



Rating Agency Presentation

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Fiscal Year 2021



Electric System FY2021 Highlights

Maintained excellent financial and operational metrics.

- Improving balance sheet with system debt at a 37-year low
- Continued excellent distribution system reliability

Capital program includes \$1.3 billion of projects over the next five years, 79% cash funded 21% bond funded

Repaid \$201 million of debt in FY2021 for a total reduction of \$2.5 billion since 2009

- Debt defeasance of \$104 million in March 2021
- Accelerated principal due before 2026, resulting in debt service coverage of at least 3.3x and fixed charge coverage of 1.6x when Vogtle comes fully online
- In January 2022 retired \$48 million of Scherer – Bulk Power Supply System Bonds and \$27 million of SJRPP Issue Three Bonds with proceeds from the Scherer Plant closure
- Plan to use remaining St. Johns River Power Park funds in FY2022 to redeem approximately \$102 million of the remaining \$210 million of Issue Three bonds

Rates are currently at the median in the state



Water System FY2021 Highlights

Maintained excellent financial and operational metrics

- Debt to asset ratio of 39% is the lowest since FY2000
- Commitment to investing in infrastructure ensures reliable operation

Capital program of \$2.0 billion capital program over the next five years, 75% cash funded 25% bond funded

Repaid \$55 million of debt in FY2021 for a total reduction of \$858 million since 2011 with a debt ratio under the 40 percent level

- Strong balance sheet and ample liquidity
- Superior debt service coverage expected to be 3.6x to 5.5x over the next five years

Rates (5/8" meter, 6 kgals of consumption) are currently lower than median of Florida peers tracked and reported on by JEA monthly



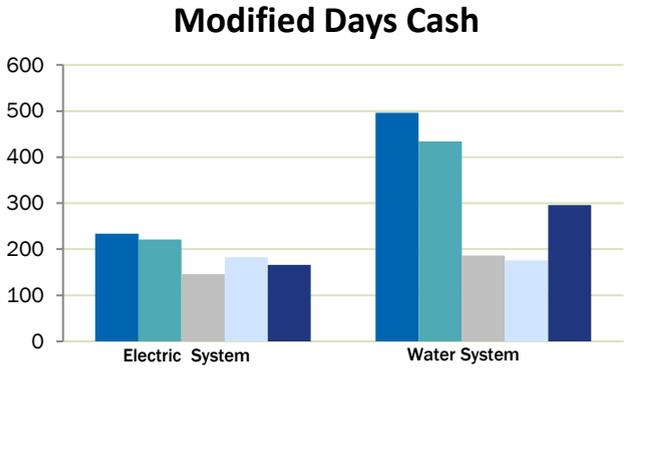
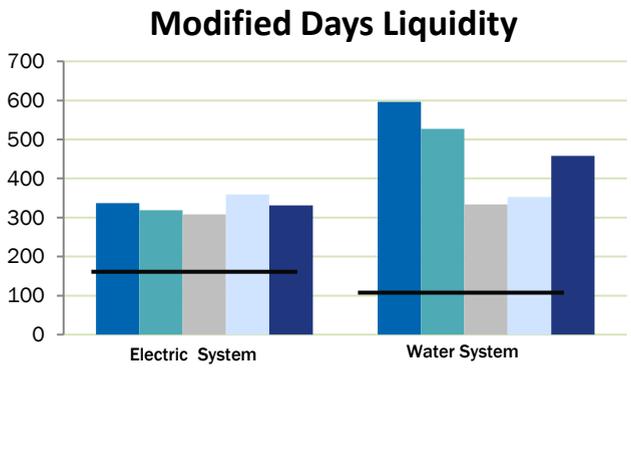
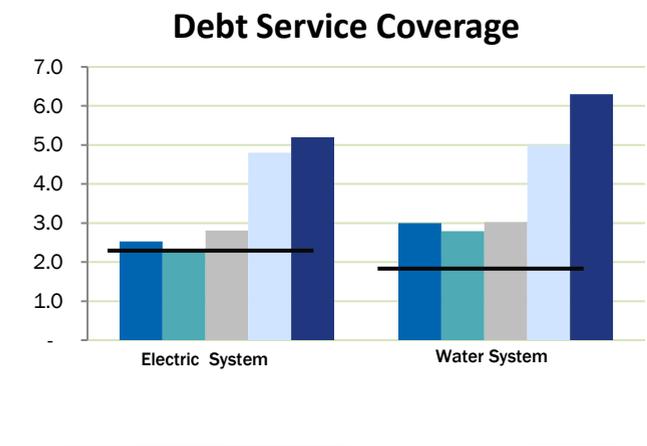
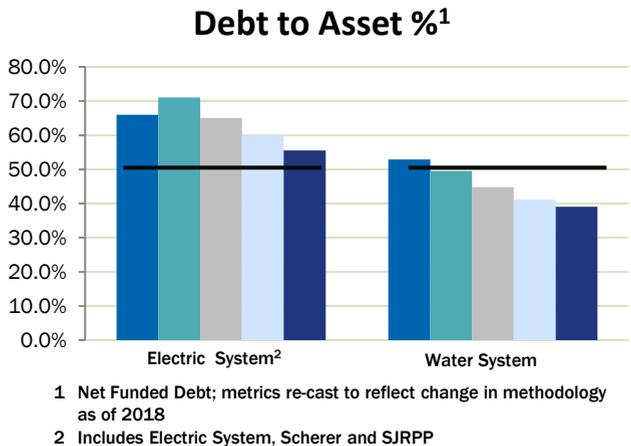


Financials



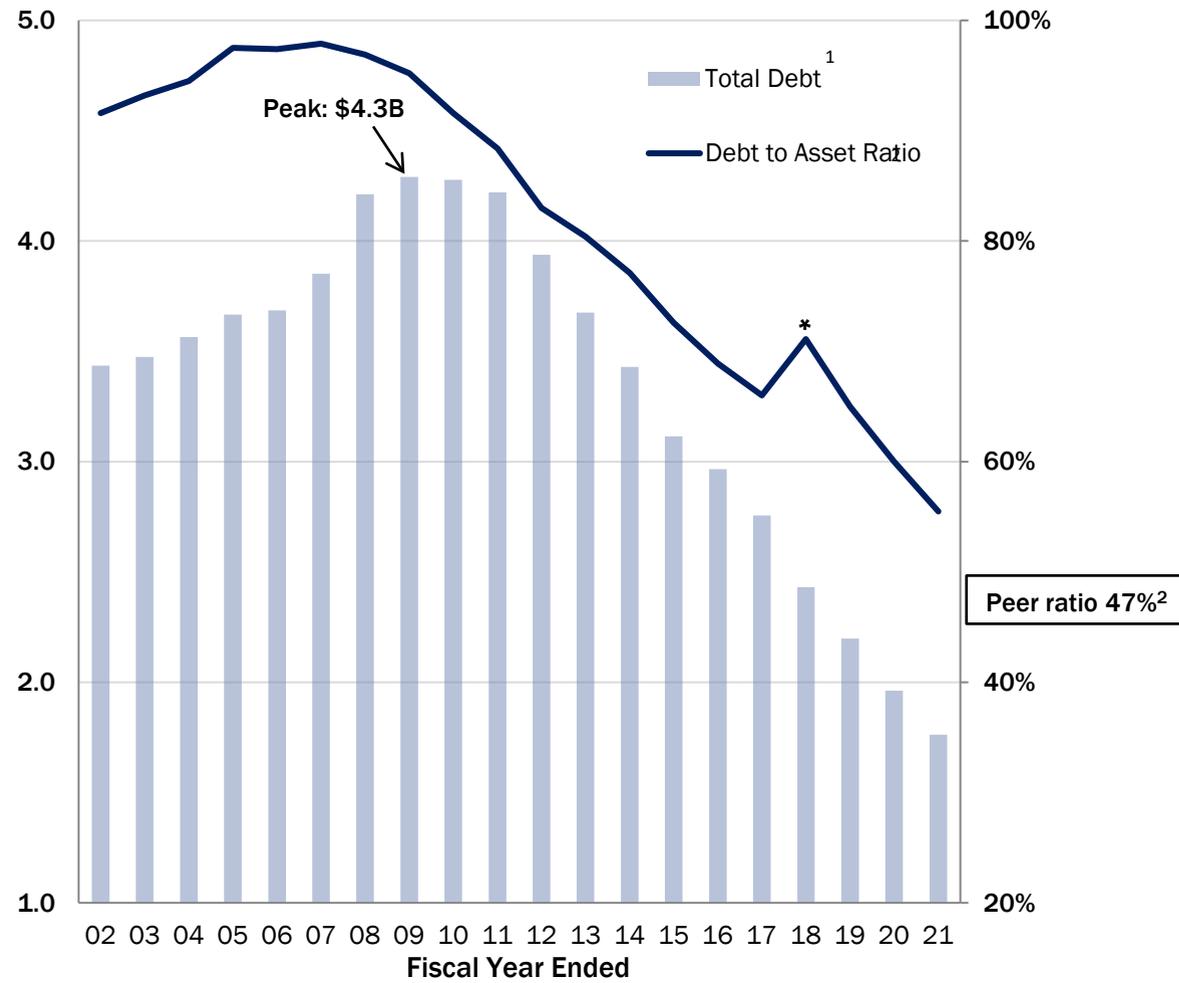
Consolidated Historical Financial Metrics

- Debt to Asset % continues to improve and approach/drop below long-term internal targets
- FY2021 Debt Service Coverage remains strong and provides financial flexibility to respond to industry challenges
- Days Liquidity and Days Cash metrics continue to be strong and provide the ability to invest in infrastructure in both systems without new debt

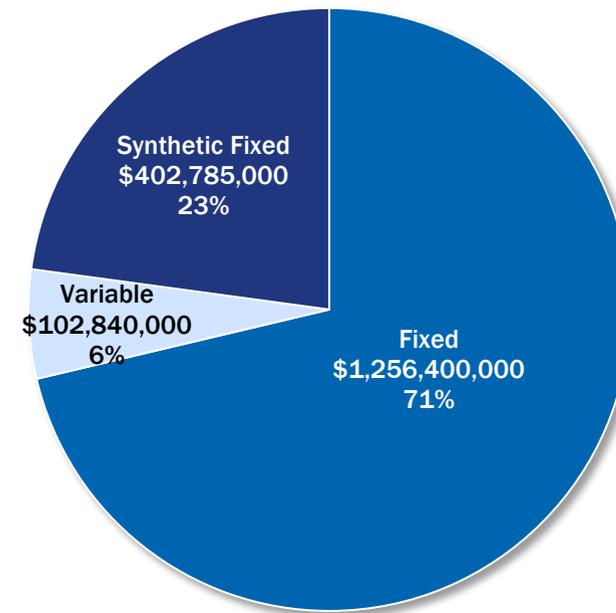


■ 2017
 ■ 2018
 ■ 2019
 ■ 2020
 ■ 2021
 — Long Term targets per JEA pricing policy

Electric System Debt Management



Debt Composition as of September 30, 2021



- Over \$2.5 billion reduction in debt since peak
- Variable rate exposure reduced from 20% in 2008 to 6% in 2021

¹ Includes Electric System, Scherer, and SJRPP

² Fiscal 2019 medians - Top 30 City Owned Generators By Debt Outstanding - A-rated Moody's Sector Profile - Public Power - US, 2020-12-04

* Increase in Debt to Asset Ratio in FY18 due to SJRPP retirement

Our Forecasts for FY2021

- 4.5x combined debt service coverage
- Days of cash on hand: 145 days
- Days of liquidity: 308 days
- Total debt reduction^(1,2): \$282 million
- Debt to asset ratio⁽¹⁾: 52.1%
- Debt to capitalization⁽¹⁾: 50.8%
- Capital expenditures: \$197 million
- System MWh sales decrease: (1.5%)
- Base revenue decrease: (1.5%)

Our Outcomes for FY2021

- 5.2x combined debt service coverage
- Days of cash on hand: 166 days
- Days of liquidity: 331 days
- Total debt reduction^(1,2): \$201 million
- Debt to asset ratio⁽¹⁾: 55.5%
- Debt to capitalization⁽¹⁾: 50.4%
- Capital expenditures: \$151 million
- System MWh sales increase: 0.3%
- Base revenue increase: 0.6%

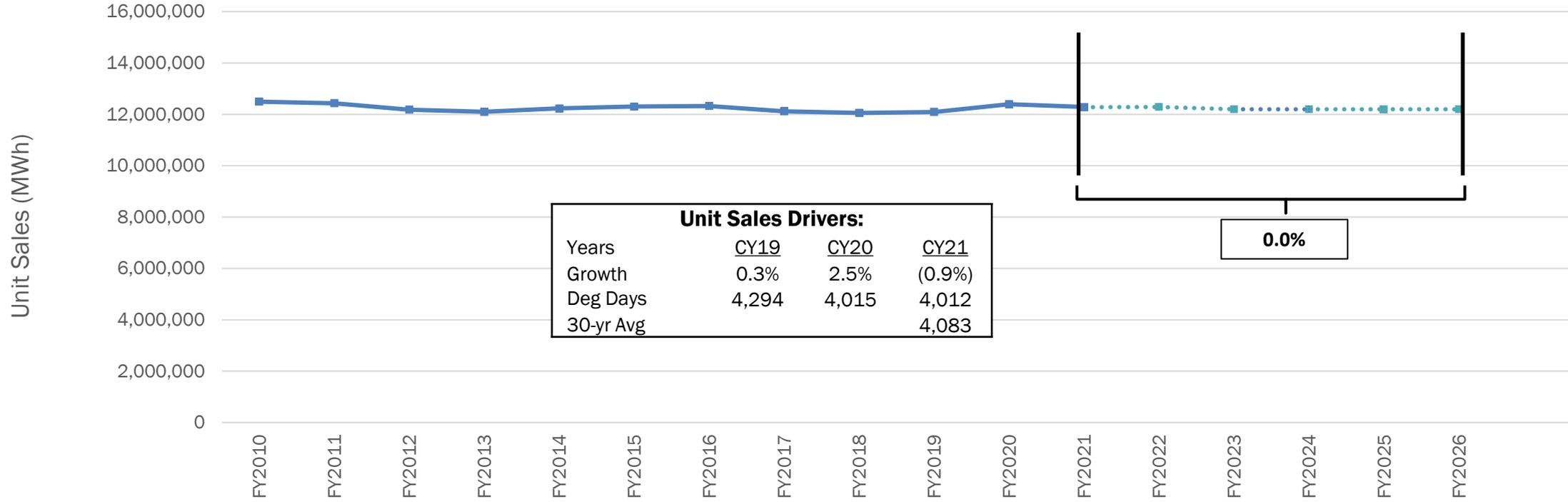
¹ Includes Electric System, Scherer, and SJRPP

² SJRPP debt reduction of ~ \$100M previously forecasted for FY 2021 but will occur in FY 2022

Electric System Unit Sales



Weather Normalized Unit Sales in MWh ¹



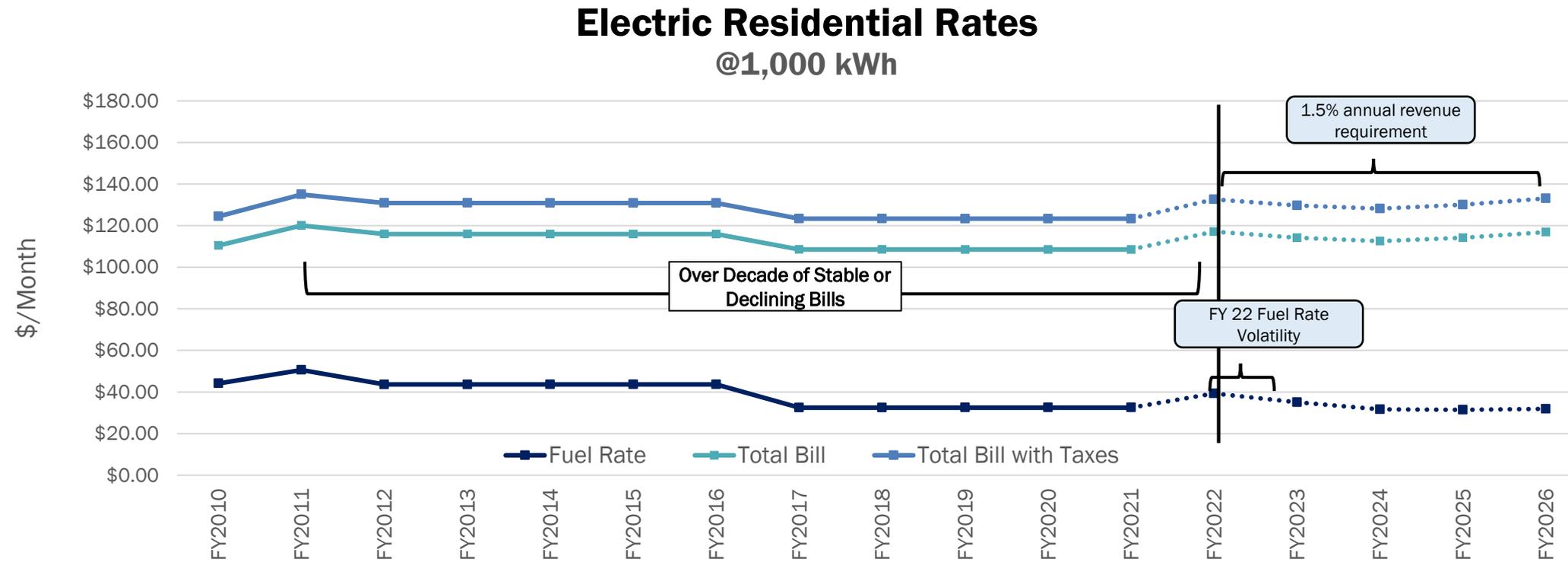
Electric System

- Historically the electric system experienced -0.2% annualized unit sales growth from 2010 –2021² on weather normalized basis
- For financial planning purposes, system unit sales growth is 0% from FY2022 to FY2026

¹ Unit Sales reported on Calendar Year Basis

² Includes impact of expiration of sales for resale – territorial contract with FPU; annualized unit sales growth is 0.1% if remove impact of sales for resale expiration

Electric System Residential Customer Rates

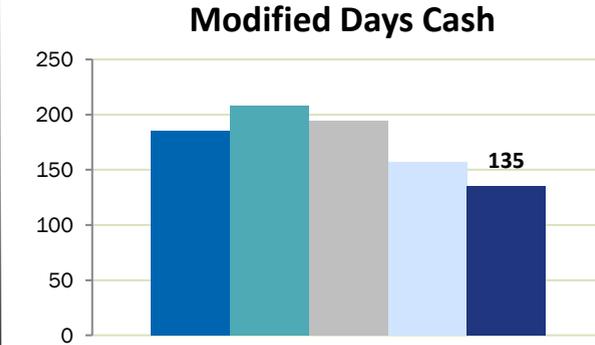
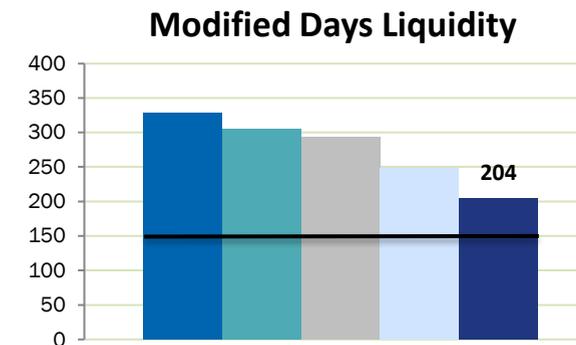
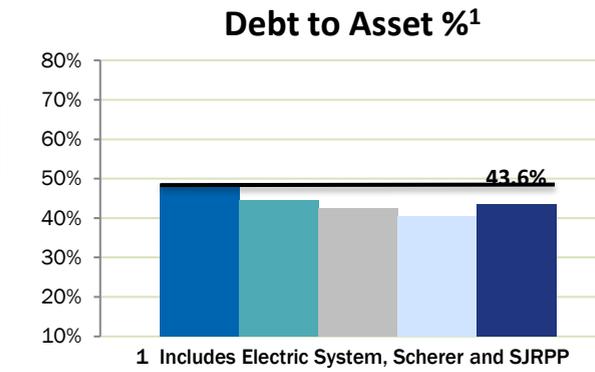
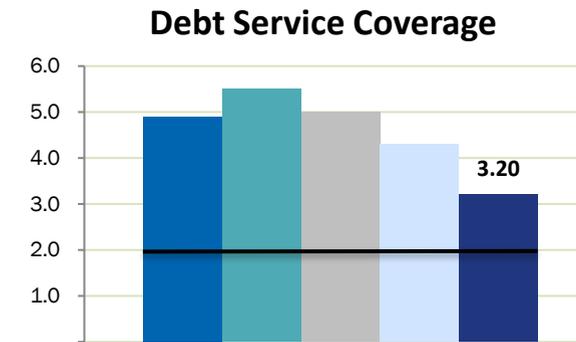


Electric System

- Total JEA rate/bill has been stable or lower for over a decade between 2010 and end of 2021
- FY2022 implemented a new fuel and purchased power policy moving to a monthly setting of the fuel rate. Future incorporation of nuclear, solar, FPL Power Purchase Agreements, and robust hedging strategies will help stabilize the fuel rate over the forecast horizon.
- Annual revenue requirement (including fuel) of approximately 1.5% between 2022-2026 (2.3% base rate portion only)

Electric System Financial Projections

- Strong Debt Service Coverage metrics result of prior accelerated debt repayments. Near-term opportunity to refinance debt for additional savings
- Debt to Asset % under internal policy targets
- Plan to use remaining funds at SJRPP, after decommissioning in FY 21, to repay all outstanding Issue three debt beyond 2030 – projected NPV interest savings ~ \$44 million



■ 2022
 ■ 2023
 ■ 2024
 ■ 2025
 ■ 2026
 — Long Term targets per JEA pricing policy

Electric System Capital Funding Sources and Uses

	FY21	FY22	FY23	FY24	FY25	FY26
 Total Beginning Balance¹	\$159	\$204	\$219	\$112	\$101	\$45
Total Funds from Current Year Revenue ²	\$304	\$206	\$156	\$204	\$176	\$173
Funds from Debt Issuance	\$0	\$0	\$0	\$0	\$0	\$285
Total Sources of Funds	\$304	\$206	\$156	\$204	\$176	\$458
 Total Capital Spending	(\$151)	(\$190)	(\$259)	(\$213)	(\$232)	(\$451)
Early Debt Retirements*	(\$107)	\$0	\$0	\$0	\$0	\$0
Other ³	(\$1)	(\$1)	(\$4)	(\$2)	\$0	(\$3)
Total Uses of Funds	(\$259)	(\$191)	(\$263)	(\$215)	(\$232)	(\$454)
 Total Ending Balance⁴	\$204	\$219	\$112	\$101	\$45	\$49

The Electric System capital plan is centered on renewal and replacement, while preparing for additional capital needs including future generation beginning in FY2025-FY2026

* FY 2022 will early retire Scherer outstanding debt (less BABs) of approximately \$48 million, St. Johns River Power Park debt of \$27 million, and additional SJRPP debt of \$102 million upon completion of site remediation from funds other than current year revenue shown in above table. Sources for the FY 2022 early debt retirements are residual funds on hand at SJRPP and receipt of cash consideration from FPL for Scherer Shutdown agreement of \$100 million *

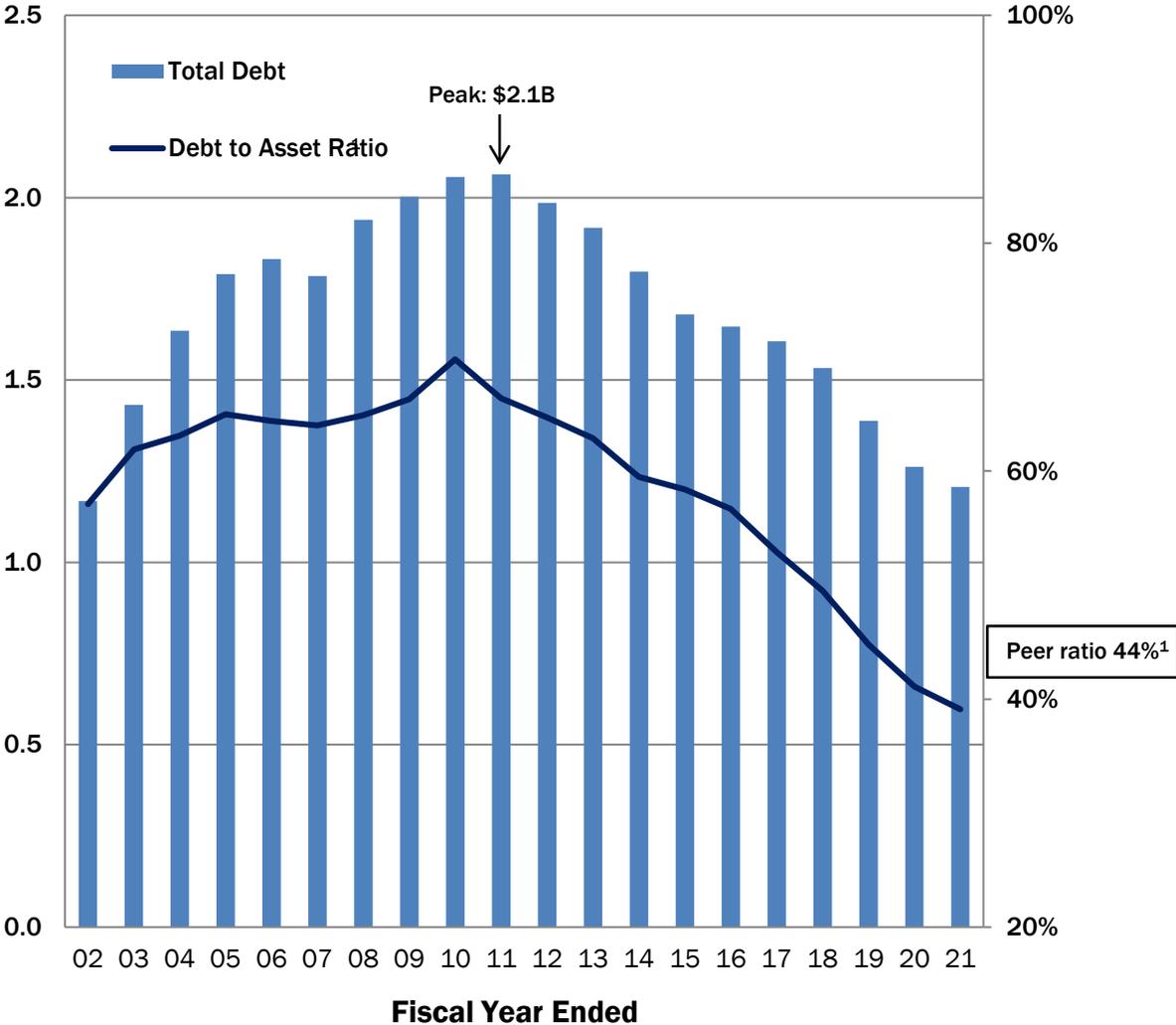
¹ Includes a) Capital – Renewal & Replacement Fund from Restricted Cash Balances and b) Environmental RSF fund balances from Unrestricted Cash Balances

² Includes Source Funds Available from Current Year Commodity & Environmental Revenue

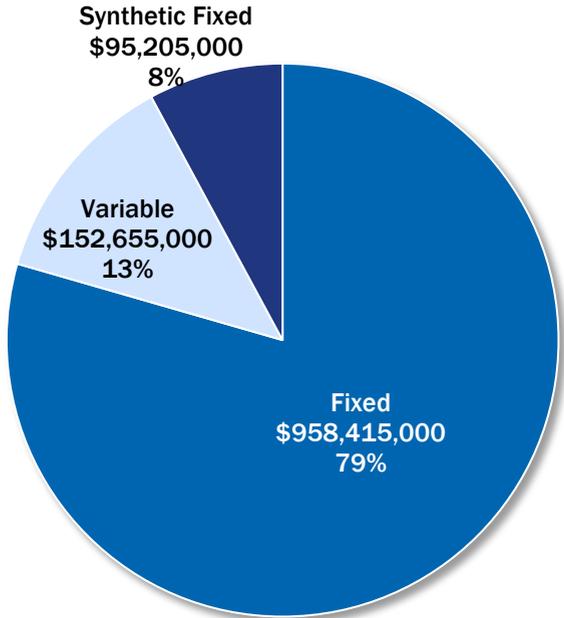
³ Include items such as capital A/P accruals, misc. sale of property, FEMA reimbursements, other misc. working capital items, etc.

⁴ Includes a) Capital – Renewal & Replacement Fund from Restricted Cash Balances and b) Environmental RSF fund balances from Unrestricted Cash Balances

Water System Debt Management



Debt Composition as of September 30, 2021



- \$858 million reduction in debt since peak
- Variable rate exposure reduced from 18% in 2009 to 13% in 2021

¹ Calculated from Moody's Municipal Financial Ratio Analysis database of 195 Aa rated public water-sewer utilities, Nov. 9, 2020

Our Forecasts for FY2021

- 5.0x combined debt service coverage
- Days of cash on hand: 176 days
- Days of liquidity: 353 days
- Total debt reduction: \$20 million
- Debt to asset ratio: 41%
- Debt to capitalization: 39%
- Capital expenditures: \$189 million
- 2.2% increase in Water kgal sales
- Total system revenue increase: 4.3%

Our Outcomes for FY2021

- 6.3x combined debt service coverage¹
- Days of cash on hand: 296 days
- Days of liquidity: 458 days
- Total debt reduction: \$55 million
- Debt to asset ratio: 39%
- Debt to capitalization: 37%
- Capital expenditures: \$201 million
- 2.9% decrease in Water kgal sales²
- Total system revenue decrease: 2.7%³

¹ Includes capacity fee revenues

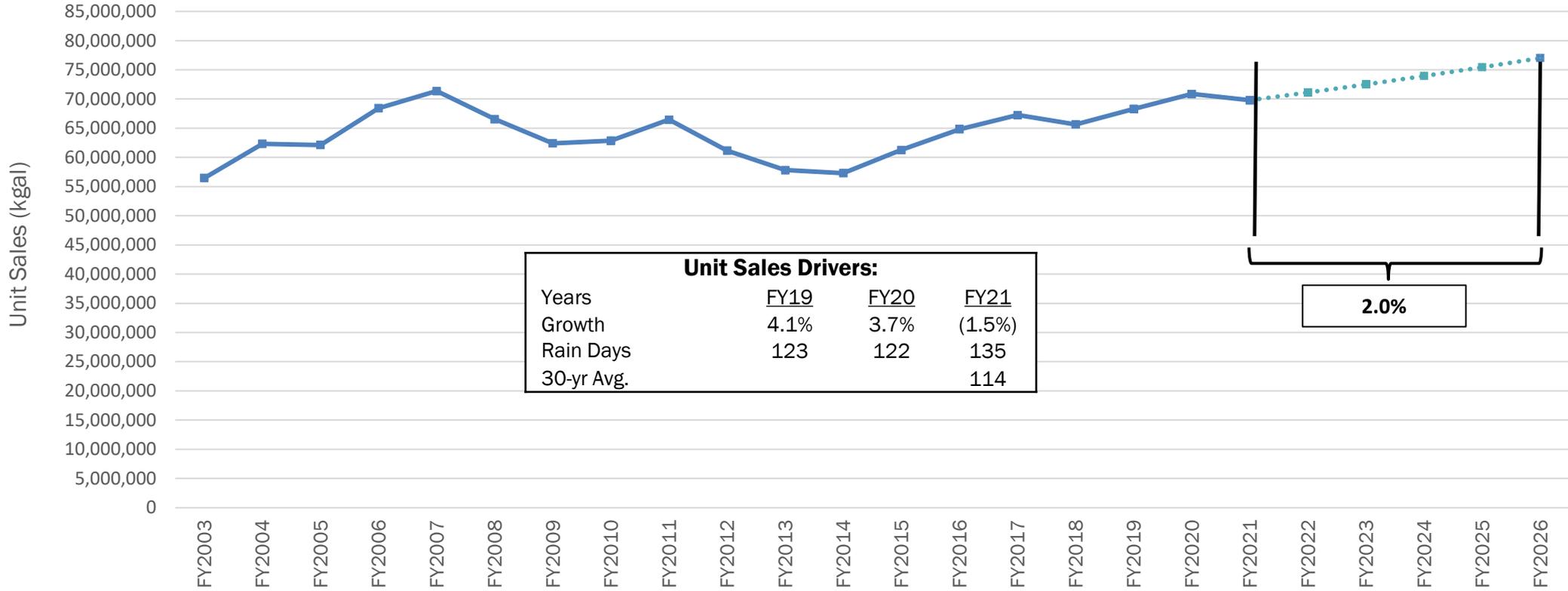
² 2.7% decrease in water unit sales, 1.5% decrease in total system unit sales year over year

³ Reflective of total system operating revenues change year over year

Water System Unit Sales



Total System Unit Sales in kGal



Water & Water Reclamation System

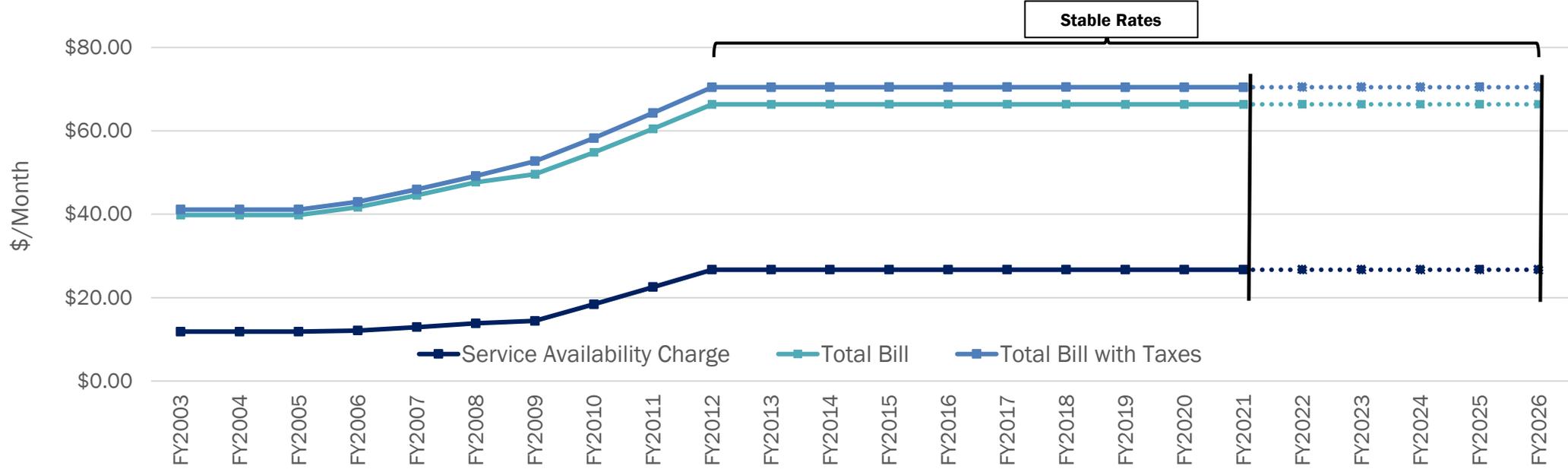
- Overall system projected unit sales growth is 2% from FY2022-2026. Sales growth assumptions are driven by FY17-21 actuals growth rate per commodity, taking into consideration impacts from the ongoing COVID-19 pandemic.
 - Projected water unit sales growth is 1.5%
 - Projected water reclamation unit sales growth is 1.5%
 - Projected bulk reuse unit sales growth is 0%
 - Projected retail reuse sales growth is 10%

Water System Residential Customer Rates



Water & Water Reclamation Residential Rates

@6,000 gallons, 5/8" Meter

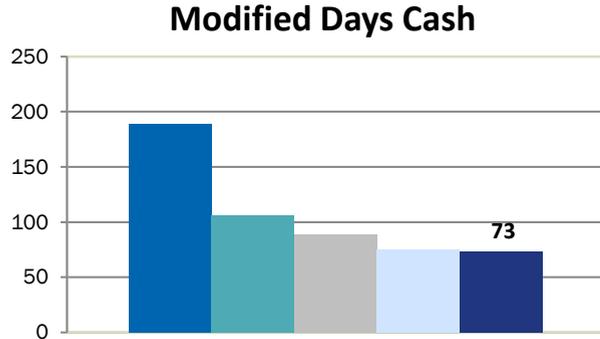
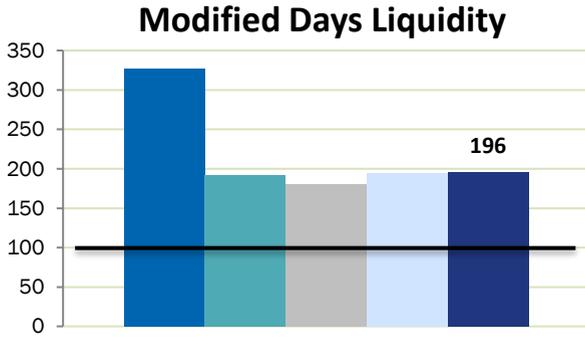
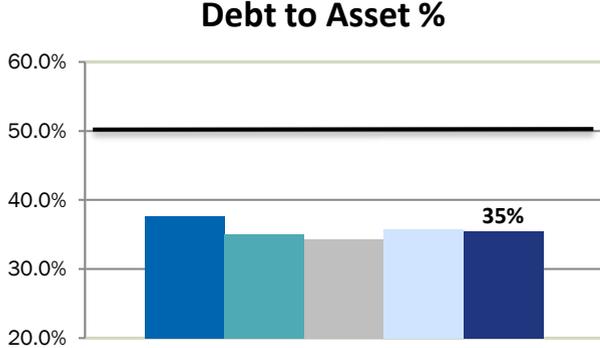
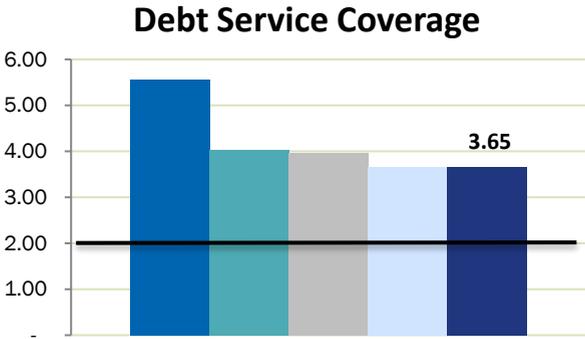


Water & Water Reclamation System

- JEA Water & Water Reclamation Residential Rates have been stable since Oct 1, 2012
- No projected residential rate increases in current five-year forecast window (FY22-FY26)
- Potential rate increases outside of the five-year forecast window may be needed to maintain target financial metrics due to significant increases in capital improvement plan (CIP).
 - Increases in CIP driven by growth in both systems, programs to rehabilitate and harden infrastructure critical to system operation and reliability, and a Surface Water Discharge Elimination program
- Updated capacity fees for new water, water reclamation and irrigation connections were approved on two-year glide in schedule, with the first increase effective April 1, 2022. The remaining step increases are scheduled for October 1, 2022, and April 1, 2023, respectively.

Water System Financial Projections

- Strong Debt Service Coverage metrics result of prior accelerated debt repayments. Near-term opportunity to refinance debt for additional savings
- Debt to Asset % under internal policy targets



■ 2022
 ■ 2023
 ■ 2024
 ■ 2025
 ■ 2026
 — Long Term targets per JEA pricing policy

Water System Capital Funding Sources and Uses

	FY21	FY22	FY23	FY24	FY25	FY26
 Total Beginning Balance¹	\$61	\$127	\$100	\$31	\$22	\$13
Total Funds from Current Year Revenue ²	\$267	\$247	\$290	\$293	\$286	\$281
Funds from Debt Issuance	\$0	\$0	\$49	\$101	\$223	\$121
Total Sources of Funds	\$267	\$247	\$339	\$395	\$509	\$403
 Total Capital Spending	(\$201)	(\$310)	(\$400)	(\$396)	(\$510)	(\$396)
Early Debt Retirements	\$0	\$0	\$0	\$0	\$0	\$0
Other ³	\$9	\$50	\$8	\$8	\$9	\$1
Total Uses of Funds	(\$201)	(\$275)	(\$408)	(\$404)	(\$518)	(\$403)
 Total Ending Balance⁴	\$127	\$100	\$31	\$22	\$13	\$13

The Water & Water Reclamation System capital plan is driven by growth in both systems, programs to rehabilitate and harden infrastructure critical to system operation and reliability, and a Surface Water Discharge Elimination program.

¹ Includes Capital & Environmental fund beginning balances

² Includes Non-environmental & Environmental revenues

³ Include items such as sale of property, changes in working capital, adjustments for CWIP, Environmental O&M, and Amortization of Environmental Regulatory Asset

⁴ Includes Capital & Environmental fund ending balances



Conclusion



Electric

JEA merits a AA credit rating

- ✓ Maintained excellent financial and operation metrics
- ✓ Repaid \$201 million in debt for a total of \$2.5 billion since 2009
- ✓ Financial plan reflects the additional cost of Plant Vogtle
- ✓ Capital program will continue to be funded mostly with cash with minimal new debt
- ✓ Minimal base rate increases (2.3% per year) projected over the forecast period

Water

JEA merits a AAA credit rating

- ✓ Superior operational and financial metrics
- ✓ Repaid \$55 million in debt for a total of \$858 million since 2011
- ✓ Robust growth in sales and customers
- ✓ Capital program funded predominantly with internal capital
- ✓ Continued commitment to investing in infrastructure to ensure reliability in operations now and into the future
- ✓ No projected rate increases currently in the five-year forecast period