C= Corporate-wide. Risks are in order by risk score within Business Function

FY13 FY14 FY15 FY16 FY17 Long Term Risk Exposure Trend (> 5 Years)

Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3

Electric Risks																	
E15 - TEA Activities Risk Management	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	↔ Stable
E16 - Air Emissions Reduction Regulatory Initiatives	20	20	20	4	4	4	4	4	4	4	4	4	4	4	4	4	↔ Stable
E17 - Mercury and Air Toxics Standards (MATS)	15	15	15	15	4	4	4	4	4	4	4	4	4	4	4	4	↔ Stable
E18 - Renewable Energy Standards	20	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	↔ Stable
E19 - Plant Scherer Environmental Lawsuit	6	6	6	4	1	1	1	1	1	1	1	1	1	1	1	1	↓ Decreasing
E21 - Natural Gas Sales - Commercial Customers								6	6	6	6	6	6	1	1	1	↔ Stable
Water/Wastewater Risks																	
W5 - Numeric Nutrient Criteria Mandates	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	↔ Stable
Corporate Wide Risks																	
C10 - Project Risk Assessment and Capital Allocation	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	↔ Stable
C12 - Capacity Plan Land Acquisition	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	↔ Stable
C13 - Key Customer Accounts Management	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	↔ Stable
F2 - Financial Regulatory Compliances (e.g. Dodd-Frank Bill)	9	9	9	9	9	9	9	4	4	4	4	4	4	4	4	4	↔ Stable
F5 - IRS Bond Audit Records Requirements	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	↔ Stable
H4 - Benefits	6	6	6	6	6	6	6	4	4	4	4	4	4	4	4	4	↔ Stable
C14 - Environmental Compliance Management	1	1	1	1	4	4	4	4	4	4	4	4	4	4	4	4	↔ Stable
E8 - SJRPP	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	1	↓ Decreasing

ERM – Top Corporate Risk Average Trends



Ethics Investigations & Audit Team Highlights

- The team has developed a good working relationship with the City's Office of the Inspector General (OIG) relating to complaints of fraud, waste or abuse received through the EHL and other sources.
- As of 3/31/17, we have reported eight complaints to the OIG, with JEA taking the lead or assisting the OIG on many of these cases.
- There have been two recent arrests (3/8/17 & 4/24/17) of JEA employees for falsification of official documents and employee theft (time card fraud). Both arrests relate to open cases being coordinated with the OIG. Management is developing control processes to detect and prevent such conduct in the future.

Ethics Hotline (EHL) Case Statistics

Open Cases 12/31/2016	Cases Opened 2Q FY17	Cases Closed 2Q FY17	Open Cases 3/31/2017
8	14	6	16

Categories For Cases Opened During 2Q FY17	
Alleged Fraud/Theft	6
Conflict of Interest/Ethics Matters	3
Other (General Inquiries)	3
Alleged Discrimination/Harassment	1
Alleged Substance Abuse	1
Total	14

Summary of Closed EHL Cases - 2Q FY17

Reporting Source	Allegation	Investigation Results
EHL	JEA-16-11-0001 – A caller reported that an employee had a firearm while at work, which was in violation of JEA policy. The caller indicated the employee was not threatening anyone or implying the gun would be used in any way.	It was determined the employee had a firearm in a personal vehicle while parked on JEA property. There was no evidence to conclude the employee took the firearm out of the vehicle while on JEA premises. It was later discovered the firearm was stolen from the employee's unlocked vehicle at JEA. The employee was disciplined for having a firearm in an unlocked personal vehicle while parked on JEA property.
Internal	JEA-16-11-0003 – An employee may have personally purchased items at a JEA discounted price and thus, may have violated JEA's ethics policy.	No evidence was found to substantiate the claim that the employee personally purchased items at a JEA discounted price. In fact, the vendor offered the discounted price to any JEA employee.
External	JEA-16-12-0001 – JEA Human Resources received an anonymous letter requesting an investigation be launched and formal complaint be logged against a JEA employee for unprofessional behavior in the office. Specific examples of the employee's behavior were identified in the letter, along with the names of witnesses. The complainant also alleged the employee's badging activity may not be consistent with the employee's timesheets and listed specific dates when the employee was away from the office longer than the employee should have been.	<p>Regarding concerns of unprofessional behavior, interviews were conducted with the employee and witnesses specified in the letter. Based on results of the interviews, Labor Relations deemed counseling was not warranted for the employee; however, it was recommended management address office etiquette with the entire team to mitigate future complaints.</p> <p>Relating to concerns the employee was not working timecard hours, a comprehensive analysis of the employee's time and attendance was performed. We determined the employee was working in total the required hours for the pay period; however, management was allowing employees to flex their time each day, which was not in accordance with bargaining unit requirements. Based on the results of this case, management is now requiring employees to accurately reflect hours worked each day on their timecard.</p>

Summary of Closed EHL Cases - 2Q FY17 (cont.)

Reporting Source	Allegation	Investigation Results
External	JEA-16-12-0003 - An anonymous informant notified JEA that an employee has a criminal record.	We determined the employee had previously been arrested over twenty years ago, with no convictions since the employee was hired by JEA in 2009. Our investigation of recent activity for the employee did not reveal any evidence of related misuse of JEA resources by the employee.
EHL	JEA-17-02-0002 - An anonymous caller requested guidance for donating old JEA work boots to a non-profit organization to ensure compliance with ethics procedures.	Because the caller was asking for advice on an ethics-related matter, the caller's request was forwarded to JEA's Ethics Officer, who provided a written response that was relayed to the caller through the Ethics Hotline.
EHL	JEA-17-02-0004 - A customer made a complaint against JEA for refusing to take a payment over the phone when service was disconnected for nonpayment.	Upon receipt of the call, we confirmed the customer's service had since been restored. A review of the customer's recorded calls to JEA's Call Center determined there was no evidence of policy or ethics violations, and alternative payment options were provided to the customer. The customer's concerns regarding payment policy were communicated to JEA's Customer Experience Director.

IV. A. 4.

Identity Theft Protection Program Fair and Accurate Credit
Transactions Act (FACTA) Annual Risk Assessment



Building Community

AGENDA ITEM SUMMARY

April 24, 2017

SUBJECT:	IDENTITY THEFT PROTECTION PROGRAM FAIR AND ACCURATE CREDIT TRANSACTIONS ACT (FACTA) ANNUAL RISK ASSESSMENT
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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: The Identity Theft Protection Program Fair and Accurate Credit Transactions Act (FACTA) Annual Risk Assessment provides the JEA Board of Directors an annual report as mandated by federal regulations governing identity theft.

Significance: JEA's Identity Theft Protection Program is a critical program designed to protect customer's Personally Identifiable Information (PII). Various regulations listed below mandate JEA to maintain an effective identity theft protection program. Regulations governing PII are:

FCRA – Fair Credit Reporting Act, 15 U.S.C. § 1681

FACTA – Fair and Accurate Credit Transactions Act of 2003

FIPA – Florida Information Protection Act, (501.171)

Effect: The primary objective of JEA's Identity Theft Protection Program is to prevent identity fraud involving JEA customers. This program has been in effect since 2008, and since 2014 has been monitored by the Compliance Oversight Committee.

Cost or Benefit: Identity theft has been a serious challenge and preventing customer identity fraud is one of the primary goals of JEA.

Recommended Board action: This item is provided for information only and fulfills the requirement of an annual update per FACTA regulations.

For additional information, contact: Ted Hobson, 904-665-7126

Submitted by: PEM/TEH/DM



Commitments to Action

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

2016 Risk Assessment

Identity Theft Protection Program Fair and Accurate
Credit Transactions Act (FACTA) Annual Risk
Assessment

Dan Mishra – Director, CIP Compliance

- JEA has a program to comply with Federal and State regulations concerning identity theft (FCRA, FACTA, and FIPA)
 - *FCRA – Fair Credit Reporting Act, 15 U.S.C. § 1681*
 - *FACTA – Fair and Accurate Credit Transactions Act of 2003*
 - *FIPA – Florida Information Protection Act, (501.171)*
- These three regulations address protection of Personally Identifiable Information (PII) of customers, employees, agents and contractors in JEA's possession.

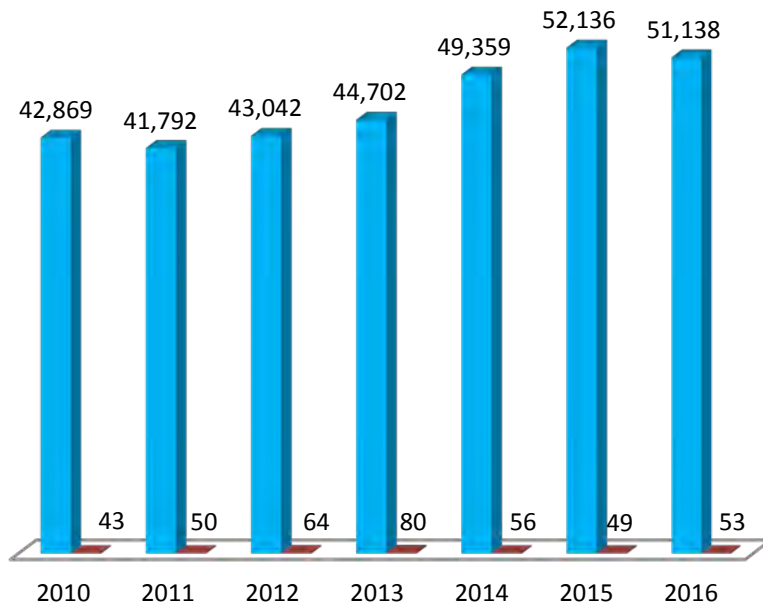
Compliance Oversight Committee

- Compliance Oversight Committee (COC) oversees compliance with Identity Theft Standards
- Committee consists of Chief Compliance Officer, Chief Customer Officer, Chief Information Officer, and Chief Human Resources Officer
- Objective of Risk Assessment – Review performance and identify major weaknesses or improvement opportunities
- Summary of Risk Assessment is provided to Finance & Audit Committee to fulfill FACTA Annual Reporting requirement

Program Metrics

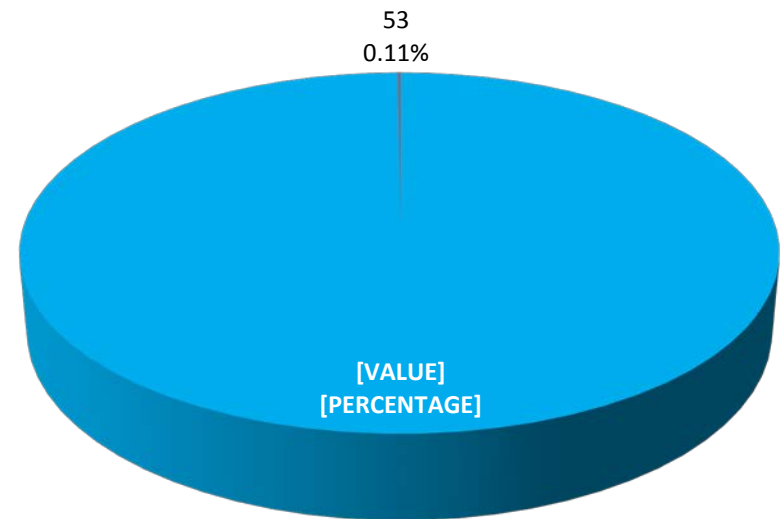
Accounts Opened Annually vs. Reported Cases of Identity Theft

■ Accounts Opened Annually ■ Reported Cases of Identity Theft



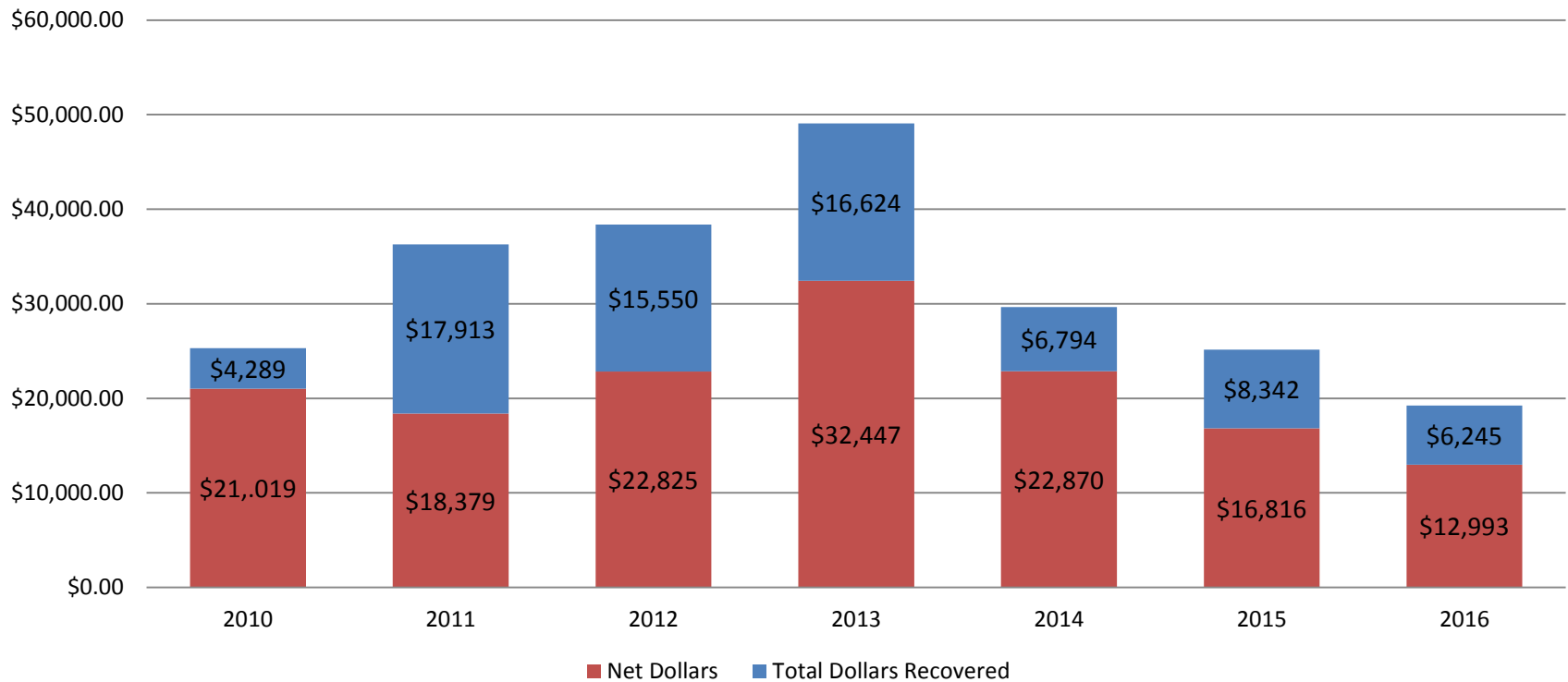
Accounts Opened Annually vs. Reported Cases of Identity Theft (Average 2010 to 2016)

■ JEA Accounts Opened Annually ■ Reported Cases of Identity Theft



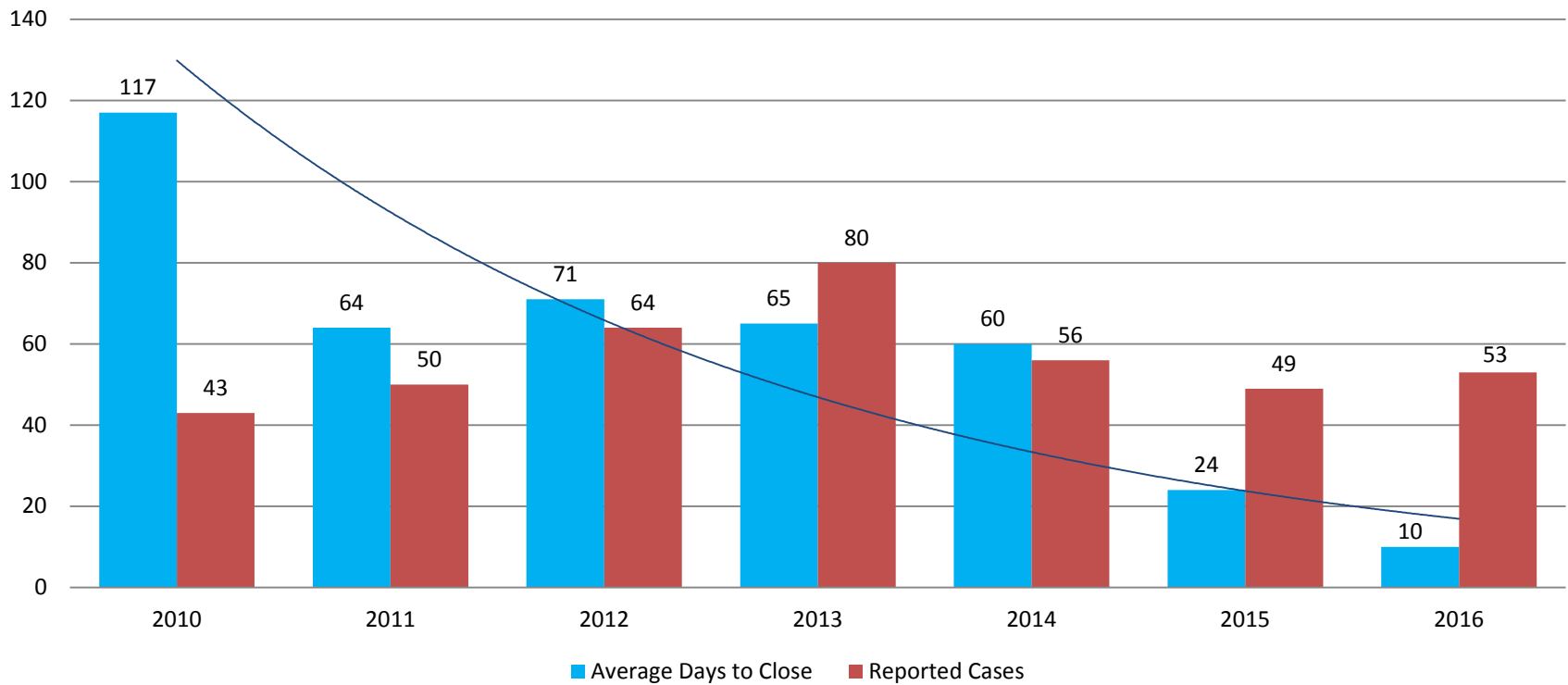
Program Metrics

Annual Monetary Involvement Net Dollars Lost vs. Dollars Recovered

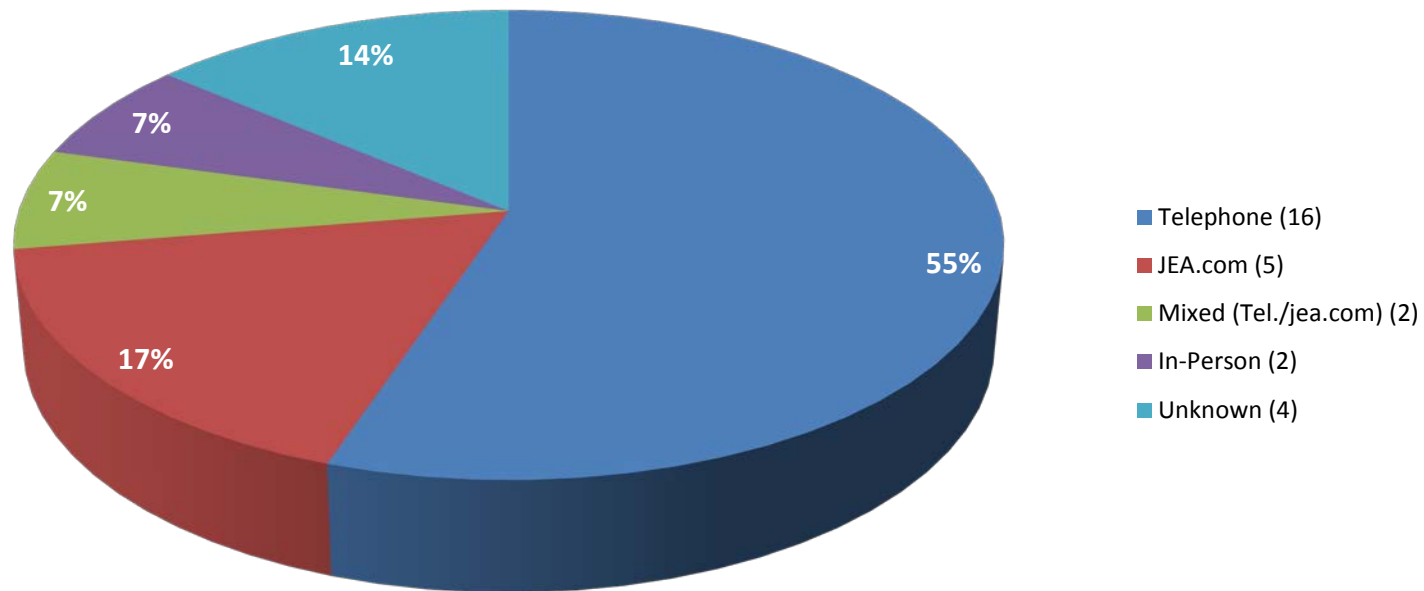


Operational Metrics

**Average Resolution Time (days)
Reported Cases of Identity Theft**



Source of Account Opening Confirmed Cases 2016



2016 Summary of Results

- Of the 29 confirmed cases reported in 2016
 - In 14 cases, the accounts were opened prior to the 2012 implementation of a more robust identity verification process using Experian
 - In 9 cases, the account opener provided verifiable PII
 - 6 cases (.01% of accounts opened in 2016) were the result of human error; additional training was designed and provided to the associates

2016 Summary of Results

- Audit Services reported no cases of identity theft by JEA employees.
- Information Security reported no detection of data extraction or access indicative of identity theft.
- Time to close reported cases of identity theft decreased to 10 days from 24 days recorded in prior year.

Corrective Measures

- Monthly review processes were implemented to:
 - Verify all new service agreements include an Experian identity check
 - Ensure proper segregation of duties between name and social security number change requests, and updates
- 3rd party tool used to verify personal identifying information matches (i.e. name and SSN)
- Deceased cases entered for deceased accounts
- Implemented Knowledge IQ, which is a tool for identity authentication and fraud prevention

Conclusions

- JEA is compliant with FACTA, FCRA, and FIPA
- Appropriate controls are in place to prevent, detect and mitigate identity theft
- In the rare event identity theft occurs, steps are taken to identify the root cause, and corrective actions are taken
- Tracking was enhanced in 2013 and continuously improved to provide better metrics and root cause analysis

IV. A. 5.

Ethics Officer Quarterly Report



Building Community

AGENDA ITEM SUMMARY

April 24, 2017

SUBJECT: ETHICS OFFICER QUARTERLY REPORT

Purpose: ☒ Information Only ☐ Action Required ☐ Advice/Direction

Issue: The Ethics Officer Quarterly Report provides the JEA Board of Directors with information on the current ethics inquiries, hotline activity and training.

Significance: JEA's Ethics Officer ensures information is shared and advice given regarding issues and questions.

Effect: JEA is able to manage ethical concerns for the organization, ensuring compliance with business and governmental regulations.

Cost or Benefit: JEA fosters an environment that ensures ethical behaviors.

Recommended Board action: This item is for information only.

For additional information, contact: Walette Stanford, 904-665-4282

Submitted by: PEM/ARH/WS



Commitments to Action

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

JEA

Ethics Officer Report

May 8, 2017

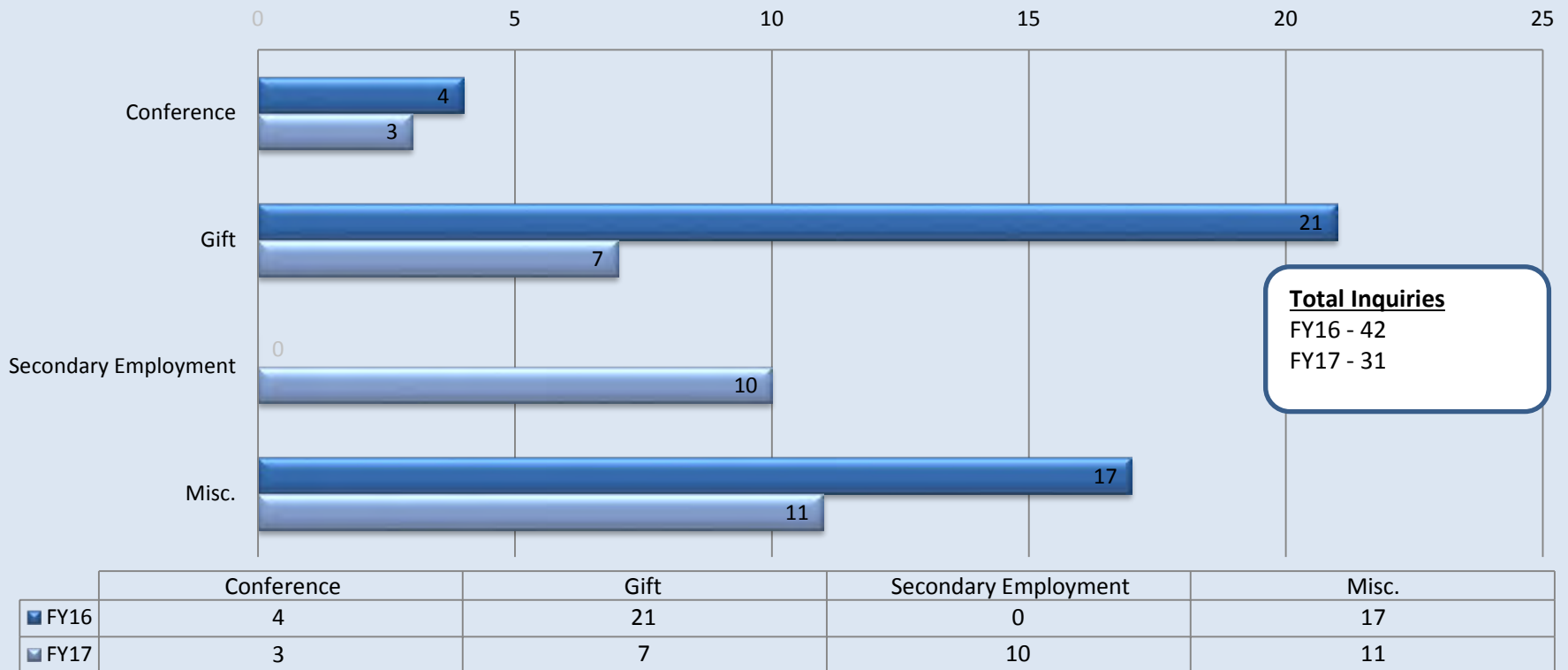
Creating an Ethical Culture

JEA will conduct its business fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable laws and regulations.

Walette Stanford, Ethics Officer
JEA/SJRPP

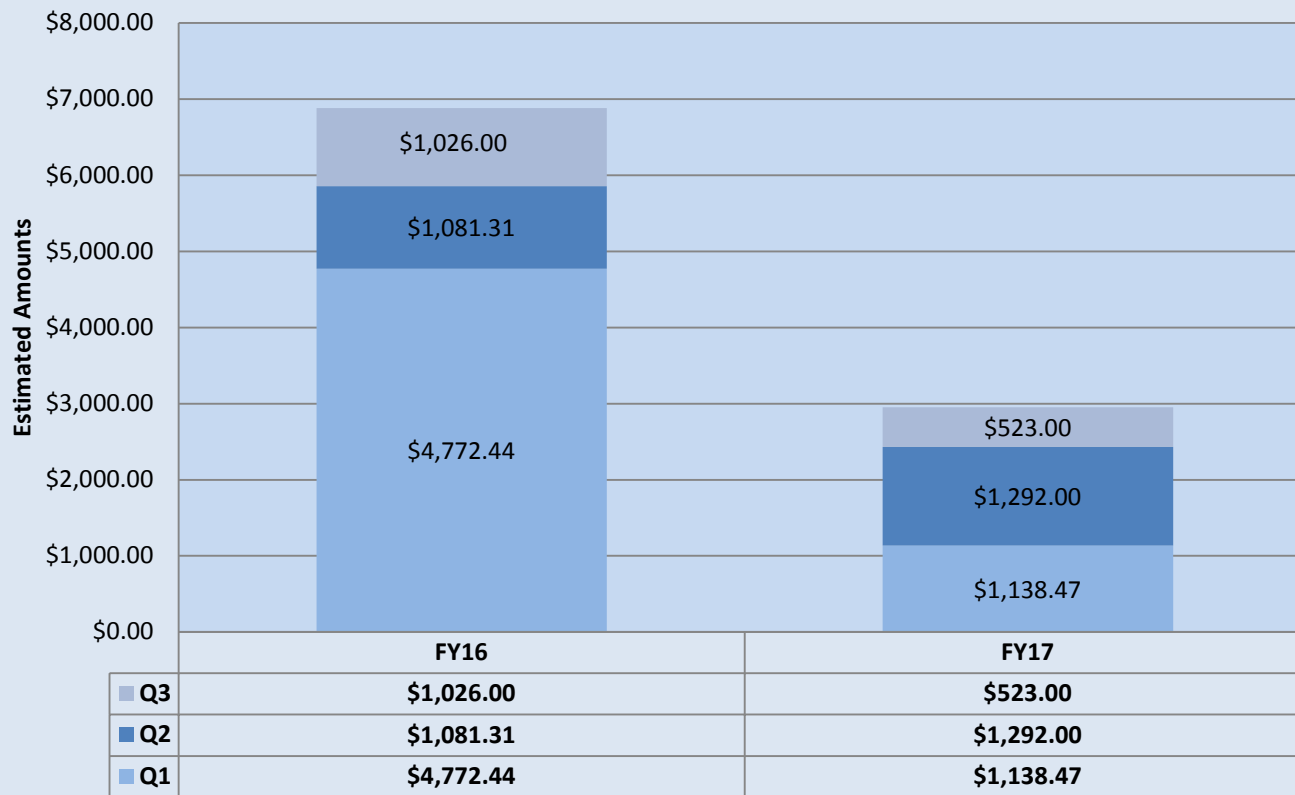
FY16/FY17 Comparisons

Ethics Inquiries Comparison FY16/FY17 1st-3rd Quarter Results



FY16/FY17 Gift Registry

**FY16/17 Gift Registry Estimates Comparison
Per Quarter**



Food Items: jar of mints, jar of mixed nuts, catered lunch, candies and cookies

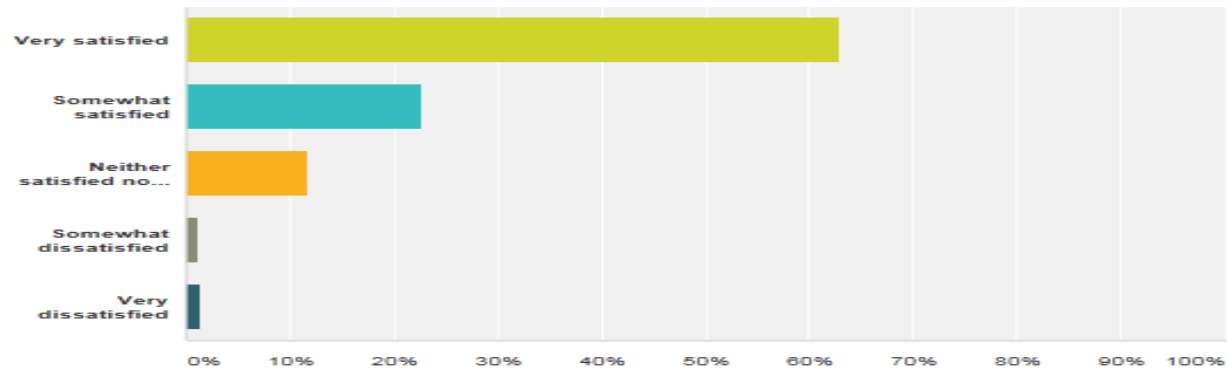
Promotional items: t-shirts, pens, Jaguar tickets

Misc: gift cards, door prizes, vouchers, flowers, coffee mugs

Business Ethics Training Survey Results

Overall, how satisfied were you with the Business Ethics Refresher E-Learning?

Answered: 843 Skipped: 0



Answer Choices	Responses	
Very satisfied	62.75%	529
Somewhat satisfied	22.78%	192
Neither satisfied nor dissatisfied	11.74%	99
Somewhat dissatisfied	1.30%	11
Very dissatisfied	1.42%	12

Survey Comments:

- *It is always refreshing to review the Guidelines to be sure of Compliance. Thanks*
- *THIS WAS BY FAR THE EASIEST ETHICS REFRESHER I HAVE COMPLETED AND WITH 19 YEARS OF EXPERIENCE WITH THIS ALL I CAN SAY IS -- THANKS*
- *The added narration and Q&A were great tools. Also liked seeing familiar faces. A status bar showing how close to completion would be helpful.*
- *The visuals and the examples made the material very easy to follow and understand!*
- *This is a much better Ethics Course!*

Nepotism & Secondary Employment Training Screens

Business Ethics Refresher 2017

You make the call...

As JEA employees, what do Jake and John need to do?



- They've already told their managers, so they don't need to do anything.
- Either Jake or John need to tell one of their managers again.
- Both Jake and John need to complete the nepotism form on The Grid.

Submit

Business Ethics Refresher 2017

Hi, I'm Mary.
I'm checking my email on my phone to see if any of my eBay auctions need my attention.



Mary has a passion for renovating antiques. She fixes up products and then trades, buys, and sells them via eBay. She uses her work email for notification of purchases so she can get the items out to customers quickly.

Click each letter below to go on.

- A** Is Mary receiving a benefit from this activity?
- B** Is this considered secondary employment?
- C** Is this unethical use of public resources for secondary employment?
- D** What must Mary do?



◀ PREV NEXT ▶

Business Ethics Update and What's Next

- 100% compliance with new Ethics training requirements, (new employees must take within 10 days of employment) 😊
- Preparing an Ethics Decision Tree handout for all employees in August 2017

Sample from Decision Tree handout:

We all may encounter tough decisions as part of our daily work. Although our company values and expectations are described in our company policies and Code of Conduct, this Decision Path has been designed to assist you in handling difficult decisions.

- Reviewed Office of Inspector General COJ 2016 Annual Report

IV. A. 6a.

Electric System and Water and Sewer System
Reserve Fund Quarterly Report



Building Community

AGENDA ITEM SUMMARY

April 18, 2017

SUBJECT:	ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM RESERVE FUND QUARTERLY REPORT
-----------------	---

Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: Electric System and Water and Sewer System Reserve Fund Quarterly Report as of March 31, 2017. This report is provided for transparency into JEA's reserve fund accounts and various cash balances.

Significance: High. JEA's liquidity position is an important balance between operating security and flexibility, financial metrics, and carrying cost of cash.

Effect: JEA operational needs, bond resolution requirements, and credit ratings.

Cost or Benefit: JEA's reserves are an important component of operating security and flexibility, a critical credit ratings factor.

Recommended Board action: No action required; provided for information only.

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

Submitted by: PEM/MHD/JEO/BHG



Commitments to Action

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



INTER-OFFICE MEMORANDUM

April 18, 2017

SUBJECT: **ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM RESERVE
FUND QUARTERLY REPORT**

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
Tom Petway
Husein Cumber

BACKGROUND:

At the May 7, 2012 Finance and Audit Committee meeting, JEA staff presented schedules reflecting historical and projected activity in JEA's Electric System and Water and Sewer System unrestricted and restricted fund balances. Many of these reserves are required under the respective System's bond resolutions or under Board approved policies such as Pricing Policy or Debt Management Policy. JEA staff also stated that these schedules would be provided to the JEA Board on a quarterly basis beginning in August 2012.

DISCUSSION:

Attached are the reserve fund schedules referenced above for the period ending March 31, 2017.

RECOMMENDATION:

No action required; provided for information only.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO/BHG

Electric System and Water & Sewer System Reserve and Fund Balances (1)

For the Fiscal Quarter Ending March 31, 2017
(In Thousands of Dollars)

	<u>Fiscal Year</u> <u>FY 2013</u>	<u>Fiscal Year</u> <u>FY 2014</u>	<u>Fiscal Year</u> <u>FY 2015</u>	<u>Fiscal Year</u> <u>FY 2016</u>	<u>Fiscal Year</u> <u>FY 2017</u>	<u>Detail</u> <u>Page #</u>
Electric System						
Unrestricted						
Operations/Revenue Fund	\$ 46,588	\$ 43,178	\$ 46,624	\$ 56,665	\$ 65,681	
Debt Management Strategy Reserve	-	-	-	-	-	3
Self Insurance Reserve Fund						
• Property	10,000	10,000	10,000	10,000	10,000	4
• Employee health insurance	15,914	10,749	10,937	11,179	9,179	5
Rate Stabilization						
• Fuel	108,289	105,457	150,742	180,115	134,094	6
• DSM/conservation	3,891	3,570	2,886	3,515	3,085	7
• Environmental	10,023	16,639	23,430	29,975	36,043	8
• Debt Management	42,126	42,126	42,126	42,126	29,884	9
• Non-Fuel Purchased Power	-	12,000	38,000	34,400	26,270	10
Environmental	18,662	18,662	18,662	18,556	18,556	11
Customer Deposits	44,882	42,688	42,389	41,084	41,709	12
Total Unrestricted	300,375	305,069	385,796	427,615	374,500	
Days of Cash on Hand (2)	172	166	225	270	208	
Restricted						
Debt Service Funds (Sinking Funds)	101,305	120,458	134,927	136,232	168,026	13
Debt Service Reserve Funds	64,841	64,841	64,595	60,582	60,582	14
Renewal and Replacement Funds/OCO (3)	140,486	146,910	145,711	192,179	152,989	15
Construction Funds	5,184	42	-	-	-	16
Total Restricted	311,816	332,251	345,233	388,993	381,597	
Total Electric System	\$ 612,191	\$ 637,320	\$ 731,029	\$ 816,608	\$ 756,097	
<hr/>						
Water and Sewer System						
Unrestricted						
Operations/Revenue Fund	\$ 5,886	\$ 9,227	\$ 22,588	\$ 42,948	\$ 42,932	
Debt Management Strategy Reserve	304	304	-	-	-	17
Rate Stabilization						
• Debt Management	20,290	20,291	20,290	20,290	14,209	18
• Environmental				1,699	1,829	19
Customer Deposit	13,860	12,787	13,255	13,910	14,526	20
Total Unrestricted	40,340	42,609	56,133	78,847	73,496	
Days of Cash on Hand (2)	395	438	466	528	459	
Restricted						
Debt Service Funds (Sinking Funds)	80,317	75,019	67,720	65,410	82,870	21
Debt Service Reserve Funds	119,915	116,829	108,849	108,086	107,488	22
Renewal and Replacement Funds						
• R&R/OCO (4)	78,689	59,295	37,337	76,020	59,072	23
• Capacity Fees/State Revolving Loans	60,360	76,887	90,912	103,411	75,167	24
• Environmental	(9,857)	5,299	19,245	2,659	1,832	25
Construction Funds	2,305	326	664	152	-	26
Total Restricted	331,729	333,655	324,727	355,738	326,429	
Total Water & Sewer System	\$ 372,069	\$ 376,264	\$ 380,860	\$ 434,585	\$ 399,925	

(1) This report does not include Scherer, SJRPP, DES or funds held on behalf of the City of Jacksonville.

(2) Days of Cash on Hand includes R&R Fund in the cash balances, and includes the Contribution to the City of Jacksonville General Fund with the Operating Expenses net of Depreciation.

(3) Balance includes \$47,000 of Electric System Renewal and Replacement Reserve for MADS calculation.

(4) Balance includes \$20,000 of Water & Sewer System Renewal and Replacement Reserve for MADS calculation.

Funds Established Per the Bond Resolutions

Fund/Account Description	Electric System	Water and Sewer System
Revenue Fund	Net Revenues (i.e. Revenues minus Cost of Operation and Maintenance), pledged to bondholders, balance available for any lawful purpose after other required payments under the bond resolution have been made.	Pledged to bondholders; balance available for any lawful purpose after other required payments under the bond resolution have been made, however, revenues representing impact fees may only be used to finance costs of expanding the system or on the debt service on bonds issued for such expansion purposes.
Rate Stabilization Fund	Not pledged to bondholders; available for any lawful purpose.	Pledged to bondholders; able to transfer to any other fund or account established under the resolution or use to redeem Bonds.
Subordinated Rate Stabilization Fund	Pledged to bondholders; available for any lawful purpose.	Pledged to bondholders; available for any lawful purpose.
Debt Service Account	Pledged to bondholders; used to pay debt service on bonds.	Pledged to bondholders; used to pay debt service on bonds.
Debt Service Reserve Account	Pledged to bondholders; used to pay debt service on bonds in the event revenues were insufficient to make such payments.	Pledged to bondholders; used to pay debt service on bonds in the event revenues were insufficient to make such payments.
Renewal and Replacement Fund	Not pledged to bondholders but required amounts deposited into this Fund pursuant to the bond resolution are limited as to what they can be spent on (e.g. capital expenditures and, bond redemptions) .	Pledged to bondholders; but required amounts deposited into this Fund pursuant to the bond resolution are limited as to what they can be spent on (e.g. capital expenditures and, bond redemptions).
Construction Fund	Pledged to bondholders; applied to the payment of costs of the system.	Pledged to bondholders; applied to the payment of costs of the system.
Subordinated Construction Fund	Pledged to bondholders; applied to the payment of costs of the system	Pledged to bondholders; applied to the payment of costs of the system
Construction Fund - Construction Reserve Account	Pledged to bondholders; applied to fund downgraded reserve fund sureties.	Pledged to bondholders; applied to fund downgraded debt service reserve fund sureties.
General Reserve Fund	Not pledged to bondholders; available for any lawful purpose.	n/a

Regardless of whether the Funds/Accounts are designated as pledged, in the event that monies in the Debt Service Account are insufficient to pay debt service on the bonds, pursuant to the respective bond resolutions, amounts in the various Funds/Accounts are required to be transferred to the respective Debt Service Accounts and used to pay debt service.

Electric System Debt Management Reserve

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Debt Management Policy

Metric: One-half percent of the par amount of outstanding variable debt (adjusted for variable to fixed rate long term swaps). Capped at 3% of the par amount of outstanding variable debt

Definitions and Goals: For the period FY 04 through FY 09, an annual budgeted reserve contribution for variable rate debt was made. The calculation was based upon one half percent of the par amount of outstanding variable rate debt (adjusted for variable rate to fixed rate long term swaps). The budget reserve was capped at three percent of the par amount of the outstanding variable rate debt. The reserve can be used for any lawful purpose including debt service, debt repayment, and capital outlay and must be approved in writing by the CEO.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
<i>(In Thousands)</i>								
Opening Balance	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -
Additions:								
Contributions				N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals			-	N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 12,257	\$ 12,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,903	\$ 12,257
Additions:									
Contributions	-	-	-	-	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Withdrawals	-	12,257				-	6,129	6,129	12,257
Sub-total	\$ -	\$ 12,257	\$ -	\$ -	\$ -	-	-	-	-
Ending balance	\$ 12,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,451	\$ 12,257

Observations:

- This reserve fund discontinued contributions in FY 2009 due to adoption of new policy. Reserve activity reflected in RSF - Debt Management for that year.
- A portion of this reserve was used to pay on interest rate swap terminations in connection with a refunding of variable rate debt in February 2013, and the remainder was used in Sept 2013 for a defeasance.

Electric System Self Insurance - Property

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Budget Appropriation

Metric: Budgeted Deposit = \$10 million

Definitions and Goals: JEA's self-insurance fund is for catastrophic damage to JEA's electric lines (transmission and distribution) caused by the perils of hurricanes, tornadoes, and ice storms. This fund was established in October, 1992, as an alternative to JEA's procurement of commercial property insurance.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	<u>2018</u>	<u>2019</u>	<u>2020</u>
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	N/A	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:								
Reserve Contribution				N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Reserve Withdrawal				N/A				
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 10,000	\$ 10,000	\$ 10,000	N/A	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000

	Historical					Statistical			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	Low	Median	Mean	High
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:									
Reserve Contribution						-	-	-	-
						-	-	-	-
						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -				
Deductions:									
Reserve Withdrawal						-	-	-	-
						-	-	-	-
						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -				
Ending balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000

Electric System Self Insurance - Employee Health Insurance

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Florida Statute for self insured government plans

Metric: An actuary calculates amount annually

Definitions and Goals: This reserve fund is a requirement under Florida Statute 112.08 that requires self insured government plans to have enough money in a reserve fund to cover the Incurred But Not Reimbursed (IBNR) claims and a 60 day surplus of claims. The IBNR claims are claims that would still need to be paid if the company went back to a fully insured plan or dropped coverage all together. An actuary calculates this amount annually.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	<u>2018</u>	<u>2019</u>	<u>2020</u>
Opening Balance	\$ 11,071	\$ 11,179	\$ 11,179	N/A	\$ 10,937	\$ 9,179	\$ 8,279	\$ 8,279
Additions:								
Employee Contributions	1,520	2,863	5,903	N/A	5,460	6,021	6,322	6,638
Retiree & Other Contributions	1,444	3,198	6,086		5,694	6,208	6,518	6,844
Employer Contributions	4,731	9,630	20,011		24,231	17,571	20,360	22,418
Sub-total	\$ 7,695	\$ 15,691	\$ 32,000	\$ -	\$ 35,385	\$ 29,800	\$ 33,200	\$ 35,900
Deductions:								
Payments for Claims	8,200	15,638	31,855	N/A	32,946	28,448	30,835	33,417
Actuary & Other Payments	493	1,159	2,145		2,197	2,252	2,365	2,483
Sub-total	\$ 8,693	\$ 16,797	\$ 34,000	\$ -	\$ 35,143	\$ 30,700	\$ 33,200	\$ 35,900
Ending Balance	\$ 10,073	\$ 10,073	\$ 9,179	N/A	\$ 11,179	\$ 8,279	\$ 8,279	\$ 8,279

(In Thousands)	Historical					Statistical			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	Low	Median	Mean	High
Opening Balance	\$ 12,505	\$ 15,440	\$ 15,914	\$ 10,749	\$ 10,937	\$ 10,749	\$ 12,505	\$ 13,109	\$ 15,914
Additions:									
Employee Contributions	6,147	5,893	4,573	5,447	5,460	4,573	5,460	5,504	6,147
Retiree & Other Contributions	6,910	5,701	5,188	5,141	5,694	5,141	5,694	5,727	6,910
Employer Contributions	21,155	20,629	14,252	22,220	24,231	14,252	21,155	20,497	24,231
Sub-total	\$ 34,212	\$ 32,223	\$ 24,013	\$ 32,808	\$ 35,385				
Deductions:									
Payments for Claims	29,220	29,354	27,157	30,408	32,946	27,157	29,354	29,817	32,946
Actuary & Other Payments	2,057	2,395	2,021	2,212	2,197	2,021	2,197	2,176	2,395
Sub-total	\$ 31,277	\$ 31,749	\$ 29,178	\$ 32,620	\$ 35,143				
Ending balance	\$ 15,440	\$ 15,914	\$ 10,749	\$ 10,937	\$ 11,179	\$ 10,749	\$ 11,179	\$ 12,844	\$ 15,914

Observations:

- Self Insurance for Employee Health Insurance began in July 2009.
 - Projections are using the 8% rate of increase based on information obtained from the Actuarial Memorandum and Report.
- Calendar year data is presented above in fiscal year format.

Electric System Rate Stabilization - Fuel Management

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: Targeted 15% of total annual projected energy costs

Definitions and Goals: The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Established pursuant to the section VII and Section IX of the Pricing Policy, the Fuel Reserve target is 15% of the greater of (a) the maximum 12-month historical fuel cost or (b) the projected 12-month fuel cost. Withdrawals from the Rate Stabilization Fund for fuel stabilization are limited to the following purposes: (a) to reduce the variable fuel rate charge to the customers for a determined period of time; (b) to reduce the excess of the actual fuel and purchased power expense for the fiscal year over the variable fuel rate revenues; (c) to be rebated back to the customers as a credit against the electric bill; and/or (d) to reimburse the costs associated with any energy risk management activities.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
Opening Balance	\$ 177,322	\$ 180,115	\$ 180,115	N/A	\$ 150,742	\$ 134,094	\$ 101,294	\$ 90,344
Additions:								
Contributions		2,845	2,845	37,705	85,979			3,600
Sub-total	\$ -	\$ 2,845	\$ 2,845	\$ 37,705	\$ 85,979	\$ -	\$ -	\$ 3,600
Withdrawals	10,925	16,563	48,866		-	32,800	10,950	
Customer Fuel Rebate Credit				-	56,606			
Sub-total	\$ 10,925	\$ 16,563	\$ 48,866	\$ -	\$ 56,606	\$ 32,800	\$ 10,950	\$ -
Ending Balance	\$ 166,397	\$ 166,397	\$ 134,094	N/A	\$ 180,115	\$ 101,294	\$ 90,344	\$ 93,944

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 24,990	\$ 92,362	\$ 108,289	\$ 105,457	\$ 150,742	\$ 24,990	\$ 105,457	\$ 96,368	\$ 150,742
Additions:									
Contributions	76,763	52,523	22,496	95,224	85,979	22,496	76,763	66,597	95,224
Sub-total	\$ 76,763	\$ 52,523	\$ 22,496	\$ 95,224	\$ 85,979	-	-	-	-
Deductions:									
Withdrawals	9,391					9,391	9,391	9,391	9,391
Customer Fuel Rebate Credit		36,596	25,328	49,939	56,606	25,328	43,268	42,117	56,606
Sub-total	\$ 9,391	\$ 36,596	\$ 25,328	\$ 49,939	\$ 56,606	-	-	-	-
Ending balance	\$ 92,362	\$ 108,289	\$ 105,457	\$ 150,742	\$ 180,115	\$ 92,362	\$ 108,289	\$ 127,393	\$ 180,115

Observations:

- Actual and historical numbers reflect fuel recovery contributions and withdrawals on a gross basis. Forecast and projected numbers reflected on a net basis. The fuel recovery charge ended 12/31/11.

Electric System Rate Stabilization - Demand Side Management (DSM)

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: \$0.50 per 1,000 kWh plus \$0.01 per kWh residential conservation charge for consumption greater than 2,750 kWh monthly

Definitions and Goals: The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Pursuant to section VII of the Pricing Policy, \$0.50 per 1,000 kWh plus \$0.01 per kWh residential conservation charge for consumption greater than 2,750 kWh monthly. These revenue sources are to fund demand side management and conservation programs.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
<i>(In Thousands)</i>								
Opening Balance	\$ 3,733	\$ 3,515	\$ 3,515	N/A	\$ 2,886	\$ 3,085	\$ 2,469	\$ 1,995
Additions:								
Contributions	1,375	2,858	6,748	7,200	7,232	7,510	6,704	6,704
Other								
Sub-total	\$ 1,375	\$ 2,858	\$ 6,748	\$ 7,200	\$ 7,232	\$ 7,510	\$ 6,704	\$ 6,704
Withdrawals	1,873	3,138	7,178	8,117	6,603	8,126	7,178	7,178
Sub-total	\$ 1,873	\$ 3,138	\$ 7,178	\$ 8,117	\$ 6,603	\$ 8,126	\$ 7,178	\$ 7,178
Ending Balance	\$ 3,235	\$ 3,235	\$ 3,085	N/A	\$ 3,515	\$ 2,469	\$ 1,995	\$ 1,521

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 10,703	\$ 6,912	\$ 3,891	\$ 3,570	\$ 2,886	\$ 2,886	\$ 3,891	\$ 5,592	\$ 10,703
Additions:									
Contributions	6,657	6,683	6,929	7,059	7,232	6,657	6,929	6,912	7,232
Transfer from Rev Fd						-	-	-	-
Sub-total	\$ 6,657	\$ 6,683	\$ 6,929	\$ 7,059	\$ 7,232	-	-	-	-
Deductions:									
Withdrawals	10,448	9,704	7,250	7,743	6,603	6,603	7,743	8,350	10,448
Sub-total	\$ 10,448	\$ 9,704	\$ 7,250	\$ 7,743	\$ 6,603	-	-	-	-
Ending balance	\$ 6,912	\$ 3,891	\$ 3,570	\$ 2,886	\$ 3,515	\$ 2,886	\$ 3,570	\$ 4,155	\$ 6,912

Observations:

- Rate Stabilization Fund for Demand Side Management began in April 2009.

Electric System Rate Stabilization - Environmental

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: \$0.62 per 1,000 kWh

Definitions and Goals: The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to this fund began in fiscal year 2010 for amounts representing the Electric System Environmental Charge (\$0.62 per 1000 kWh). Withdrawals from this reserve will represent payments for regulatory initiatives such as the premium cost of renewable energy generation which is considered available for JEA's capacity plans.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
<i>(In Thousands)</i>								
Opening Balance	\$ 31,647	\$ 29,975	\$ 29,975	N/A	\$ 23,430	\$ 36,043	\$ 41,934	\$ 46,814
Additions:								
Contributions	1,595	3,267	7,350	7,564	7,700	7,942	7,320	7,320
Sub-total	\$ 1,595	\$ 3,267	\$ 7,350	\$ 7,564	\$ 7,700	\$ 7,942	\$ 7,320	\$ 7,320
Withdrawals	247	247	1,282	2,078	1,155	2,051	2,440	3,660
Sub-total	\$ 247	\$ 247	\$ 1,282	\$ 2,078	\$ 1,155	\$ 2,051	\$ 2,440	\$ 3,660
Ending Balance	\$ 32,995	\$ 32,995	\$ 36,043	N/A	\$ 29,975	\$ 41,934	\$ 46,814	\$ 50,474

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 4,232	\$ 5,343	\$ 10,023	\$ 16,639	\$ 23,430	\$ 4,232	\$ 10,023	\$ 11,933	\$ 23,430
Additions:									
Contributions	2,436	5,650	7,395	7,586	7,700	2,436	7,395	6,153	7,700
						-	-	-	-
						-	-	-	-
Sub-total	\$ 2,436	\$ 5,650	\$ 7,395	\$ 7,586	\$ 7,700				
Deductions:									
Withdrawals	1,325	970	779	795	1,155	779	970	1,005	1,325
						-	-	-	-
						-	-	-	-
Sub-total	\$ 1,325	\$ 970	\$ 779	\$ 795	\$ 1,155				
Ending balance	\$ 5,343	\$ 10,023	\$ 16,639	\$ 23,430	\$ 29,975	\$ 5,343	\$ 16,639	\$ 17,082	\$ 29,975

Observations:

- Rate Stabilization Fund for Environmental began in June 2010.

Electric System Rate Stabilization - Debt Management

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: Difference in actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on unhedged variable rate debt

Definitions and Goals: The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits are made to this Rate Stabilization Fund for the purpose of managing JEA's debt portfolio. Deposits to this reserve 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. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	<u>2018</u>	<u>2019</u>	<u>2020</u>
(In Thousands)								
Opening Balance	\$ 42,126	\$ 42,126	\$ 42,126	N/A	\$ 42,126	\$ 29,884	\$ 29,884	\$ 29,884
Additions:								
Contributions				N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals	12,242	12,242	12,242		-			
Sub-total	\$ 12,242	\$ 12,242	\$ 12,242	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 29,884	\$ 29,884	\$ 29,884	N/A	\$ 42,126	\$ 29,884	\$ 29,884	\$ 29,884

	Historical					Statistical			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	Low	Median	Mean	High
Opening Balance	\$ 35,930	\$ 41,611	\$ 42,126	\$ 42,126	\$ 42,126	\$ 35,930	\$ 42,126	\$ 40,784	\$ 42,126
Additions:									
Contributions	5,681	6,581				5,681	6,131	6,131	6,581
Sub-total	\$ 5,681	\$ 6,581	\$ -	\$ -	\$ -	-	-	-	-
Deductions:									
Withdrawals		6,066				6,066	6,066	6,066	6,066
Sub-total	\$ -	\$ 6,066	\$ -	\$ -	\$ -	-	-	-	-
Ending balance	\$ 41,611	\$ 42,126	\$ 42,126	\$ 42,126	\$ 42,126	\$ 41,611	\$ 42,126	\$ 42,023	\$ 42,126

Observations:

- Rate Stabilization Fund for Debt Management began in May 2009.

Electric System Rate Stabilization - Non-Fuel Purchased Power

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: Difference in actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on unhedged variable rate debt

Definitions and Goals: The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to the Rate Stabilization Fund for Non-Fuel Purchased Power Stabilization during the fiscal year are made with the approval of the CEO or CFO, provided such deposits are not in excess of JEA's total operating budget for the current fiscal year. Withdrawals from the Rate Stabilization Fund for Non-Fuel Purchased Power are to reimburse the costs associated with any non-fuel purchased power activities. Withdrawals can be made as necessary during the fiscal year and requires the approval of the CEO or the CFO.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
(In Thousands)								
Opening Balance	\$ 32,860	\$ 34,400	\$ 34,400	N/A	\$ 38,000	\$ 26,270	\$ 14,525	\$ 1,083
Additions:								
Contributions					-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals	1,975	3,515	8,130	9,232	3,600	11,745	13,442	
Sub-total	\$ 1,975	\$ 3,515	\$ 8,130	\$ 9,232	\$ 3,600	\$ 11,745	\$ 13,442	\$ -
Ending Balance	\$ 30,885	\$ 30,885	\$ 26,270	N/A	\$ 34,400	\$ 14,525	\$ 1,083	\$ 1,083

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ -	\$ -	\$ -	\$ 12,000	\$ 38,000	\$ -	\$ -	\$ 10,000	\$ 38,000
Additions:									
Contributions			12,000	26,000		12,000	19,000	19,000	26,000
Sub-total	\$ -	\$ -	\$ 12,000	\$ 26,000	\$ -	-	-	-	-
Deductions:									
Withdrawals					3,600	3,600	3,600	3,600	3,600
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 3,600	-	-	-	-
Ending balance	\$ -	\$ -	\$ 12,000	\$ 38,000	\$ 34,400	\$ -	\$ 12,000	\$ 16,880	\$ 38,000

Observations:

- The Non-Fuel Purchased Power Rate Stabilization Fund began in FY 2014.

Electric System Environmental Reserve

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Pricing Policy

Metric: Target equals the balance in the environmental liability account

Definitions and Goals: This reserve represents the initial amounts collected from the Electric System Environmental Charge and will be deposited until the balance in this reserve equals the balance in the environmental liability account. Withdrawals from this account will represent payments for these liabilities.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
<i>(In Thousands)</i>								
Opening Balance	\$ 18,556	\$ 18,556	\$ 18,556	N/A	\$ 18,662	\$ 18,556	\$ 18,556	\$ 18,556
Additions:								
Contributions			-	N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals			-	N/A	106			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 106	\$ -	\$ -	\$ -
Ending Balance	\$ 18,556	\$ 18,556	\$ 18,556	N/A	\$ 18,556	\$ 18,556	\$ 18,556	\$ 18,556

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 20,899	\$ 18,359	\$ 18,662	\$ 18,662	\$ 18,662	\$ 18,359	\$ 18,662	\$ 19,049	\$ 20,899
Additions:									
Contributions		970				970	970	970	970
Sub-total	\$ -	\$ 970	\$ -	\$ -	\$ -	-	-	-	-
Deductions:									
Withdrawals	2,540	667			106	106	667	1,104	2,540
Sub-total	\$ 2,540	\$ 667	\$ -	\$ -	\$ 106	-	-	-	-
Ending balance	\$ 18,359	\$ 18,662	\$ 18,662	\$ 18,662	\$ 18,556	\$ 18,359	\$ 18,662	\$ 18,580	\$ 18,662

Observations:

- The Environmental Reserve began in FY 2008.

Electric System Customer Deposits

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Management Directive 302 Credit and Collections and Internal Procedure CR40400 MBC302

Metric: Internal procedure CR40400 MBC302 Credit and Collections

Definitions and Goals: Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA accesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
<i>(In Thousands)</i>								
Opening Balance	\$ 41,863	\$ 41,084	\$ 41,084	N/A	\$ 42,389	\$ 41,709	\$ 41,709	\$ 41,709
Additions:								
Net Customer Activity		625	625	N/A	-			
Loan Repayment to ES Revenue Fund					-			
Sub-total	\$ -	\$ 625	\$ 625	\$ -	\$ -	\$ -	\$ -	\$ -
Net Customer Activity	154		-		1,305			
Loan to ES Revenue Fund				N/A	-			
Sub-total	\$ 154	\$ -	\$ -	\$ -	\$ 1,305	\$ -	\$ -	\$ -
Ending Balance	\$ 41,709	\$ 41,709	\$ 41,709	N/A	\$ 41,084	\$ 41,709	\$ 41,709	\$ 41,709

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 42,767	\$ 43,454	\$ 44,882	\$ 42,688	\$ 42,389	\$ 42,389	\$ 42,767	\$ 43,236	\$ 44,882
Additions:									
Net Customer Activity	905	1,430				905	1,168	1,168	1,430
Loan Repayment to ES Revenue Fund						-	-	-	-
Sub-total	\$ 905	\$ 1,430	\$ -	\$ -	\$ -	-	-	-	-
Deductions:									
Net Customer Activity	218	2	2,194	299	1,305	2	299	804	2,194
Loan to ES Revenue Fund						-	-	-	-
Sub-total	\$ 218	\$ 2	\$ 2,194	\$ 299	\$ 1,305				
Ending balance	\$ 43,454	\$ 44,882	\$ 42,688	\$ 42,389	\$ 41,084	\$ 41,084	\$ 42,688	\$ 42,899	\$ 44,882

Observations:

- JEA is in the process of implementing a prepaid meter program which could reduce customer deposits starting in Fiscal Year 2014.

Electric System Debt Service Sinking Fund

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution

Metric: Accrued interest and principal currently payable on fixed and variable rate bonds pursuant to the Bond Resolutions

Definitions and Goals: JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the interest and principal due on such date.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
Opening Balance	\$ 41,738	\$ 136,232	\$ 136,232	N/A	\$ 134,927	\$ 168,026	\$ 161,154	\$ 149,800
Additions:								
Revenue Fund Deposits	50,642	93,215	215,463		177,847	210,807	201,948	141,059
Bond funded interest					-			
Sub-total	\$ 50,642	\$ 93,215	\$ 215,463	\$ -	\$ 177,847	\$ 210,807	\$ 201,948	\$ 141,059
Principal and Int Payments	3,223	140,290	183,669	N/A	176,542	217,679	213,302	199,191
Sub-total	\$ 3,223	\$ 140,290	\$ 183,669	\$ -	\$ 176,542	\$ 217,679	\$ 213,302	\$ 199,191
Ending Balance	\$ 89,157	\$ 89,157	\$ 168,026	N/A	\$ 136,232	\$ 161,154	\$ 149,800	\$ 91,668

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 125,988	\$ 107,754	\$ 101,305	\$ 120,458	\$ 134,927	\$ 101,305	\$ 120,458	\$ 118,086	\$ 134,927
Additions:									
Revenue Fund Deposits	159,724	159,072	167,340	181,006	177,847	159,072	167,340	168,998	181,006
Bond funded interest						-	-	-	-
Sub-total	\$ 159,724	\$ 159,072	\$ 167,340	\$ 181,006	\$ 177,847	-	-	-	-
Deductions:									
Principal and Int Payments	177,958	165,521	148,187	166,537	176,542	148,187	166,537	166,949	177,958
Sub-total	\$ 177,958	\$ 165,521	\$ 148,187	\$ 166,537	\$ 176,542	-	-	-	-
Ending balance	\$ 107,754	\$ 101,305	\$ 120,458	\$ 134,927	\$ 136,232	\$ 101,305	\$ 120,458	\$ 120,135	\$ 136,232

Observations:

- September 30th ending balances are used to pay the October 1st interest and principal payments.
- This report does not include any Scherer debt service sinking funds.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on October 1st of the following fiscal year).

Electric System Debt Service Reserve Account

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution

Metric: Maximum interest payable on outstanding senior Electric System bonds as required by the Bond Resolutions

Definitions and Goals: This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution. It is JEA's current practice to fund this reserve account with cash from the sale of bonds; however, revenues may be utilized to fund this reserve if necessary.

	Actual as of 03/31/2017		Full Year Budget Amounts			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
(In Thousands)								
Opening Balance	\$ 60,582	\$ 60,582	\$ 60,582	N/A	\$ 64,595	\$ 60,582	\$ 60,582	\$ 60,582
Additions:								
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Release to Revenue Fund				N/A	4,013			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 4,013	\$ -	\$ -	\$ -
Ending Balance	\$ 60,582	\$ 60,582	\$ 60,582	N/A	\$ 60,582	\$ 60,582	\$ 60,582	\$ 60,582

	Historical Actuals					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 72,226	\$ 72,226	\$ 64,841	\$ 64,841	\$ 64,595	\$ 64,595	\$ 64,841	\$ 67,746	\$ 72,226
Additions:									
Proceeds from Bonds				-	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Deductions:									
Defeasance		7,385		246	4,013	246	4,013	3,881	7,385
Sub-total	\$ -	\$ 7,385	\$ -	\$ 246	\$ 4,013	-	-	-	-
Ending balance	\$ 72,226	\$ 64,841	\$ 64,841	\$ 64,595	\$ 60,582	60,582	64,841	65,417	72,226

Observations:

- This report does not include any Scherer debt service reserves.
- In FY 2007, the debt service reserve requirement was satisfied 100% by the use of debt service reserve surety policies. In accordance with the bond resolution, beginning in FY 2008, cash/investments replaced the downgraded sureties due to their downgrade by the rating agencies. Sureties of \$67.6 million are still outstanding but are not eligible to be utilized as debt service reserve deposits per the Bond Resolutions.
- The debt service reserve account balance is currently in excess of the the debt service reserve requirement under the bond resolution by \$8.0 million. The excess will be used, if needed, to (1) fund an increase in the reserve requirement caused by a future issuance of new money bonds and/or variable to fixed refunding bonds, (2) help satisfy cash reserve targets instituted by the rating agencies, and/or (3) redeem bonds, in accordance with applicable tax laws.

Electric Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution, Article 21 of the City of Jacksonville Charter and Pricing Policy

Metric: Renewal and Replacement required to deposit from the revenue fund annually an amount equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues per JEA's Electric System bond resolutions. Operating Capital Outlay - by 2013 the goal is to fund all non-capacity capital expenditures.

Definitions and Goals: Pursuant to the Electric System bond resolution and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues. The funds shall be used for the purposes of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the Electric System. In addition, as a portion of the base rate, JEA will recover from current revenue a formula driven amount for capital expenditures which is referred to as Operating Capital Outlay. This amount is calculated separately from the R&R deposit and may be allocated for use between capacity or non-capacity related expenditures based on the most beneficial economic and tax related financing structure incorporating the use of internal and bond funding.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
Opening Balance	\$ 204,074	\$ 192,179	\$ 192,179	N/A	\$ 145,711	\$ 152,989	\$ 163,258	\$ 125,867
Additions:								
R&R/OCO Contribution	26,550	73,703	142,000		200,692	169,145	163,539	105,481
Loans betw Capital Fds				-	-			
Other	1,619	1,771	14,248	-	3,744	18,590		
Sub-total	\$ 28,169	\$ 75,474	\$ 156,248	\$ -	\$ 204,436	\$ 187,735	\$ 163,539	\$ 105,481
Deductions:								
Capital Expenditures	34,809	62,452	145,022		157,201	177,466	200,930	122,168
Transfers betw Capital Fds				-	765			
R&R/OCO Contribution								
Debt Defeasance	37,200	37,200	37,200	-	-			
Other	5,513	13,280	13,216					
Sub-total	\$ 77,522	\$ 112,932	\$ 195,438	\$ -	\$ 157,966	\$ 177,466	\$ 200,930	\$ 122,168
Ending Balance	\$ 154,721	\$ 154,721	\$ 152,989	N/A	\$ 192,181	\$ 163,258	\$ 125,867	\$ 109,180

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 73,727	\$ 105,235	\$ 140,486	\$ 146,910	\$ 145,711	\$ 73,727	\$ 140,486	\$ 122,414	\$ 146,910
Additions:									
R&R/OCO Contribution	142,822	124,630	85,639	110,351	200,692	85,639	124,630	132,827	200,692
Loans betw Capital Fds	-	-	-			-		-	-
Other	943	2,423	4,014	970	3,744	943	2,423	2,419	4,014
Sub-total	\$ 143,765	\$ 127,053	\$ 89,653	\$ 111,321	\$ 204,436				
Deductions:									
Capital Expenditures	112,257	91,802	82,889	112,483	157,201	82,889	112,257	111,326	157,201
Bond Buy Back	-				2	-	1	1	2
Transfer to Scherer									
Loans betw Capital Fds			340	37	765				
Other	-			-		-	-	-	-
Sub-total	\$ 112,257	\$ 91,802	\$ 83,229	\$ 112,520	\$ 157,968				
Ending balance	\$ 105,235	\$ 140,486	\$ 146,910	\$ 145,711	\$ 192,179	\$ 105,235	\$ 145,711	\$ 146,104	\$ 192,179

Observations:

- Other includes the Oracle Financing and Sale of Property.
- Includes \$47 million for Maximum Annual Debt Service calculation.

Electric Construction / Bond Fund

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution

Metric: Target = Capital expenditures per year minus internal funding available

Definitions and Goals: JEA maintains a senior and subordinated construction fund of which bonds proceeds are deposited and used for the payment of the costs of additions, extensions and improvements to the Electric System. The senior construction fund is limited to the costs of additions, extension and improvements relating to non-generation capital expenditures. The subordinated construction fund is used for capital projects relating to all categories of capital expenditures but primarily targeted to fund generation capital expenditures.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
Opening Balance	\$ -	\$ -	\$ -	N/A	\$ 4	\$ -	\$ -	\$ -
Additions:								
Bond Proceeds	429	429	429	-	-			
Line of Credit				-	-			
Transfers b/w Capital Fds	-			-	-			
Other				-	2			
Sub-total	\$ 429	\$ 429	\$ 429	\$ -	\$ 2	\$ -	\$ -	\$ -
Deductions:								
Capital Expenditures					6	-	-	-
Bond Funded Interest				-	-			
Transfers b/w Capital Fds					-			
Other	161	161	429	-	-			
Sub-total	\$ 161	\$ 161	\$ 429	\$ -	\$ 6	\$ -	\$ -	\$ -
Ending Balance	\$ 268	\$ 268	\$ -	N/A	\$ -	\$ -	\$ -	\$ -

(In Thousands)	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 63,915	\$ 40,034	\$ 5,184	\$ 42	\$ 4	\$ 4	\$ 2,726	\$ 18,241	\$ 63,915
Additions:									
Bond Proceeds		1,550				1,550	1,550	1,550	1,550
Line of Credit						-	-	-	-
Transfers b/w Capital Fds			3,091			3,091	3,091	3,091	3,091
Other		34	340	37	2	2	36	103	340
Sub-total	\$ -	\$ 1,584	\$ 3,431	\$ 37	\$ 2				
Deductions:									
Capital Expenditures	23,385	35,253	4,821	75	6	6	4,821	12,708	35,253
Bond Funded Interest						-	-	-	-
Line of Credit									
Transfers b/w Capital Fds		35	3,091			35	1,563	1,563	3,091
Other	496	1,146	661			496	661	768	1,146
Sub-total	\$ 23,881	\$ 36,434	\$ 8,573	\$ 75	\$ 6				
Ending balance	\$ 40,034	\$ 5,184	\$ 42	\$ 4	\$ -	\$ -	\$ 42	\$ 9,053	\$ 40,034

Observations:

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used line of credit borrowings and loans between capital funds to decrease borrowing costs.
- No new debt issues for the FY 2017 - 2019 projection period.

Water and Sewer Debt Management Reserve

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Debt Management Policy

Metric: One-half percent of the par amount of outstanding variable debt (adjusted for variable to fixed rate long term swaps). Capped at 3% of the par amount of outstanding variable debt.

Definitions and Goals: For the period FY 04 through FY 09, an annual budgeted reserve contribution for variable rate debt was made. The calculation was based upon one half percent of the par amount of outstanding variable rate debt (adjusted for variable rate to fixed rate long term swaps). The budget reserve was capped at three percent of the par amount of the outstanding variable rate debt. The reserve can be used for any lawful purpose including debt service, debt repayment, and capital outlay and must be approved in writing by the CEO.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
<i>(In Thousands)</i>								
Opening Balance	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -
Additions:								
Contributions					-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Withdrawals					-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 6,458	\$ 6,458	\$ 304	\$ 304	\$ -	\$ -	\$ 304	\$ 2,705	\$ 6,458
Additions:									
Contributions						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Deductions:									
Withdrawals		6,154		304		304	3,229	3,229	6,154
Sub-total	\$ -	\$ 6,154	\$ -	\$ 304	\$ -	-	-	-	-
Ending balance	\$ 6,458	\$ 304	\$ 304	\$ -	\$ -	\$ -	\$ 304	\$ 1,413	\$ 6,458

Observations:

- This reserve fund discontinued contributions in FY 2009 due to adoption of new policy. Reserve activity reflected in RSF - Debt Management for that year.
- \$6 million was used in Sept 2013 for a defeasance.

Water and Sewer Rate Stabilization Debt Management

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Metric: Difference in actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on unhedged variable rate debt.

Definitions and Goals: The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits are made to this Rate Stabilization Fund for the purpose of managing JEA's debt portfolio. Deposits to this reserve 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. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
<i>(In Thousands)</i>								
Opening Balance	\$ 20,290	\$ 20,290	\$ 20,290	N/A	\$ 20,290	\$ 14,209	\$ 14,209	\$ 14,209
Additions:								
Contributions	-	-	-	N/A	-			
Financial Statement Rounding								
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Withdrawals			6,081					
Sub-total	\$ -	\$ -	\$ 6,081	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 20,290	\$ 20,290	\$ 14,209	N/A	\$ 20,290	\$ 14,209	\$ 14,209	\$ 14,209

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 17,560	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 17,560	\$ 20,290	\$ 19,744	\$ 20,290
Additions:									
Contributions	2,730					-	-	-	-
						-	-	-	-
						-	-	-	-
Sub-total	\$ 2,730	\$ -	\$ -	\$ -	\$ -				
Deductions:									
Withdrawals						-	-	-	-
						-	-	-	-
						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -				
Ending balance	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290	\$ 20,290

Observations:

- Contributions began in June 2009.

Water & Sewer System Rate Stabilization - Environmental

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution and Pricing Policy

Definitions and Goals: The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as debt management and regulatory requirements or initiatives.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
<i>(In Thousands)</i>								
Opening Balance	\$ 2,972	\$ 1,699	\$ 1,699	N/A	\$ -	\$ 1,829	\$ 1,829	\$ 1,829
Additions:								
Contributions	5,571	11,478	23,667		-	27,273	27,273	27,273
Regulatory Receivable								
Sub-total	\$ 5,571	\$ 11,478	\$ 23,667	\$ -	\$ -	\$ 27,273	\$ 27,273	\$ 27,273
Deductions:								
Withdrawals	6,486	11,120	23,537		-	27,273	27,273	27,273
Regulatory Receivable								
Sub-total	\$ 6,486	\$ 11,120	\$ 23,537	\$ -	\$ -	\$ 27,273	\$ 27,273	\$ 27,273
Ending Balance	\$ 2,057	\$ 2,057	\$ 1,829	N/A	\$ -	\$ 1,829	\$ 1,829	\$ 1,829

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions:									
Contributions					23,635	23,635	23,635	23,635	23,635
						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 23,635	-	-	-	-
Deductions:									
Withdrawals					21,936	21,936	21,936	21,936	21,936
						-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 21,936	-	-	-	-
Ending balance	\$ -	\$ -	\$ -	\$ -	\$ 1,699	\$ -	\$ -	\$ 340	\$ 1,699

Observations:

- Rate Stabilization Fund for Environmental began in June 2010.

Water and Sewer System Customer Deposits

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Management Directive 302 Credit and Collections and Internal Procedure CR40400 MBC302

Metric: Internal procedure CR40400 MBC302 Credit and Collections

Definitions and Goals: Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA accesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
<i>(In Thousands)</i>								
Opening Balance	\$ 13,911	\$ 13,910	\$ 13,910	N/A	\$ 13,255	\$ 14,526	\$ 14,526	\$ 14,526
Additions:								
Allocated from Electric Loan Repayment	615	616	616	N/A	655			
Sub-total	\$ 615	\$ 616	\$ 616	\$ -	\$ 655	\$ -	\$ -	\$ -
Deductions:								
Allocated from Electric Loan to W&S Operations			-	N/A	-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ 14,526	\$ 14,526	\$ 14,526	N/A	\$ 13,910	\$ 14,526	\$ 14,526	\$ 14,526

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 9,727	\$ 12,627	\$ 13,860	\$ 12,787	\$ 13,255	\$ 9,727	\$ 12,787	\$ 12,451	\$ 13,860
Additions:									
Allocated from Electric Loan Repayment	2,900	1,233		468	655	468	562	562	655
Sub-total	\$ 3,900	\$ 1,233	\$ -	\$ 468	\$ 655	-	-	-	-
Deductions:									
Allocated from Electric Loan to W&S Operations	1,000		1,073			1,073	1,073	1,073	1,073
Sub-total	\$ 1,000	\$ -	\$ 1,073	\$ -	\$ -	-	-	-	-
Ending balance	\$ 12,627	\$ 13,860	\$ 12,787	\$ 13,255	\$ 13,910	\$ 12,627	\$ 13,255	\$ 13,288	\$ 13,910

Observations:

- JEA is in the process of implementing a prepaid meter program which could reduce customer deposits at some future date.

Water and Sewer Debt Service Sinking Fund

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution

Metric: Accrued interest and principal currently payable on fixed and variable rate bonds pursuant to the Bond Resolutions

Definitions and Goals: JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the interest and principal due on such date.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	<u>2018</u>	<u>2019</u>	<u>2020</u>
Opening Balance	\$ 28,314	\$ 65,410	\$ 65,410	N/A	\$ 67,720	\$ 82,870	\$ 82,725	\$ 84,744
Additions:								
Revenue fund deposits	28,612	57,208	118,060		97,077	119,433	122,454	122,763
Sub-total	\$ 28,612	\$ 57,208	\$ 118,060	\$ -	\$ 97,077	\$ 119,433	\$ 122,454	\$ 122,763
Deductions:								
Principal and interest payments	408	66,100	100,600	N/A	99,387	119,578	120,435	121,219
Sub-total	\$ 408	\$ 66,100	\$ 100,600	\$ -	\$ 99,387	\$ 119,578	\$ 120,435	\$ 121,219
Ending Balance	\$ 56,518	\$ 56,518	\$ 82,870	N/A	\$ 65,410	\$ 82,725	\$ 84,744	\$ 86,288

(In Thousands)	Historical					Statistical			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	Low	Median	Mean	High
Opening Balance	\$ 80,936	\$ 81,675	\$ 80,317	\$ 75,019	\$ 67,720	\$ 268	\$ 77,668	\$ 64,323	\$ 81,675
Additions:									
Revenue fund deposits	125,160	119,535	117,444	102,789	97,077	97,077	117,444	112,401	125,160
Bond funded interest						-	-	-	-
Sub-total	\$ 125,160	\$ 119,535	\$ 117,444	\$ 102,789	\$ 97,077	-	-	-	-
Deductions:									
Principal and interest payments	124,421	120,893	122,742	110,088	99,387	99,387	120,893	115,506	124,421
Sub-total	\$ 124,421	\$ 120,893	\$ 122,742	\$ 110,088	\$ 99,387	-	-	-	-
Ending balance	\$ 81,675	\$ 80,317	\$ 75,019	\$ 67,720	\$ 65,410	\$ 65,410	\$ 75,019	\$ 74,028	\$ 81,675

Observations:

- September 30th ending balances are used to pay Oct 1st interest and principal payments.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on Oct 1st of the following fiscal year).

Water and Sewer Debt Service Reserve Account

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution

Metric: 125% of average annual debt service on outstanding senior fixed and variable rate bonds plus subordinated fixed rate bonds as required by the Bond Resolutions

Definitions and Goals: This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution. It is JEA's current practice to fund this reserve account with cash from the sale of bonds; however, revenues may be utilized to fund this reserve if necessary.

	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
(In Thousands)								
Opening Balance	\$ 107,488	\$ 108,086	\$ 108,086	N/A	\$ 108,849	\$ 107,488	\$ 107,488	\$ 107,488
Additions:								
Construction reserve fund/bond issues			-	N/A	-			
Revenue fund			-	N/A	-			
Rounding			-					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:								
Revenue fund		598	598		763			
Sub-total	\$ -	\$ 598	\$ 598	\$ -	\$ 763	\$ -	\$ -	\$ -
Ending Balance	\$ 107,488	\$ 107,488	\$ 107,488	N/A	\$ 108,086	\$ 107,488	\$ 107,488	\$ 107,488

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 102,214	\$ 119,131	\$ 119,915	\$ 116,829	\$ 108,849	\$ 102,214	\$ 116,829	\$ 113,388	\$ 119,915
Additions:									
Construction reserve fund/bond issues	10,917	784				784	5,851	5,851	10,917
Revenue fund	6,000	3,821				3,821	4,911	4,911	6,000
Sub-total	\$ 16,917	\$ 4,605	\$ -	\$ -	\$ -	-	-	-	-
Deductions:									
Revenue fund		3,821	3,086	7,980	763	763	3,454	3,913	7,980
Sub-total	\$ -	\$ 3,821	\$ 3,086	\$ 7,980	\$ 763	-	-	-	-
Ending balance	\$ 119,131	\$ 119,915	\$ 116,829	\$ 108,849	\$ 108,086	\$ 108,086	\$ 116,829	\$ 114,562	\$ 119,915

Observations:

- In 2008, debt service reserve sureties downgraded and JEA began replacing those downgraded sureties with cash/investments as required by the bond resolutions. Sureties of \$149.8 million are still outstanding but are not eligible to be utilized as debt service reserve deposits per the Bond Resolutions.

Water and Sewer Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution, Article 21 of the City of Jacksonville Charter and Pricing Policy

Metric: Renewal and Replacement required to deposit from the revenue fund annually an amount equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues per JEA's Water and Sewer System bond resolutions. Operating Capital Outlay - by 2013 the goal is to fund all non-capacity capital expenditures.

Definitions and Goals: Pursuant to the Water and Sewer System bond resolutions and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues. The funds shall be used for the purposes of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the Electric System. In addition, as a portion of the base rate, JEA will recover from current revenue a formula driven amount for capital expenditures which is referred to as Operating Capital Outlay. This amount is calculated separately from the R&R deposit. In accordance with the Pricing Policy, by 2013, the objective is to fund an amount equal to all non-capacity capital expenditures with current year internally generated funds.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
Opening Balance	\$ 80,509	\$ 76,020	\$ 76,020	N/A	\$ 37,337	\$ 59,072	\$ 46,913	\$ 2,174
Additions:								
R&R/OCO Contribution	30,204	63,097	106,936	-	124,574	142,590	114,271	120,745
Transfer from Capital Fds				-	-			
Other	2,276	4,129	10,415	-	30,889	8,600	8,600	8,600
Sub-total	\$ 32,480	\$ 67,226	\$ 117,351	\$ -	\$ 155,463	\$ 151,190	\$ 122,871	\$ 129,345
Deductions:								
Capital Expenditures	26,114	56,297	134,213	-	116,674	163,349	167,610	127,121
Transfer to Capacity Fund	12	86	86	-	-			
Transfer to Construction Fund								
R&R/OCO Contribution				-	106	-		
Sub-total	\$ 26,126	\$ 56,383	\$ 134,299	\$ -	\$ 116,780	\$ 163,349	\$ 167,610	\$ 127,121
Ending Balance	\$ 86,863	\$ 86,863	\$ 59,072	N/A	\$ 76,020	\$ 46,913	\$ 2,174	\$ 4,398

	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 28,840	\$ 64,260	\$ 78,689	\$ 59,295	\$ 37,337	\$ 28,840	\$ 59,295	\$ 53,684	\$ 78,689
Additions:									
R&R/OCO Contribution	76,157	91,245	48,373	62,793	124,574	48,373	76,157	80,628	124,574
Loans betw Capital Fds	-	-		22		-	-	7	22
Other (incl septic tank)	5,771	1,539	1,614	653	30,889	653	1,614	8,093	30,889
Sub-total	\$ 81,928	\$ 92,784	\$ 49,987	\$ 63,468	\$ 155,463				
Deductions:									
Capital Expenditures	46,508	68,355	67,488	85,426	116,674	46,508	68,355	76,890	116,674
Loan Repayment	-	-	-			-	-	-	-
Transfer to Constr. Fund	-	10,000	1,893		106	-	1,000	3,000	10,000
Other (incl septic tank)	-	-	-	-	-	-	-	-	-
Sub-total	\$ 46,508	\$ 78,355	\$ 69,381	\$ 85,426	\$ 116,780				
Ending balance	\$ 64,260	\$ 78,689	\$ 59,295	\$ 37,337	\$ 76,020	\$ 37,337	\$ 64,260	\$ 63,120	\$ 78,689

Observations:

- Other includes the Septic Tank Phase-out project, Sale of Property, and the transfer of RSF - Environmental in FY 2016 - 2019
- Includes \$20 million for Maximum Annual Debt Service calculation.
- \$57 million is projected to be withdrawn from this capital balance in FY 2016-2017 to support the capital program with lower Net Revenues as planned with the June 2012 approved reduction in the October 1, 2012 rate increase.

Water and Sewer Capacity Fees / State Revolving Fund Loans

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Florida Statute and Rate Tariff

Metric: Tariff rate

Definitions and Goals: Capacity fees are charged to customers as a one- time fee for a new connection to the Water System and a one- time fee for a new connection to the Sewer System. Capacity charges may be used and applied for the purpose of paying costs of expansion of the Water and Sewer System or paying or providing for the payment of debt that was issued for the same purpose. In addition, the Water and Sewer System has received funds from the State Revolving Fund (SRF) program for the construction of water and wastewater treatment facilities. SRF loans are subordinated to all Water and Sewer System Revenue Bonds and Water and Sewer System Subordinated Revenue Bonds.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
Opening Balance	\$ 103,244	\$ 103,411	\$ 103,411	N/A	\$ 90,912	\$ 75,167	\$ 47,456	\$ 37,711
Additions:								
Capacity Fees	5,716	10,295	19,795	-	21,995	19,190	19,382	19,576
State Revolving Fd Loan				-	-			
Transfer from R&R/OCO Fund	12	86	86	-	145	650	650	650
Other				-	-			
Sub-total	\$ 5,728	\$ 10,381	\$ 19,881	\$ -	\$ 22,140	\$ 19,840	\$ 20,032	\$ 20,226
Deductions:								
Capital Expenditures	7,648	12,468	48,125	-	9,648	47,551	29,777	34,761
Other				-	-			
Sub-total	\$ 7,648	\$ 12,468	\$ 48,125	\$ -	\$ 9,648	\$ 47,551	\$ 29,777	\$ 34,761
Ending Balance	\$ 101,324	\$ 101,324	\$ 75,167	N/A	\$ 103,404	\$ 47,456	\$ 37,711	\$ 23,176

(In Thousands)	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 41,025	\$ 45,454	\$ 60,360	\$ 76,887	\$ 90,912	\$ 41,025	\$ 60,360	\$ 62,928	\$ 90,912
Additions:									
Capacity Fees	10,820	17,394	18,298	19,579	21,995	10,820	18,298	17,617	21,995
State Revolving Fd Loan	3,798	-	-			-	-	1,266	3,798
Loan Repayments	-	-	-	246	145	-	-	78	246
Other	-	12	-	5	7	-	5	5	12
Sub-total	\$ 14,618	\$ 17,406	\$ 18,298	\$ 19,830	\$ 22,147				
Deductions:									
Capital Expenditures	7,096	2,270	1,758	5,805	9,648	1,758	5,805	5,315	9,648
Loans betw Capital Fds	-					-	-	-	-
Other	3,093	230	13			13	230	1,112	3,093
Sub-total	\$ 10,189	\$ 2,500	\$ 1,771	\$ 5,805	\$ 9,648				
Ending balance	\$ 45,454	\$ 60,360	\$ 76,887	\$ 90,912	\$ 103,411	\$ 45,454	\$ 76,887	\$ 75,405	\$ 103,411

Observations:

Water and Sewer Environmental

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Pricing Policy

Metric: Unit tariff rates times consumption

Definitions and Goals: The Environmental Charge will be applied to all water, sewer, irrigation and non bulk user reclaimed consumption. The environmental charge revenue will be collected from customers to partially offset current and future environmental and regulatory needs as specified in the Pricing Policy for specific environmental and regulatory programs.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	<u>2018</u>	<u>2019</u>	<u>2020</u>
Opening Balance	\$ 1,456	\$ 2,659	\$ 2,659	N/A	\$ -	\$ 1,832	\$ -	\$ -
Additions:								
Environmental Contributions	4,389	6,763	13,819	-	15,539	12,620	18,747	13,078
Loans betw Capital Fds				-	-			
Other				-	-			
Sub-total	\$ 4,389	\$ 6,763	\$ 13,819	\$ -	\$ 15,539	\$ 12,620	\$ 18,747	\$ 13,078
Deductions:								
Capital Expenditures	2,892	6,469	14,646	-	12,880	14,452	18,747	13,078
Septic Tank Phase Out				-	-			
Other	-			-	-			
Sub-total	\$ 2,892	\$ 6,469	\$ 14,646	\$ -	\$ 12,880	\$ 14,452	\$ 18,747	\$ 13,078
Ending Balance	\$ 2,953	\$ 2,953	\$ 1,832	N/A	\$ 2,659	\$ -	\$ -	\$ -

(In Thousands)	Historical					Statistical			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	Low	Median	Mean	High
Opening Balance	\$ 9,795	\$ (8,158)	\$ (9,857)	\$ 5,299	\$ -	\$ (9,857)	\$ -	\$ (584)	\$ 9,795
Additions:									
Environmental Contributions	21,747	21,193	21,018	22,056	15,539	15,539	21,193	20,311	22,056
Loans betw Capital Fds	-	-	-			-	-	-	-
Other						-	-	-	-
Sub-total	\$ 21,747	\$ 21,193	\$ 21,018	\$ 22,056	\$ 15,539				
Deductions:									
Capital Expenditures	39,700	22,892	5,862	7,318	12,880	5,862	12,880	17,730	39,700
Septic Tank Phase Out				203		203	203	203	203
Other				19,834		19,834	19,834	19,834	19,834
Sub-total	\$ 39,700	\$ 22,892	\$ 5,862	\$ 27,355	\$ 12,880				
Ending balance	\$ (8,158)	\$ (9,857)	\$ 5,299	\$ -	\$ 2,659	\$ (9,857)	\$ -	\$ (2,011)	\$ 5,299

Observations:

Water and Sewer Construction / Bond Fund

For the Fiscal Quarter Ending March 31, 2017

Reserve/Fund Authorization: Bond Resolution

Metric: Capital expenditures per year minus internal funding available

Definitions and Goals: JEA maintains a senior and subordinated construction fund of which bonds proceeds are deposited and used for the payment of the costs of additions, extensions and improvements to the Water and Sewer System.

(In Thousands)	Actual as of 03/31/2017		Full Year			Projection		
	Current Quarter	Year -to-Date	2017 Forecast	2017 Budget	Prior Year Actual	2018	2019	2020
Opening Balance	\$ 152	\$ 152	\$ 152	N/A	\$ 664	\$ -	\$ -	\$ -
Additions:								
Bond Proceeds			-	-	-			
Line of Credit			-	-	-			
Transfer from R&R/OCO Fund				-	-			
Other				-	17			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 17	\$ -	\$ -	\$ -
Deductions:								
Capital Expenditures				-	-			
Bond Proceeds				-	-			
Other			152	-	529			
Sub-total	\$ -	\$ -	\$ 152	\$ -	\$ 529	\$ -	\$ -	\$ -
Ending Balance	\$ 152	\$ 152	\$ -	N/A	\$ 152	\$ -	\$ -	\$ -

(In Thousands)	Historical					Statistical			
	2012	2013	2014	2015	2016	Low	Median	Mean	High
Opening Balance	\$ 29,622	\$ 7,419	\$ 2,305	\$ 326	\$ 664	\$ 326	\$ 2,305	\$ 8,067	\$ 29,622
Additions:									
Bond Proceeds	-	486	-			-	-	162	486
Line of Credit	-	-	-			-	-	-	-
Loans/trnsf btw CapFds	-	10,000	1,893			-	1,893	3,964	10,000
Other	-	3	476	344	17	-	17	168	476
Sub-total	\$ -	\$ 10,489	\$ 2,369	\$ 344	\$ 17				
Deductions:									
Capital Expenditures	20,243	14,855	3,784	6		6	9,320	9,722	20,243
Bond Proceeds	-	411	48			-	48	153	411
Line of Credit	-	-	-			-	-	-	-
Loans/trnsf btw CapFds	-	337	516			-	337	284	516
Other	1,960	-	-		529	-	265	622	1,960
Sub-total	\$ 22,203	\$ 15,603	\$ 4,348	\$ 6	\$ 529				
Ending balance	\$ 7,419	\$ 2,305	\$ 326	\$ 664	\$ 152	\$ 152	\$ 664	\$ 2,173	\$ 7,419

Observations:

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used line of credit borrowings and loans between capital funds to decrease borrowing costs.
- No new debt issues for the FY 2017-2019 projection.

IV. A. 6b.

JEA Investment Policy – Revision to Investment Limitations



Building Community

AGENDA ITEM SUMMARY

April 19, 2017

SUBJECT: JEA INVESTMENT POLICY – REVISION TO INVESTMENT LIMITATIONS

Purpose: ☐ Information Only ☒ Action Required ☐ Advice/Direction

Issue: The JEA Investment Policy requires diversification of investments, with specific limitations for authorized investments listed in Table 1 of the Policy. Section 8.0, Risk and Diversification, of the Investment Policy provides that the CFO can recommend changes to Table 1. The current recommendation is to include the State of Florida Local Government Surplus Funds Trust Fund (“Florida Prime”) in Table 1. The Florida Prime Fund would be included in the Intergovernmental Pools category, with Intergovernmental Pools having an overall limit of 10% of the total investment portfolio.

Significance: Revisions to Table 1, Investment Limitations, are being proposed to add the money market fund known as Florida Prime to the list of available investment options. The fund is administered by the Florida State Board of Administration and has been managed by Federated Investors, Inc. since February 2008. Florida Statutes (Section 218.415) and the list of Authorized Investments in the Investment Policy permit all JEA systems to invest in Florida Prime.

Effect: The revisions would affect investment income and the composition of the investment portfolio.

Cost or Benefit: Improved portfolio diversification and day-to-day operations, providing for the opportunity to improve the investment portfolio yield.

Recommended Board action: Staff recommends that the Finance and Audit Committee and the Board approve the attached revisions to Table 1 of the Investment Policy.

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

Submitted by: PEM/ MHD/JEO/ TPD



Commitments to Action

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



INTER-OFFICE MEMORANDUM

April 26, 2017

SUBJECT: JEA INVESTMENT POLICY - REVISION TO INVESTMENT
LIMITATIONS

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Finance and Audit Committee

Kelly Flanagan, Chair
Tom Petway
Husein Cumber

BACKGROUND:

Section 218.415 of the Florida Statutes requires that investment activity by a unit of local government be consistent with a written policy adopted by the governing body of such unit of local government. In September 1995, the JEA Board approved an Investment Policy that satisfied this statutory requirement. Since that time, the Florida legislature has amended various sections of Section 218.415. In September 2000, October 2004, August 2008, and December 2011 the JEA Investment Policy was amended to take into account revisions to the statute as well as to incorporate current industry practices. The most recent revisions to the Policy were approved by the JEA Board at the August 16, 2016 Board meeting.

DISCUSSION:

The goal of the Investment Policy is to ensure the overall investment objectives of safety of capital, sufficient liquidity, and maximization of portfolio yield. Section 7.0, Portfolio Composition, and Section 8.0, Risk and Diversification, of the Investment Policy provide for the types of allowable securities and limits on the concentration of such securities. Section 8.0 also provides that the CFO can recommend changes to Table 1, Investment Limitations. The current recommendation is to include the State of Florida Local Government Surplus Funds Trust Fund (formerly the "State Pool" and now known as "Florida Prime") in Table 1.

In 2007, the Florida State Pool experienced liquidity problems, resulting in JEA's decision to exit the State Pool. While the Florida Prime Fund continues to be administered by the Florida State Board of Administration, the fund has been managed by Federated Investors, Inc. since 2008 and several additional layers of oversight have been added. The fund is rated AAA by Standard and Poor's. Florida Statutes (Section 218.415) and the list of Authorized Investments in the Investment Policy permit all JEA systems to invest in Florida Prime.

Benefits of adding this investment option would include diversification and incremental yield compared with money market funds currently permitted and other short-term investment options. The Florida Prime Fund would be included in the Intergovernmental Pool category, with Intergovernmental Pools having an overall limit of 10% of the total investment portfolio. JEA's investment in Florida Prime will be reviewed annually at the Debt and Investment Strategy meeting.

RECOMMENDATION:

Staff recommends that the Finance and Audit Committee and the Board approve the attached revisions to Table 1 of the Investment Policy.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO/TPD

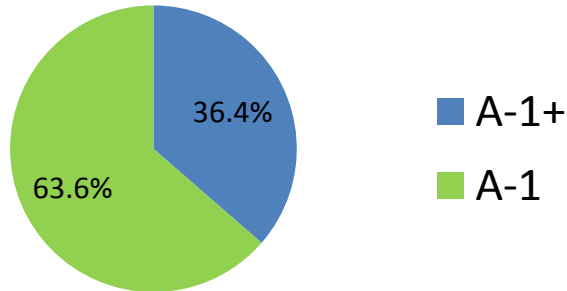
Table 1, JEA Investment Policy - JEA Investment Limitations

Option	Allowable Range (% of total investments and/or \$ amount)	Comments
Bank NOW Account	Up to 25%, except for 3/31 and 9/30 at which time the limit is 30%	Federal or state insured financial institutions designated as Qualified Public Depositories by the State of Florida
Triparty Repo	Up to 15% with any one dealer; up to 25% in aggregate	102% collateral for Elec., Water, SJRPP 2 nd Resolution; 103% for SJRPP 1 st Resolution. Collateral can include Treasuries and/or Agencies and is held by a 3 rd party custodian. Dealers rated AA by two rating agencies.
U.S. Treasuries or Treasury-only Money Market Funds	Up to 100%	Fund must be rated AAA or Aaa and registered with SEC.
U.S. Agencies (Fannie Mae, Federal Home Loan Bank, Freddie Mac, etc.)	Less than 35% in any one issuer and up to 75% in aggregate, including repo collateral	Electric/DES: No ratings requirement for long-term debt; A-1/P-1 or better for short-term debt; SJRPP 1 st Resolution: no ratings requirements; Other Systems: AAA rated; All Systems: Not backed by mortgage loans.
Commercial Paper	Up to 25% of portfolio; maximum of \$12.5 million in any one issuer	Must be in Fortune 500/Global 500, or governments of Canada or Canadian provinces (U.S. dollar-denominated); rated at least A-1/P-1 with stable or positive outlook.
Municipal Bonds	Up to 30% non-JEA debt; 50% including JEA debt	Non-JEA debt must be rated AA by two rating agencies for Elec., Water, and 2 nd Power Park Resolution; Fla. GOs for original Power Park Resolution
Government Agency Money Market Mutual Funds	Up to 10% in any one fund; up to 25% in aggregate	AAA or Aaa rating required. Registered with SEC.
Intergovernmental Investment Pools	Up to 10%	Authorized by Florida statutes. Includes Florida Prime Fund and PFM's Florida Education Income Trust Fund.

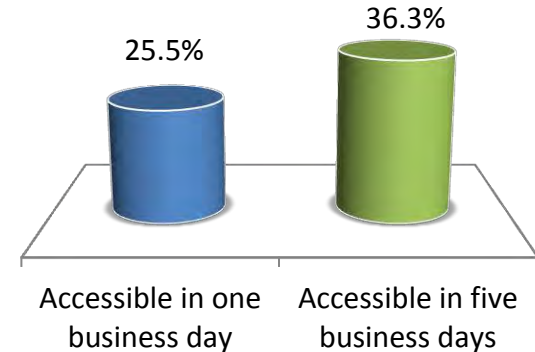
Florida Prime Portfolio Composition

As of February 2017

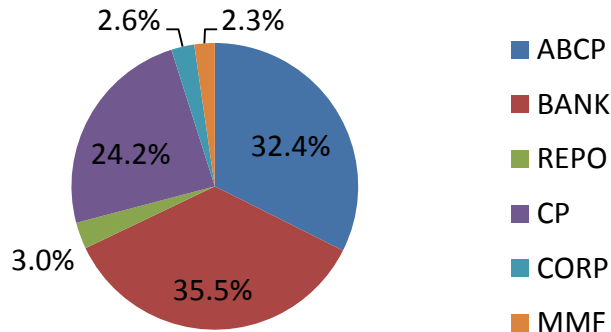
Credit Quality Composition



Highly Liquid Holdings

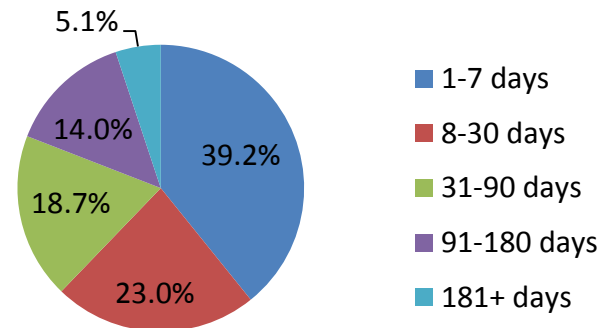


Portfolio Composition



ABCP – Asset Backed Commercial Paper; BANK – Bank Instruments;
REPO – Repurchase Agreements; CP – Commercial Paper; CORP –
Corporate Notes; MMF – Money Market Funds

Effective Maturity Schedule



Average Effective Maturity = 43.5 days
Weighted Average Life = 61.8 days



Florida PRIME Assets = \$10,553,427,851

IV. A. 7.

JEA Energy Market Risk Management Policy Report

JEA
Building Community
AGENDA ITEM SUMMARY

May 8, 2017

SUBJECT: JEA ENERGY MARKET RISK MANAGEMENT POLICY REPORT

Purpose: ☒ Information Only ☐ Action Required ☐ Advice/Direction

Issue: The JEA Board approved the Energy Market Risk Management (EMRM) Policy in March 2014. The Policy was developed to codify the risk, governance, limits, and criteria associated with managing energy market exposure, and to comply with requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The reporting section of the Policy requires a quarterly report on JEA's financial and physical fuel and power transactions. This report includes physical transactions greater than one year and all financial transactions.

Significance: High. The Policy governs JEA's wholesale energy market risk management and allows JEA to execute certain physical and financial transactions. The attached report is provided to the Board's Finance and Audit Committee and satisfies the requirements of the reporting section of the EMRM Policy.

Effect: Financial and physical transactions allow the JEA Fuels group to manage the risks inherent in the wholesale fuel and energy markets. The attached Finance and Audit Committee report summarizes JEA's current positions.

Cost or Benefit: The costs of financial transactions are reflected in comparison to market indices. The benefits include establishment of a stable fuel price for the future.

Recommended Board action: None required. The report is required by the EMRM Policy and is provided as information.

For additional information, contact: Steve McInall, 665-4309

Submitted by: PEM/ MJB/ SGM



Commitments to Action

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

Energy Market Risk Management: Physical and Financial Positions

Summary as of 4/4/2017		
Projected FY17 Expense (Budget = \$412M)	\$438M	☹
Projected Fuel Fund Ending Balance FY17	\$134M	☺
EMRM Compliance	Yes	☺
Counterparty Credit Limit Exceptions	No	☺
Any Issues of Concern	No	☺

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 4/1/2017

Generating Unit	Fuel Type	Supplier/ Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
SJRPP	Coal	Coal Marketing Company	Fixed Price	\$ 72,818,060	7 months
Scherer 4	Coal	Alpha- Eagle Butte	Fixed Price	\$ 2,974,043	9 months
Scherer 4	Coal	Coal Sales, LLC	Fixed Price	\$ 1,483,317	9 months
Scherer 4	Coal	Arch Coal Sales Company, Inc	Fixed Price	\$ 1,131,766	9 months
Scherer 4	Coal	FY18 Contura Eagle Butte	Fixed Price	\$ 2,657,078	12 months
Scherer 4	Coal	FY19 Contura Eagle Butte	Fixed Price	\$ 2,806,870	12 months
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$ 275,587,874	4.1 years

Table 2: Financial Positions as of 4/1/2017

Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost (\$/mmBtu)	Hedge Type	Hedge Price	Mark-to-Market Value	Counter Party
FY17	Natural Gas	18,907,600	3,000,000	15.9%	\$3.28	Collar	\$2.93/\$4.50	\$175,026	Wells Fargo
FY18	Natural Gas	40,604,400	-	0.0%	\$3.10	-	-	-	-
FY19	Natural Gas	40,375,800	-	0.0%	\$2.84	-	-	-	-

Table 3: Fuel Procurement as of 4/4/2017

Fuel Type	Coal	Petcoke	Oil/Diesel	Purchased Power	Natural Gas	Renewables	Nuclear
FY17 Remaining							
Expected Spend (\$)	101.6M	14.0M	0.1M	17.1M	74.0M	5.1M	
% Procured	68%	9%	100%	0%	50%	100%	
% Hedged	68%	9%	100%	0%	16%	100%	
FY18							
Expected Spend (\$)	96.2M	62.4M	1.0M	56.8M	129.0M	14.7M	
% Procured	34%	9%	100%	0%	56%	100%	
% Hedged	34%	9%	100%	0%	0%	100%	
FY19							
Expected Spend (\$)	69.9M	61.0M	1.6M	75.4M	123.3M	14.0M	3.6M
% Procured	47%	9%	100%	0%	55%	100%	100%
% Hedged	47%	9%	100%	0%	0%	100%	100%

Supporting Notes:

- Renewable and nuclear power purchase agreements are not included in Table 1
- Natural Gas Transportation is 100% fixed capacity and price
- Solid fuel procurement – quarterly at Northside; longer term 2017 for SJRPP and 2017/18 for Scherer
- FY17 Energy Mix: 42% Gas, 47% Solid Fuel, 11% Purchase Power expected (based on MWH)
- In Table 3, the procured percent relates to inventory on hand, or contracted and the percent hedged is inventory on hand or contracted with fixed pricing or financial hedges
- The FY17 projected fuel fund ending balance has decreased from budget because of increases in fuel prices (\$44M) and lowering of the fuel rate from \$36.75 to \$32.50 on 12/2016 (\$44M)

IV. B.

Government and Legal Affairs Committee Report



JEA
GOVERNMENT AND LEGAL AFFAIRS COMMITTEE AGENDA

DATE: May 11, 2017
TIME: 12:00 PM
PLACE: 21 W. Church Street
8th Floor Conference Room

	Responsible Person	Action (A) Info (I)
I. OPENING CONSIDERATIONS	Alan Howard	
A. Call to Order		
B. Adoption of Agenda		A
C. Approval of Minutes – December 13, 2016		A
II. NEW BUSINESS		
A. Government and Legal Affairs Committee Charter Changes and Associated Committee Name Change	Mike Hightower/ Nancy Kilgo	A
B. Real Estate Purchases and Sales Report	Dykes	I
C. Government Relations Local, State and Federal Update	Mike Hightower/ Nancy Kilgo	I
D. Litigation Update	Jody Brooks	I
E. Other New Business	Paul McElroy	I
F. Announcements	Alan Howard	I
1. Schedule Next Meeting as Appropriate		
G. Adjournment		

IV. B. 1.

Approval of Minutes - December 13, 2016

I. C.
5/11/2017
(GLA)

**Return
to Agenda**

IV. B. 1.
5/16/2017
(GLA)

JEA BOARD OF DIRECTORS
GOVERNMENT AND LEGAL AFFAIRS COMMITTEE
December 13, 2016

The Government and Legal Affairs Committee of JEA met on Tuesday, December 13, 2016, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Committee Chair Alan Howard called the meeting to order at 10:31 AM with Board Chair Tom Petway and Board Vice Chair Ed Burr in attendance. Others in attendance were Paul McElroy, Mike Hightower, Jody Brooks, Nancy Veasey, Judi Spann, and Gerri Boyce.
- B. Adoption of Agenda – The Agenda was adopted on **motion** by Board Chair Petway and second by Board Vice Chair Burr.
- C. Approval of Minutes – The May 6, 2016 minutes were unanimously approved on **motion** by Board Vice Chair Burr and Chair Petway.

Agenda Item II – New Business

- A. JEA Government Relations Local, State and Federal Update – Nancy Veasey, Director Government Affairs, provided a brief update, and Committee Members held discussions on local, state, and federal matters as they relate to JEA. This agenda item was received for information.
- B. Review of Current Litigation – Jody Brooks, Chief Legal Officer, provided the Committee with a handout highlighting JEA's current litigation for matters that existed as of September 30, 2016, and new matters as of November 30, 2016. A copy of the handout is on file.
- C. Other Business – None
- D. Announcements
 - 1. The next Government and Legal Affairs Committee meeting will be scheduled prior to the January 17, 2017 Board Meeting.
- E. Adjournment – With no further business claiming the attention of this Committee, the meeting was declared adjourned at 11:41 AM.

APPROVED BY:

Alan Howard, Committee Chair
Date: _____

Submitted by:

Melissa Charleroy
Executive Assistant

IV. B. 2.

Adoption of Recommended Government & Legal Affairs Committee Charter Changes

II. A.
5/11/2017
(GLA)

Return
to Agenda



IV. B. 2.
5/16/2017
(GLA)

May 3, 2017

SUBJECT: GOVERNMENT AND LEGAL AFFAIRS COMMITTEE CHARTER CHANGES AND ASSOCIATED COMMITTEE NAME CHANGE

Purpose: ☐ Information Only ☒ Action Required ☐ Advice/Direction

Issue: The JEA Board Chair created a Government and Legal Affairs Committee in 2016 to review various policy and strategy issues relating to government affairs at the local, state and federal levels and legal matters affecting JEA. A revised Committee Charter adding real estate policy matters and transactions requiring Board approval in accordance with the Real Estate Procurement Directive is presented for consideration by the Government Affairs Committee.

Significance: The May Government and Legal Affairs Committee will be held on May 11, 2017. The amended Charter will be considered at the committee meeting.

Effect: The amended Charter will guide the scope and work of the Committee going forward.

Cost or Benefit: Review of developing policy, regulatory, legislative, legal and real estate issues will provide insight to the Committee and Board, of potential major cost and/or operational impacts.

Recommended Board action: Staff requests the Committee to review, modify and approve the amended Government and Legal Affairs Committee Charter to be considered by the full Board of Directors at the May 16, 2017 meeting. In accordance with the proposed, amended charter, it is recommended that the Board change the Committee name to be the Government, Legal and Real Estate Affairs Committee.

For additional information, contact: Mike Hightower

Submitted by: PEM/MRH/NKV



Commitments to Action

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

JEA Board of Directors Government, Legal and Real Estate Affairs Committee Charter

Role of the Government, Legal and Real Estate Affairs Committee

The Government, Legal and Real Estate Affairs Committee is appointed by, and is a standing Committee of, the Board of Directors of JEA. The Committee's primary functions are to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring (i) JEA's government affairs involvement, strategies and major issues at the local/regional, state and federal levels, and (ii) legal matters affecting JEA, including litigation, and (iii) all real estate policy matters and transactions requiring Board approval in accordance with the Real Estate Procurement Directive. In conjunction with its primary function, it is the responsibility of the Committee to provide an open avenue of communication between the Board and Management. The Committee shall review and approve relevant agenda items, provide periodic reports and make recommendations to the JEA Board for final approval. It will keep the Board apprised of its activities.

Membership

The Committee shall consist of at least three Board members, appointed annually by the Board Chair. The Board Chair shall appoint one of the Committee members as Chairperson. The Chief Public Affairs Officer shall have direct access to Committee members.

Meetings

The Committee will meet on an as needed basis. The Committee may invite members of Management and/or others to attend meetings and provide pertinent information, as necessary. Meetings shall be subject to open meetings and public information laws.

Responsibilities

The Committee shall:

- Review summary reports by JEA staff on legislation and regulations, proposed, pending and adopted, at the local/regional, state and federal levels that may have a direct or indirect impact to JEA
- Review JEA staff participation in government affairs stakeholder communications and outreach
- Ensure JEA maintains comprehensive government affairs strategies for all appropriate levels of government
- Report Committee summaries, actions and recommendations to the Board
- Review legal matters as appropriate which may include outstanding litigation and related legal representation
- Review all real estate policy matters and transactions requiring Board approval
- Annually review and approve the Committee's Charter, updating as needed

JEA Board of Directors Government, ~~and Legal~~ and Real Estate Affairs Committee Charter

Role of the Government, ~~and Legal~~ and Real Estate Affairs Committee

The Government, ~~and Legal~~ and Real Estate Affairs Committee is appointed by, and is a standing Committee of, the Board of Directors of JEA. The Committee's primary functions are to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring (i) JEA's government affairs involvement, strategies and major issues at the local/regional, state and federal levels, and (ii) legal matters affecting JEA, including litigation, and (iii) all real estate policy matters and transactions requiring Board approval in accordance with the Real Estate Procurement Directive. In conjunction with its primary function, it is the responsibility of the Committee to provide an open avenue of communication between the Board and Management. The ~~Government Affairs~~ Committee shall review and approve relevant agenda items, provide periodic reports and make recommendations to the JEA Board for final approval. It will keep the Board apprised of its activities.

Membership

The Committee shall consist of at least three Board members, appointed annually by the Board Chair. The Board Chair shall appoint one of the Committee members as Chairperson. The Chief Public Affairs Officer shall have direct access to ~~Government Affairs~~ Committee members.

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- Report Committee summaries, actions and recommendations to the Board
- Review legal matters as appropriate which may include outstanding litigation and related legal representation
- Review all real estate policy matters and transactions requiring Board approval
- Annually review and approve the Committee's Charter, updating as needed

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IV. B. 3.

2016 Real Estate Purchases and Sales Summary

II. B.
5/11/2017
(GLA)

Return
to Agenda



IV. B. 3.
5/16/2017
(GLA)

April 27, 2017

SUBJECT: REAL ESTATE PURCHASES & SALES REPORT

Purpose: ☒ Information Only ☐ Action Required ☐ Advice/Direction

Issue: Provide the JEA Government and Legal Affairs Committee with an update of Real Estate activities.

Significance: Communication of significant Real Estate Services' activities to the JEA Government and Legal Affairs Committee.

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

Cost or Benefit: Real Estate transactions are in support of specific work which is critical to JEA's operations ensuring continued service reliability.

Recommended Action: No action required. The Real Estate Purchases & Sales Report is for informational purposes only.

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

Submitted by: PEM/MHD/HAZ/DLB



Commitments to Action

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



INTER-OFFICE MEMORANDUM

April 27, 2017

SUBJECT: REAL ESTATE PURCHASES & SALES REPORT

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Government and Legal Affairs Committee

BACKGROUND:

The quarterly Real Estate Purchases & Sales Report is intended to provide information regarding transactions which may or may not require JEA Board approval. These transactions are in support of specific work which is critical to JEA's operations ensuring continued service reliability.

DISCUSSION:

The Real Estate Purchases & Sales Report is submitted to the Government and Legal Affairs Committee on a quarterly basis, and is intended to provide an overview of Real Estate activities.

RECOMMENDATION:

No action is required. The Real Estate Purchases & Sales Report is for informational purposes only.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/HAZ/DLB

2016-2017 Real Estate Purchases & Sales Report

Government and
Legal Affairs Committee
May 11, 2017

2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

- JEA's Real Estate Services manages all the real estate needs for JEA's operations, including:
 - Project-related acquisitions
 - Surplus sales
 - Easements
 - Rights-of-way
 - Condemnations
 - Land use issues and litigation
- This report is provided as information on current JEA Real Estate activities over the past year
- Major projects with purchases or sales of \$500,000 or more are approved by the Board of Directors in accordance with the Real Estate Procurement Directive



REAL ESTATE REPORT – Additional Major Activities

2016-2017

Activity	Status
Surplus Properties	18 parcels under review for disposition
Condemnation	No activities during this period
Litigation	CTB3 – Inverse Condemnation, JEA has filed a motion to dismiss
St. Johns River Dredging	JEA and FP&L are finalizing the terms of a sale of approximately 50 acres of Pelotes Islands to JAXPORT for mitigation

2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Duval County

Deeds, Easements, Use & Hold Harmless Agreements, Leases

	DATE	DOCUMENT TYPE
LENNAR HOMES LLC	1/28/2016	UHH
MSG BARTRAM LAND L L C	3/10/2016	UHH
RIVERSIDE HOMES OF NORTH FLORIDA INC	3/17/2016	UHH
ST JOHNS RIVER WATER MANAGEMENT DISTRICT	3/22/2016	UHH
ST JOHNS RIVER WATER MANAGEMENT DISTRICT	4/29/2016	UHH
TAMAYA LOAN ACQUISITION LLC ETAL	7/6/2016	UHH
STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION ETAL	7/14/2016	UHH
AUGUSTINE READ CHARTER PROPERTY LLC	7/25/2016	UHH
UNIVERSITY BAPTIST CHURCH OF JACKSONVILLE FLORIDA INC	8/25/2016	UHH
CPC JACKSONVILLE SJTC LLC	9/13/2016	UHH
FLORIDA STATE TRNSP DEPT ETAL	9/19/2016	UHH
JACKSONVILLE CITY OF	9/26/2016	UHH
INDIGO JAX LLC	10/20/2016	UHH
CARMAX AUTO SUPERSTORES INC	11/28/2016	UHH
RIMROCK DEVLIN DEVELOPMENT LLC	5/18/2016	UHH
30 WEST PERSHING LLC	9/7/2016	UHH
30 WEST PERSHING LLC	9/7/2016	UHH
OWEN FARMS LLC	5/5/2016	DEED
OCONNELL BENJAMIN ETAL	5/27/2016	DEED
GREAT GREAT GREAT DELIVERANCE MINISTRIES INCORPORATED	6/1/2016	DEED
GREAT GREAT GREAT DELIVERANCE MINISTRIES INCORPORATED	6/1/2016	DEED
REGAL HOLDING USA CORP	6/17/2016	DEED
FLORIDA STATE OF ETAL	6/21/2016	DEED
STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION	6/21/2016	DEED
OWEN FARMS LLC ETAL	8/1/2016	DEED
SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	8/5/2016	DEED
TRUST 160P PHOENIX OFFICE CENTER INC TRUSTEE ETAL	8/12/2016	DEED
TRUST 146P PHOENIX OFFICE CENTER INC TRUSTEE ETAL	8/12/2016	DEED
TRUST 145P ETAL	8/12/2016	DEED
JACKSONVILLE CITY OF	9/9/2016	DEED

	DATE	DOCUMENT TYPE
JACKSONVILLE TRANSPORTATION AUTHORITY	9/22/2016	DEED
GATE PETROLEUM COMPANY	12/6/2016	DEED
GATE PETROLEUM COMPANY	12/6/2016	DEED
PURVIS JASON ETAL	12/22/2016	DEED
JACKSONVILLE PORT AUTHORITY	1/7/2016	EASEMENT
JACKSONVILLE PORT AUTHORITY	1/7/2016	EASEMENT
JACKSONVILLE PORT AUTHORITY	1/7/2016	EASEMENT
CAROLINA LUMBER COMPANY	1/20/2016	EASEMENT
CENTURY 21 CAR WASH INC	1/22/2016	EASEMENT
CENTURY 21 CAR WASH INC	1/22/2016	EASEMENT
TAMAYA LOAN ACQUISITION LLC	1/27/2016	EASEMENT
BEACH COMMUNITY DEVELOPMENT DISTRICT	2/9/2016	EASEMENT
COLONIAL CAPITAL LAND PARTNERS LLC	2/16/2016	EASEMENT
SKINNER ARTHUR CHESTER JR TRUSTEE ETAL	2/17/2016	EASEMENT
ATLANTIC NORTH LLC	2/24/2016	EASEMENT
DD JAX PARTNERS LLC	2/24/2016	EASEMENT
JACKSONVILLE CITY OF	3/7/2016	EASEMENT
JACKSONVILLE CITY OF	3/7/2016	EASEMENT
CITICORP CREDIT SERVICES INC	3/8/2016	EASEMENT
FLORIDA STATE INTERNAL IMPROVEMENT TRUST FUND	3/10/2016	EASEMENT
TAMAYA LOAN ACQUISITION LLC	3/18/2016	EASEMENT
BENCHMARK OF JACKSONVILLE LLC	3/22/2016	EASEMENT
BOBCAT OF JACKSONVILLE LLC	3/22/2016	EASEMENT
ALAUQUA RENTAL COMMUNITY LLC	3/24/2016	EASEMENT
ESTEVEZ FELIPE J	4/13/2016	EASEMENT
PAUL JONATHAN A ETAL	4/28/2016	EASEMENT
LUNDGREN LARRY D ETAL	4/29/2016	EASEMENT
FUSSELL ROBERT E	4/29/2016	EASEMENT
KEEN NORMA	4/29/2016	EASEMENT



2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Duval County Continued

Deeds, Easements, Use & Hold Harmless Agreements, Leases

	DATE	DOCUMENT TYPE
BEACH COMMUNITY DEVELOPMENT DISTRICT	4/29/2016	EASEMENT
TAMAYA LOAN ACQUISITION LLC	4/29/2016	EASEMENT
TAMAYA LOAN ACQUISITION LLC	4/29/2016	EASEMENT
JOHNSON & JOHNSON VISION CARE INC	5/16/2016	EASEMENT
FLAGLER VISION L L C	5/16/2016	EASEMENT
FLAGLER VISION L L C	5/16/2016	EASEMENT
TAMAYA LOAN ACQUISITION LLC	5/18/2016	EASEMENT
EW MANDARIN LLC	5/19/2016	EASEMENT
CREWS JOSEPH E ETAL	6/7/2016	EASEMENT
SWAIN JOHNNY B ETAL	6/7/2016	EASEMENT
CLAYTON CARL ETAL	6/7/2016	EASEMENT
GAVRILOV VADIM	6/7/2016	EASEMENT
TURNER WILLIE	6/7/2016	EASEMENT
TAMAYA LOAN ACQUISITION LLC	6/15/2016	EASEMENT
TAMAYA LOAN ACQUISITION LLC	6/15/2016	EASEMENT
STELLATO DAVID M ETAL	6/22/2016	EASEMENT
WICKED BARLEY BREWING COMPANY LLC	7/11/2016	EASEMENT
ROSSELLE PARTNERS LLC	7/13/2016	EASEMENT
BROOKS SKILLED NURSING FACILITY HOLDINGS B INC	7/14/2016	EASEMENT
KERSHNER GREGORY SCOTT ETAL	7/15/2016	EASEMENT
SHIFERDEK LYLE E JR ETAL	7/25/2016	EASEMENT
PONTE VEDRA PRESBYTERIAN CHURCH INC	7/25/2016	EASEMENT
PONTE VEDRA PRESBYTERIAN CHURCH INC	7/25/2016	EASEMENT
OCEANWAY ASSEMBLY OF GOD INC	7/26/2016	EASEMENT
OCEANWAY ASSEMBLY OF GOD INC	7/26/2016	EASEMENT
IMPACT BARTRAM LLC	7/27/2016	EASEMENT
SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	7/27/2016	EASEMENT
SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	7/27/2016	EASEMENT
SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	7/27/2016	EASEMENT

	DATE	DOCUMENT TYPE
BONNEVAL RETAIL LLC	8/3/2016	EASEMENT
LENNAR HOMES LLC	8/10/2016	EASEMENT
TAMAYA LOAN ACQUISITION LLC	8/11/2016	EASEMENT
FIRST COAST ENERGY L L P	8/11/2016	EASEMENT
SHIFERDEK LYLE E JR ETAL	8/12/2016	EASEMENT
GOODWILL INDUSTRIES OF NORTH FLORIDA INC	8/16/2016	EASEMENT
SHIFERDEK LYLE E JR ETAL	8/17/2016	EASEMENT
ARBOR MILL LLC	8/18/2016	EASEMENT
UNIVERSITY BAPTIST CHURCH OF JACKSONVILLE FLORIDA INC	8/25/2016	EASEMENT
UNITED STATES GOV ARMY	9/7/2016	EASEMENT
JACKSONVILLE CITY OF	9/19/2016	EASEMENT
MONTGOMERY PARCEL C LLC	9/19/2016	EASEMENT
PALM BAY CLUB RENTAL COMMUNITY TWO LLC	9/21/2016	EASEMENT
VC MANDARIN SENIOR HOUSING LTD	9/21/2016	EASEMENT
WRIGHT WILLIAM G	9/30/2016	EASEMENT
TD BANK N A	8/16/2016	NOTICE
WRIGHT WILLIAM G	9/30/2016	EASEMENT
WRIGHT WILLIAM G	9/30/2016	EASEMENT
SAC HOLDING CORP	10/18/2016	EASEMENT
D R HORTON INC JACKSONVILLE	10/24/2016	EASEMENT
PGP JACKSONVILLE TC LLC	10/26/2016	EASEMENT
ALLEN LENNY J SR ETAL	10/26/2016	EASEMENT
WR/R JACKSONVILLE OWNER LLC ETAL	10/27/2016	EASEMENT
WP/R JACKSONVILLE OWNERS LLC ETAL	10/27/2016	EASEMENT
WR/R JACKSONVILLE OWNER LLC ETAL	10/27/2016	EASEMENT
PGP JACKSONVILLE TC LLC ETAL	10/27/2016	EASEMENT
PGP JACKSONVILLE TC LLC ETAL	10/27/2016	EASEMENT
MURPHCO OF FLORIDA INC	10/31/2016	EASEMENT
GATE PETROLEUM COMPANY	11/3/2016	EASEMENT

2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Duval County Continued

Deeds, Easements, Use & Hold Harmless Agreements, Leases

	DATE	DOCUMENT TYPE
GATE PETROLEUM COMPANY	11/3/2016	EASEMENT
GATE PETROLEUM COMPANY	11/3/2016	EASEMENT
BAPS JACKSONVILLE LLC	11/4/2016	EASEMENT
JACKSONVILLE UNIVERSITY	11/14/2016	EASEMENT
METAL CONTAINER CORPORATION	11/15/2016	EASEMENT
LE MONTAGE LLC	11/29/2016	EASEMENT
HALLMARK BALDWIN VILLAGE LLC	11/30/2016	EASEMENT
REGENCY UTILITIES INC	12/12/2016	ASSIGNMENT
KB HOME JACKSONVILLE LLC	1/5/2017	UHH
INTEGRA RIVERSIDE LLC ETAL	1/5/2017	EASEMENT
OPERATION NEW HOPE	1/12/2017	EASEMENT
SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	1/17/2017	EASEMENT
GREENFIELD CREEK LLC	1/17/2017	EASEMENT
GREENFIELD CREEK LLC	1/17/2017	EASEMENT
AMAYA OF VOLUSIA LLC	1/19/2017	EASEMENT
AMAYA OF VOLUSIA LLC	1/19/2017	EASEMENT
AMAYA OF VOLUSIA LLC	1/19/2017	EASEMENT
AMAYA OF VOLUSIA LLC	1/19/2017	EASEMENT
AMAYA OF VOLUSIA LLC	1/19/2017	EASEMENT
JP FOX CREEK LLC	1/19/2017	EASEMENT
JP FOX CREEK LLC	1/19/2017	EASEMENT
JP FOX CREEK LLC	1/19/2017	EASEMENT
JP FOX CREEK LLC	1/19/2017	EASEMENT
JP FOX CREEK LLC	1/19/2017	EASEMENT
CPC JACKSONVILLE SJTC LLC	1/24/2017	EASEMENT
WEBSTER MARIA L	1/30/2017	EASEMENT
STANMORE ADEF JAX OWNER LLC	1/31/2017	EASEMENT
STANMORE ADEF JAX OWNER LLC	1/31/2017	EASEMENT
FLORIDA STATE TRNSP DEPT	1/31/2017	SUB. OF UTILITY INTERESTS

	DATE	DOCUMENT TYPE
FLORIDA STATE TRNSP DEPT	1/31/2017	SUB. OF UTILITY INTERESTS
FLORIDA STATE TRNSP DEPT	1/31/2017	SUB. OF UTILITY INTERESTS
CRISP KYLE M ETAL	2/1/2017	UHH
FLORIDA TITLE GROUP INC	2/6/2017	DEED
JACKSONVILLE CITY OF	2/7/2017	EASEMENT
FLORIDA STATE TRNSP DEPT	2/9/2017	SUB. OF UTILITY INTERESTS
SCHMELZLE GARY ETAL	2/14/2017	DEED
WEN SOUTH LLC	2/15/2017	UHH
TBR AQUATIC OWNER LLC	2/15/2017	EASEMENT
DUVAL FORD LLC	2/15/2017	EASEMENT
CPC JACKSONVILLE SJTC LLC	2/22/2017	1ST AMEND TO UHH
STANMORE ADEF JAX OWNER LLC	2/23/2017	UHH
PGP JACKSONVILLE TC LLC	3/1/2017	EASEMENT
PGP JACKSONVILLE TC LLC	3/1/2017	EASEMENT
PANDA EXPRESS INC	3/8/2017	UHH
PGP JACKSONVILLE TC II LLC	3/14/2017	EASEMENT
ROSSELLE PARTNERS LLC	3/24/2017	EASEMENT
FAMILY DOLLAR STORES OF FLORIDA LLC	4/4/2017	EASEMENT
FAMILY DOLLAR STORES OF FLORIDA LLC	4/4/2017	EASEMENT
FLORIDA STATE TRNSP DEPT	4/5/2017	SUB. OF UTILITY INTERESTS
FLORIDA STATE TRNSP DEPT	4/5/2017	SUB. OF UTILITY INTERESTS
STANDARD PACIFIC OF FLORIDA	4/12/2017	UHH
NEVIASER LEE S	4/12/2017	UHH
RACETRAC PETROLEUM INC	4/12/2017	EASEMENT
CONCEPT DEVELOPMENT INC	4/12/2017	EASEMENT
COMMUNITY FIRST CREDIT UNION OF FLORIDA	4/20/2017	EASEMENT
BMG ENTERPRISES INC	4/20/2017	EASEMENT
BMG ENTERPRISES INC	4/20/2017	EASEMENT
BMG ENTERPRISES INC	4/20/2017	EASEMENT
WILLIAMS TAWANNA L ETAL	4/21/2017	EASEMENT

2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

St. Johns County

Deeds, Easements, Use & Hold Harmless Agreements, Leases

	DATE	DOCUMENT TYPE
SONOCO COMPANY	1/5/2016	EASEMENT
PULTE HOME CORPORATION	1/5/2016	EASEMENT
TOLL FL XIII LIMITED PARTNERSHIP	1/7/2016	UHH
TROUT CREEK COMMUNITY DEVELOPMENT DISTRICT	1/15/2016	UHH
KELLY POINTE HOMEOWNERS ASSOCIATION INC	1/19/2016	EASEMENT
LASALLE GROUP INC	1/22/2016	UHH
PULTE HOME CORPORATION	1/28/2016	EASEMENT
MATTAMY JACKSONVILLE PARTNERSHIP	1/28/2016	UHH
AVATAR PROPERTIES INC	2/22/2016	UHH
UNIVERSAL NETWORK REALTY	2/26/2016	EASEMENT
SONOC COMPANY	3/4/2016	EASEMENT
NTC EAST RETAIL LLC	3/4/2016	EASEMENT
HYDRY COMPANY	3/9/2016	EASEMENT
NTC EAST RETAIL LLC	3/14/2016	EASEMENT
SONOC COMPANY LLC	3/17/2016	DEED
ST JOHNS COUNTY	3/18/2016	EASEMENT
SONOC COMPANY	4/11/2016	EASEMENT
WFC ASHFORD MILLS OWNER VII LLC	6/10/2016	EASEMENT
TWIN CREEKS DEVELOPMENT ASSOCIATES LLC	6/14/2016	EASEMENT
PALM VALLEY CAPITAL INVESTMENTS LLC	6/14/2016	EASEMENT

	DATE	DOCUMENT TYPE
PALM VALLEY CAPITAL INVESTMENTS LLC	6/14/2016	EASEMENT
PONTE VEDRA PRESBYTERIAN CHURCH INC	7/25/2016	EASEMENT
MATTAMY RIVERTOWN LLC	9/14/2016	UHH
ST JOHNS COUNTY SCHOOL BOARD	9/19/2016	EASEMENT
JEA	10/14/2016	DEED
D R HORTON INC JACKSONVILLE	10/28/2016	EASEMENT
MATTAMY RIVERTOWN LLC	11/28/2016	UHH
GREENLEAF CC LLC	6/17/2016	EASEMENT
GREENLEAF CC LLC	6/20/2016	EASEMENT
MATTAMY RIVERTOWN LLC	12/7/2016	EASEMENT
ROSE ALEXANDER T	12/20/2016	EASEMENT
ROSE ALYSSA PEYTON	12/20/2016	EASEMENT
INTERNAL IMPROVEMENT TRUST FUND	1/10/2017	EASEMENT
MATTAMY RIVERTOWN LLC	1/19/2017	EASEMENT
STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION	2/1/2017	SUB. OF UTILITY INTERESTS
STATE OF FLORIDA DEPT OF TRANSPORTATION	2/1/2017	SUB. OF UTILITY INTERESTS
MATTAMY FLORIDA LLC	2/8/2017	1st AMEND TO UHH
HYDRY COMPANY LLC	2/8/2017	EASEMENT
PONTE VEDRA CORPORATION	3/29/2017	EASEMENT
GATE PETROLEUM COMPANY	3/29/2017	EASEMENT
GATE PETROLEUM COMPANY	3/29/2017	EASEMENT
RESERVE AT GREENBRIAR HOMEOWNERS ASSOCIATION INC / MATTAMY FLORIDAY	4/3/2017	EASEMENT



2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Nassau & Clay Counties

Deeds, Easements, Use & Hold Harmless Agreements, Leases

NASSAU COUNTY	DATE	DOCUMENT TYPE
COWFORD HOLDINGS LLC	3/16/2016	UHH
COWFORD HOLDINGS LLC	3/16/2016	EASEMENT
VILLAGES OF AMELIA LLC	4/6/2016	EASEMENT
RACETRAC PETROLEUM INC	5/11/2016	EASEMENT
BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY	10/31/2016	EASEMENT
BOARD OF COUNTY COMMISSIONERS OF NASSAU COUNTY	11/21/2016	EASEMENT
NASSAU COUNTY SCHOOL BOARD	2/6/2017	EASEMENT
WILDLIGHT, LLC	3/30/2017	DEED
WILDLIGHT, LLC	3/30/2017	EASEMENT

CLAY COUNTY	DATE	DOCUMENT TYPE
FL DOT AND PEOPLES GAS	2/1/2017	SUB. OF UTILITY INTERESTS
FL DOT, PEOPLES GAS, GOODMAN TRUST GOODMAN, WILLIAM H (TRUSTEE) PEOPLES GAS SYSTEM WHITE, BRENT RBW PROPERTIES INC REINHOLD CORPORATION CLAY COUNTY PORT INC JOHN BISHOP CPA HALL, VIRGINIA S (CO TRUSTEE) STEINMETZ, VIRGINIA (CO TRUSTEE) J P HALL JR SECOND AMENDED AND RESTATED REVOCABLE TRUST HALL, LYMAN G VIRGINIA S HALL REVOCABLE TRUST CHS LLC	2/1/2017	SUB. OF UTILITY INTERESTS

2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Pending or Unrecorded Agreements

PENDING OR UNRECORDED	DOCUMENT TYPE
J.B. COXWELL CONTRACTING, INC.	UHH
J.B. COXWELL CONTRACTING, INC.	UHH
CHARLES BOSTWICK	UHH
AC PACKER WEST, LLC	EASEMENT
AC PACKER WEST, LLC	UHH
INTEGRA RIVERSIDE, LLC	EASEMENT
TBR AQUATIC OWNER, LLC	EASEMENT
FLORIDA TITLE GROUP, INC	DEED
FLORIDA TITLE GROUP, INC	EASEMENT
TWIN CREEKS NORTH COMMUNITY DEVELOPMENT DISTRICT	UHH
ST JOHNS COUNTY	UHH
CPC JACKSONVILLE SJTC LLC	UHH
AC PACKER, LLC	UHH
STONE MOUNTAIN INDUSTRIAL PARK, INC.	UHH
EDWARD B. HARRELL, JR. AND VIVIAN HARRELL	EASEMENT
ELIZABETH M. LEGGETT	EASEMENT
ABELARDO B. CATALAN and PILAR L. CATALAN	DEED
HARTSFIELD OAKS LLC	UHH
HECATE ENERGY, LLC	LEASE
DEPARTMENT OF THE NAVY	LEASE
GATE PETROLEUM COMPANY	UHH
G&I VII ST JOHNS PLANTATION LLC	UHH
MARY L. WILLIAMS	UHH

2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Septic Tank Phase Out Activities

STPO	DOCUMENT TYPE
LINDA STINSON SMITH LIVING TRUST	EASEMENT
WATERS KRYSTAL DAWN ET AL	EASEMENT
NORMAN ZELDA L	EASEMENT
PITTMAN JUDY E	EASEMENT
SHRAY NANCY S	EASEMENT
ARNOLD MARY T	EASEMENT
ROKOSZ IZIA	EASEMENT
RAMEY NANNETTE	EASEMENT
GOAR WILLIAM	EASEMENT
DEMAGGIO MICHAEL ESTATE	EASEMENT
KING TRACY L	EASEMENT
ALDRICH THERESA ET AL	EASEMENT
CHAPPELL DAVID L	EASEMENT
ZOAR CONGREGATIONAL	EASEMENT
R&S RENTALS OF JACKSONVILLE INC	EASEMENT
MERCER BARBARA W	EASEMENT
WIEDEGREEN KURT ET AL	EASEMENT
R S RENTALS OF JACKSONVILLE	EASEMENT
RAMEY NANNETTE	EASEMENT
SHODA IVAN J	EASEMENT
ROONEY JAMES M	EASEMENT
SHUMPERT JANIE	EASEMENT
DECUBELLIS ANTHONY B	EASEMENT
RAMEY NANNETTE	EASEMENT
NINE POINT HOLDINGS INC	EASEMENT
ROMERO JOSE LUIS RIVERA	EASEMENT
RAULERSON HARRY J	EASEMENT
BANKS LARRY	EASEMENT
SHODA MICHAEL W	EASEMENT
ANDERSON ETHEL	EASEMENT

STPO	DOCUMENT TYPE
PHILLIPS LESSIE F	EASEMENT
MARSH JANE M	EASEMENT
BLACKSTON DOROTHY R ET AL	EASEMENT
JENKINS CRISANT A	EASEMENT
JONES HENRY J	EASEMENT
WATERS MARY E	EASEMENT
ASSELTA LYNETTE TRUST	EASEMENT
HALL ELWYN V	EASEMENT
WOODLEY MANNING	EASEMENT
JOHNSON DELORES	EASEMENT
NORMAN EDWARD	EASEMENT
VOSS JORDON	EASEMENT
GIBSON HELEN RHODES	EASEMENT
R&S RENTALS OF JACKSONVILLE INC	EASEMENT
NINE POINT HOLDINGS INC	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
WILLIAMS RANDALL F	EASEMENT
BUCHANAN REUBEN	EASEMENT
BUCHANAN REUBEN L	EASEMENT
TORRENCE ROOSEVELT	EASEMENT
SANCHEZ JOSE A	EASEMENT
OLVERA EDUARDO LOPEZ	EASEMENT
CLARK ROBERT	EASEMENT
HARRISON BRENDA K	EASEMENT
FAIRCLOTH PAUL H	EASEMENT
YEOMANS GWENDOLYN A	EASEMENT
WATSON LELAND C	EASEMENT
RAMEY AGNES N	EASEMENT
BAUER PROPERTIES LLC	EASEMENT

STPO	DOCUMENT TYPE
BREWER WILEY III ET AL	EASEMENT
MOORE DESTARDES KASHAWN	EASEMENT
JOHNSON RACHAEL	EASEMENT
HAYES RAYMOND	EASEMENT
BENDER MARI KRISTIAN	EASEMENT
HEDGES PATRICK CHARLES ET AL	EASEMENT
MARTIN BARBARA ANN	EASEMENT
MOORE JOHN L JR	EASEMENT
ERIC GOLDFINE SERPT	EASEMENT
FLORIDA LAND TRUST 5246	EASEMENT
FAUDEL HAROLD	EASEMENT
LAMBERTON TAMMY M	EASEMENT
WATERS MARY E	EASEMENT
TRAN HOA THIEN	EASEMENT
LESTER BRIAN	EASEMENT
MOOREFIELD SILVIA	EASEMENT
KUTHIALA SUDARSHAN KUMAR	EASEMENT
WOOLARD MICHAEL	EASEMENT
LINS JOHN CHRISTOPHER	EASEMENT
SHACK ANNIE D LIFE ESTATE	EASEMENT
KING DOUG	EASEMENT
AMERICAN IRA LLC FBO WILLIAM M HUDSON IRA	EASEMENT
WHEELER JOSEPH	EASEMENT
SHACK DARYL	EASEMENT
JOHNS CHRISTOPHER Z SR ET AL	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
HOLINESS BAPTIST ASSOCIATION	EASEMENT
WESTSIDE HOLINESS BAPTIST CHURCH	EASEMENT
HOWARD SAMUEL L	EASEMENT



2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Septic Tank Phase Out Activities

STPO	DOCUMENT TYPE
MARTIN MILTON DEWITT SR	EASEMENT
BOSTICK BRENDA R	EASEMENT
MATS CAPITAL LLC	EASEMENT
TRUST NO 5435AA	EASEMENT
JACKSON JAMES	EASEMENT
MCCLLOUD KENYA	EASEMENT
AKERS CHERYL A	EASEMENT
PORTER VONNIE	EASEMENT
CORDLE JOSIE J	EASEMENT
OSBORNE BRIAN	EASEMENT
STRICKLAND DONNA	EASEMENT
STICKLAND DONNA	EASEMENT
TRUST NO 5360SA	EASEMENT
HOWARD SAMUEL L	EASEMENT
WHITE FRANK JR	EASEMENT
CLERGE FRANCKEL	EASEMENT
KURENKOV VICTOR	EASEMENT
HOOVER CURTIS E	EASEMENT
REVAZ LORANDA	EASEMENT
BIAS MCALLISTER FAYE B	EASEMENT
CLEMONS CECIL R	EASEMENT
TURNER GREGORY L	EASEMENT
PEREZ ANGELA EDENFIELD	EASEMENT
THOMAS CHRISTINE ET AL	EASEMENT
YODER BRIAN SR	EASEMENT
FPICDA LLC	EASEMENT
CLARK HELEN ESTATE	EASEMENT
RAFUSE CARLA	EASEMENT
WATERS MARY E	EASEMENT

STPO	DOCUMENT TYPE
TTLREO 2 LLC	EASEMENT
LAWLESS JAMES E & DOROTHY NELL ET AL	EASEMENT
KING RANDOL E	EASEMENT
RIM DANIEL K	EASEMENT
HALLIGAN WILLIAM JR TRUST	EASEMENT
HALLIGAN WILLIAM J	EASEMENT
NICHOLS JOSHUA	EASEMENT
JOHNSON CAROLYN SHIELDS ET AL	EASEMENT
STONE TOMMY TRUST	EASEMENT
STANLEY ROSE M	EASEMENT
LINCOLN PROPERTY MANAGEMENT LLC	EASEMENT
ROMERO JOSE JUIS RIVERA	EASEMENT
BELL CHESTER	EASEMENT
CANNON DANNY LYNN	EASEMENT
ERKAN YALCIN	EASEMENT
MASON KEITH D	EASEMENT
CARTER HUGH R	EASEMENT
MALOUIN ANDREW R	EASEMENT
HUBER PAUL MICHAEL	EASEMENT
SEAL L F	EASEMENT
CLIFTON CONNIE J ET AL	EASEMENT
YOUNG KIM G	EASEMENT
HUGGINS BOBBY SCOTT	EASEMENT
BOYKIN DONALD R JR	EASEMENT
TOP NOTCH PROPERTIES LLC	EASEMENT
TUKES ALLEN III ESTATE	EASEMENT
SPICER ROBERT T LIFE ESTATE	EASEMENT
GARNER GARY E ET AL	EASEMENT
GARNER GARY E ET AL	EASEMENT

STPO	DOCUMENT TYPE
R&S RENTALS OF JACKSONVILLE INC	EASEMENT
ZWEIL SUSAN	EASEMENT
DELP DANNY E SR	EASEMENT
REYNOLDS FAMILY VENTURE LLC	EASEMENT
JENKINS CHRISTOPHER L	EASEMENT
JONES BELINDA S	EASEMENT
CREWS DANIEL LAMAR	EASEMENT
STEPHENS NORMA J ESTATE	EASEMENT
OSBORNE BRIAN K	EASEMENT
WALKER GUSSIE MAE	EASEMENT
SANDERS LLOYD SR	EASEMENT
FEDERAL HOME LOAN MORTGAGE CORPORATION	EASEMENT
R & S RENTALS OF JACKSONVILLE	EASEMENT
MANNS LYDIA E ET AL	EASEMENT
CHAPPELL DAVID L JR	EASEMENT
DELP DELORES LIFE ESTATE	EASEMENT
SPENCER BARBARA WILLIAMS LIFE ESTATE	EASEMENT
CAMELOT ENTERPRISES LLC	EASEMENT
CAMELOT ENTERPRISES LLC	EASEMENT
SAFETY CONTRACTORS INC	EASEMENT
TODD'S TRANSMISSIONS INC	EASEMENT
HANNER TODD W	EASEMENT
INTERNATIONAL BALER CORP	EASEMENT
HORNE NELL M ET AL	EASEMENT
JONES EDWARD D	EASEMENT
SAFETY CONTRACTORS INC	EASEMENT
SAFETY CONTRACTORS INC	EASEMENT
REGAL HOLDING USA LLC	EASEMENT
TOWNSEND W R TRUST	EASEMENT



2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Septic Tank Phase Out Activities

STPO	DOCUMENT TYPE
ANDERSON MARY MICHELE	EASEMENT
OSBORNE BRIAN	EASEMENT
NEWMAN BARBARA TRUST	EASEMENT
ROOK RICHARD A	EASEMENT
RIDLON MARGARETTE H LIFE ESTATE	EASEMENT
YOUNG MARVIN	EASEMENT
REGAL HOLDINGS USA LLC	EASEMENT
REGAL HOLDINGS USA LLC	EASEMENT
ALHARBI MUHAMED MUTE B	EASEMENT
SHULER JOSIE J	EASEMENT
BALL JOSEPH	EASEMENT
BALL JOSEPH	EASEMENT
BALL JOSEPH	EASEMENT
BALL JOSEPH	EASEMENT
SHULER JOSIE J	EASEMENT
SHULER JOSIE J	EASEMENT
KINARD ROBERT F	EASEMENT
DAVIDSON HELEN L	EASEMENT
CORDLE JANET L ET AL	EASEMENT
WORKMAN HAZEL A LIFE ESTATE	EASEMENT
MCCORMICK CARMELITA SUE	EASEMENT
PENCHANSKY ADAM D	EASEMENT
MOHANDOSS TYCHICUS	EASEMENT
MOHANDOSS TYCHICUS	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
JENKINS CHRISTOPHER L	EASEMENT
CONNELL CLARENCE ET AL	EASEMENT
YORKER JOHN ET AL	EASEMENT
RICHARDSON CLARINE ESTATE	EASEMENT

STPO	DOCUMENT TYPE
MOORE JOHN L JR	EASEMENT
DORTCH LAWRENCE	EASEMENT
ZOAR CONGREGATIONAL METH CH	EASEMENT
ZOAR CONGREGATIONAL	EASEMENT
LUCAS DEWITT	EASEMENT
WREN WILLISM THOMAS	EASEMENT
REGISTER MELVIN	EASEMENT
FRROKU SIMON	EASEMENT
SHODA MICHAEL AND CYNTHIA TRUST	EASEMENT
SAFETY CONTRACTORS INC	EASEMENT
CHRIST MINISTRY OF CHANGING LIVES INC	EASEMENT
REAL ESTATE RESCUERS LLC	EASEMENT
REGAL HOLDING USA LLC	EASEMENT
JOHNSON JANE ET AL	EASEMENT
WOODS CHARLOTTE ELAINE	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
DELP DANNY E SR	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
MANNS LYDIA E	EASEMENT
CREWS RICHARD	EASEMENT
CONNELL ETHEL J LIFE ESTATE	EASEMENT
GUNN JEWEL S	EASEMENT
KENNION JAMES F	EASEMENT
INTERNATIONAL BALER CORP	EASEMENT
POWERS GERALD K	EASEMENT
R & S RENTALS OF JACKSONVILLE INC	EASEMENT
TILLMAN WAYLON	EASEMENT
PERINE PERRY N ET AL	EASEMENT
DUNNAM LOTTIE L	EASEMENT

STPO	DOCUMENT TYPE
CURRY TIMOTHY LEE	EASEMENT
HOARD DANA EDWARD	EASEMENT
INTERNATIONAL BALER CORPORATION	EASEMENT
FORD EZICHEL	EASEMENT
WATERS MARY E	EASEMENT
RITTER RICHARD J	EASEMENT
BOSARGE ROGER K	EASEMENT
REGAL HOLDING USA LLC	EASEMENT
JOHNSON RACHAEL	EASEMENT
HEIRES AAREF AHMED	EASEMENT
WATERS MARY E	EASEMENT
STARLING BRENDA K	EASEMENT
STARLING BRENDA K	EASEMENT
ROHANLALL DHANRAJ	EASEMENT
SHEPPARD AVON B	EASEMENT
YEOMANS GWENDOLYN EDITH	EASEMENT
BAYS JAMES W	EASEMENT
TAGLIONE RAYMOND J	EASEMENT
SPIRES JOE	EASEMENT
FAIRCLOTH PAUL H	EASEMENT
MOHAMMED RAHEEM	EASEMENT
HESS ROBERT W JR	EASEMENT
FINLEY ROGER D	EASEMENT
HO JAMES S	EASEMENT
CALDWELL VALINE H LIFE ESTATE	EASEMENT
NELSON BERNARD ADRIAN	EASEMENT
ANDERSON MARY MICHELE	EASEMENT
WATERS MARY E	EASEMENT
NOBLE ANDREW K	EASEMENT



2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Septic Tank Phase Out Activities

STPO	DOCUMENT TYPE
PIPKINS JOHN D	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
CANNON DANNY L	EASEMENT
PARHAM THOMAS SR TRUST	EASEMENT
BRANTON JIMMIE M SR	EASEMENT
FRAISER MURVIN I JR	EASEMENT
RANNOW TODD	EASEMENT
WATERS MARY E	EASEMENT
HARS NY ET AL	EASEMENT
HARS NY ET AL	EASEMENT
WIGGINS RICHARD L	EASEMENT
COUMMUNITY SERVICES GROUP LLC	EASEMENT
DRISDON MARK W III	EASEMENT
JENKINS CRISANTA L	EASEMENT
ESCORE INVESTMENT GROUP LLC	EASEMENT
RACE FOR THE FUTURE INC	EASEMENT
JENKINS CRISANTA L	EASEMENT
LLR FAMILY LLC	EASEMENT
HOBBS ROBIN O'STEEN	EASEMENT
FRANDSEN JEAN S ET AL	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
ONEAL SCOTT	EASEMENT
BCEL 5 LLC	EASEMENT
REGAL HOLDING USA LLC	EASEMENT
SAFETY CONTRACTORS INC	EASEMENT
RIVARD DAVID M	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
ROKOSZ IZIA	EASEMENT
INTERNATIONAL BALER CORP	EASEMENT

STPO	DOCUMENT TYPE
HORNE NELL M	EASEMENT
KNOWLES FRANCES ET AL	EASEMENT
MORRIS BEVERLY R MURRAY	EASEMENT
CRAIN SHAWN	EASEMENT
DELONEY ROSE M	EASEMENT
REGAL HOLDINGS USA LLC	EASEMENT
NATIONAL PROPERTY & VACATION RENTALS INC	EASEMENT
KNIGHT DAVID A	EASEMENT
BAYS JAMES WILLIAM	EASEMENT
COTTON DEBRA LOUISE	EASEMENT
LINDER RONNIE C	EASEMENT
SHACK KELLI	EASEMENT
AMATO PHIL	EASEMENT
MOORE JOE J	EASEMENT
JAMES DAWN ANGELA MERRITT	EASEMENT
LANCER REAL ESTATE LLC	EASEMENT
MOSLEY CLEMMIE JR	EASEMENT
CLOWERS ALTON SR	EASEMENT
CLOWERS ALTON	EASEMENT
CLOWERS ALTON	EASEMENT
NORMAN ZELDA LAVIN LIFE ESTATE	EASEMENT
ROONEY MURIEL A B/E	EASEMENT
OVATION REO 3 LLC	EASEMENT
JACOBS LANHAM JENNIFER D	EASEMENT
DOUBLE DIAMOND INVESTMENTS	EASEMENT
TAX CERTIFICATE REDEMPTIONS INC	EASEMENT
SHRAY NANCY S	EASEMENT
ANDERSON MARY MICHELE	EASEMENT
CITY OF JACKSONVILLE	EASEMENT

STPO	DOCUMENT TYPE
MANGES MICHAEL W	EASEMENT
MILTON TANEEDA	EASEMENT
MCCALL MARK FRANKLIN	EASEMENT
CAMELOT ENTERPRISES LLC	EASEMENT
HELM CHARLES S	EASEMENT
5307 SHENANDOAH LAND TRUST	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
HOLY GHOST CHURCH OF GOD	EASEMENT
JORDAN JOUAD ET AL	EASEMENT
CITY OF JACKSONVILLE	EASEMENT
BODY OF CHRIST DELIVERANCE MINISTY INC	EASEMENT
SUTHERLAND SUSAN G	EASEMENT
MCINTOSH LEO D	EASEMENT
MOODY DAVID C	EASEMENT
HOLLIDAY SONYA	EASEMENT
MEDELY ROBERT II ET AL	EASEMENT
BALDWIN LUTHER D	EASEMENT
MCINTOSH LEO D	EASEMENT
JUAREZ CARLOS CELENE	EASEMENT
LEWIS EUGENE T ET AL	EASEMENT
REYNOLDS ROBERT BARTRELL ET AL	EASEMENT
CARNEGIE RUBY LEE	EASEMENT
KRAUSS SELMA K ESTATE	EASEMENT
BROWNING ALLEN R	EASEMENT
BROWNING ALLEN R	EASEMENT
TRACEY JOYCE ANNE	EASEMENT
MOODY JANICE C ESTATE	EASEMENT
LEWIS EUGENE	EASEMENT
CLINE SHIRLEY	EASEMENT
FRROKU SIMON	EASEMENT
FRROKU SIMON	EASEMENT
SAFETY CONTRACTORS INC	EASEMENT
JDF SERVICES INC	EASEMENT
PERRY DONALD RYAN	EASEMENT
MILLER JOHN W SR	EASEMENT



2016-2017 REAL ESTATE PURCHASES & SALES SUMMARY

Plats Reviewed by Real Estate

Development Name	Date Received
Sarah's Landing	4/24/2017
Green Hills	4/21/2017
Crosswater Parkway Extension	4/19/2017
Duval-Owens T-Road	4/19/2017
Mill Creek West Unit One	4/6/2017
Palms at Old Ponte Vedra	4/4/2017
Century Lake Townhomes	3/29/2017
Arbor Mill at Oakleaf Unit 2	3/21/2017
Timberland Ridge at Nocatee	3/21/2017
Timberland Forest Drive	3/21/2017
Aberdeen Unit 6	3/13/2017
Lakes at Mill Creek Plantation	3/8/2017
Bartram Park Preserve Ph 3	3/3/2017
Durbin Creek Estates	3/3/2017
Lawson	2/27/2017
Jamie's Hideaway	2/27/2017
Coastal Oaks at Nocatee Ph 4 Unit 5	2/22/2017
Glen St. Johns Phase 2C	2/21/2017
Market Street - Wildlight Lift Station	2/8/2017
Shearwater Phase 1-8	1/30/2017
Shearwater Phase 1B West 2	1/30/2017
The Preserve at St Johns	1/30/2017
Preston Hills	1/27/2017
Waterfall Way at Twin Creeks	1/26/2017

Development Name	Date Received
Durbin Crossing Townhome Phase 3	1/11/2017
Tallow Ridge	1/5/2017
Old Kings Plantation Unit 3	1/3/2017
Daniel Park at Town Center	12/20/2016
Fox Creek Phase 1	12/20/2016
Artisan Lakes Ph 2B	12/20/2016
Rouen Cove Unit 2	12/13/2016
Celestina Phase 4B	12/5/2016
Twenty Mile at Nocatee Ph 4C	11/23/2016
Gillespie Gardens	11/10/2016
Cedarbrook Phase 1	11/2/2016
Bartram Creek Phase 2	10/19/2016
Avery Park	10/19/2016
Julington Lakes Phase 3	10/19/2016
Hartsfield Oaks	10/17/2016
Shearwater 1B West Replat Tracts 1-7	10/17/2016
Shearwater 1B - East	10/17/2016
Southside Oaks	10/4/2016
Dawson's Creel Unit 3	9/30/2016
Redhawk	9/28/2016
Durbin Crossing Townhomes Ph 2	9/26/2016
Terra Costa Phase I Replat	9/19/2016
Longleaf Phase 4A	9/15/2016
Enclave at Rivertown Ph 2A	9/13/2016
Shearwater 1B West	8/22/2016

Development Name	Date Received
Heron Isles Phase Three C	8/11/2016
Cooperleaf Ph 1	8/1/2016
Coastal Oaks Unit One	7/11/2016
Bella Nika at Tamaya Ph 1	6/24/2016
Aldea at San Pablo	6/24/2016
Glenda's Meadow Unit Two	6/24/2016
Adams Lake Unit 5	6/9/2016
Aberdeen of St. Johns Unit 5	6/9/2016
Twenty Mile at Nocatee Ph 4B	6/8/2016
Coastal Cove	5/24/2016
Glen Eagle-Phase 7B	5/5/2016
Julington Lakes Ph 2	4/27/2016
Egrets Landing	4/26/2016
Caroline Hills	4/25/2016
Artisan Lakes Ph 2A	4/25/2016
Woodbrier Ph 1	4/5/2016
Twenty Mile at Nocatee Phase 3B	3/24/2016
Angler's Cove	3/23/2016
Crosswater Village Ph 1	3/21/2016
Durbin Crossing Townhomes	3/16/2016
Vista Pointe	3/15/2016
Haiden Oaks	3/4/2016
Mill Creek East	2/10/2016
Pineland Bay Drive	2/9/2016
Twenty Mile at Nocatee Phase 3A	2/5/2016
Long Leaf Phase 3	2/3/2016
Carter Hall Development	2/3/2016
Riverwood by Del Web 3C	1/26/2016
Oxford Estates - Phase 3	1/22/2016



IV. B. 4.
Government Relations, Local, State and Federal
Update

May 3, 2017

SUBJECT: JEA GOVERNMENT RELATIONS LOCAL, STATE AND FEDERAL UPDATE

Purpose: ☒ Information Only ☐ Action Required ☒ Advice/Direction

Issue: Priority issues for 2017:

- Local: Septic tank program, pension reform
- State: Legislation impacting local governments, septic tanks/funding, customer privacy, water policy, and energy policy
- Federal: Tax reform & tax exempt financing, energy policy, environmental related legislation or regulation, industry operations (FERC/NERC) reviews

Significance: JEA Government Relations closely monitors legislative actions, regulations and policy decisions that can potentially impact the day-to-day operations and long-term sustainability of JEA's core business.

Effect: JEA customers, employees and key stakeholders.

Cost or Benefit: Significant legislative or regulatory actions could result in substantial costs or benefits to JEA operations and its customers.

Recommended Board action: Information or Advice/Direction only.

For additional information, contact: Nancy Veasey

Submitted by: PEM/MRH/NKV



Commitments to Action

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

IV. B. 5.
Litigation Update

Jody Brooks, Chief Legal Officer will provide a
report at the May 11, 2017 Meeting