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J.P. Morgan Investor Conference



MARCH 2016

About JEA



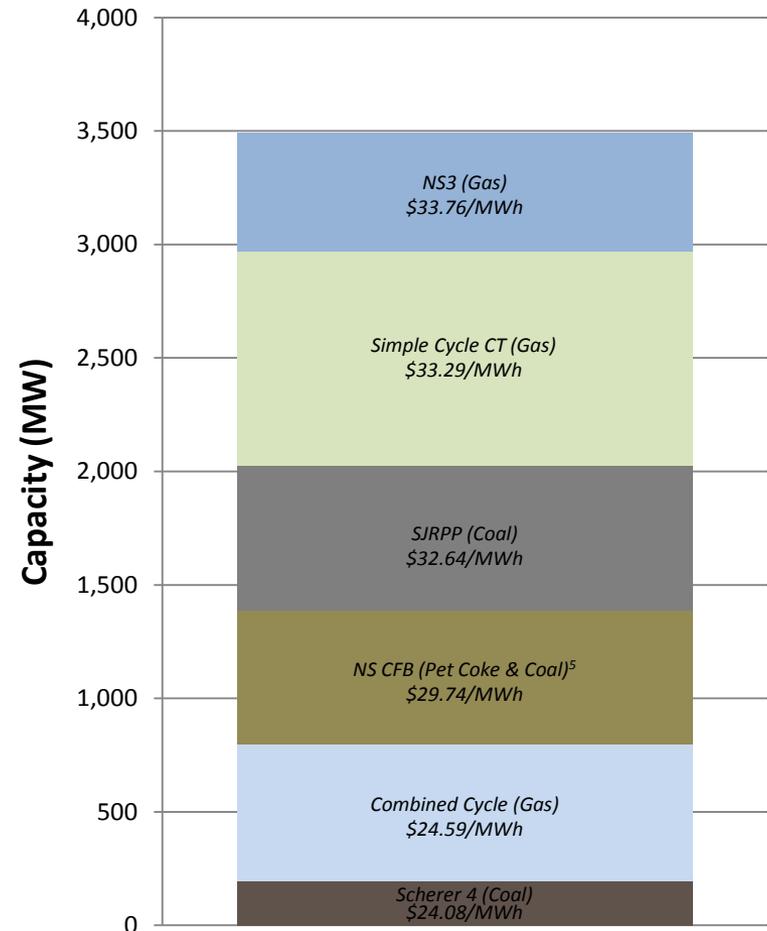
- Municipal electric system since 1895 and independent agency of the City of Jacksonville, Florida since 1968
- Water & Sewer System transferred from the City of Jacksonville to JEA in 1997
- Separately secured liens for:
 - Electric enterprise
 - Electric System
 - St Johns River Power Park
 - Bulk Power Supply System
 - Water and Sewer System
 - District Energy System

Generating Fleet

Existing Generation Capacity = 3,408¹ MWs

Facility	Primary Fuel Type	Generating Capacity (in MW)	Year in Service
Natural Gas: 1,790 MW (56%)			
Brandy Branch	Natural Gas	651	2001 – 2005 ³
Northside Gen Unit 3 ²	Natural Gas/Oil	524	1977
Kennedy	Natural Gas	300	2000 – 2009 ³
Greenland Energy Center	Natural Gas	300	2011
Trail Ridge	Landfill Gas	15	1997 – 2015 ³
Solid Fuel: 1,406 MW (44%)			
SJRPP	Coal	626	1987 – 1988 ³
Northside Gen Units 1 & 2	Pet Coke	586	2003
Scherer 4	Coal	194	1989
Peaking Reserve: 212 MW			
Northside CTs	Diesel Fuel Oil	212	1975
<u>Grand Total: 3,408 MW</u>			
Jacksonville Solar	Solar PV	12	2010
New Solar	Solar PV	38	2016
Plant Vogtle (future)	Nuclear	206	2019/2020

FY15 Dispatch Stack⁴



JEA also has the ability to purchase power via The Energy Authority (TEA)

¹ Based on summer net ratings and entitled capacity. Winter net ratings and entitled capacity is 3,743 MW

² Northside Unit 3 (NS3) will be placed into reserve storage by Spring 2016, approximately three years ahead of the unit's scheduled retirement

³ Multiple units and multiple in-service dates

⁴ The average dispatch prices at maximum load for each unit from 10/1/2014 through 9/30/2015

⁵ NS CFB burned a blend of pet coke and coal during FY15

Water & Sewer System Infrastructure

Water System

- 19 major and 18 small water treatment plants and two re-pump facilities
- 134 active water supply wells, 4,409 miles of water distribution mains and total finished water storage capacity of over 70 million gallons
- Two major and four small distribution grids



Sewer System

- Approximately 3,868 miles of gravity sewers and force mains
- 1,341 pumping stations, 800 low pressure sewer units, and 11 treatment plants currently ranging in rated average daily treatment capacity from approximately 0.2 to 52.5 MGD



Electric System: Key Credit Strengths

- Strong and diverse customer base with no significant customer concentration (the largest non-wholesale customer accounted for only 2% of revenues in FY15)
- Diverse generating fleet compliant with all current environmental regulations
 - Planning underway for CPP compliance
- Strong financial metrics:

	ELECTRIC SYSTEM
Combined Debt Service Coverage	2.6x
Days of Cash On Hand	182 days
Days of Liquidity	303 days
Net Funded Debt Reduction	\$239m
Total Revenues	\$1,247m

- Demonstrated commitment by management and board to continued debt reduction and responsible financial management

Water & Sewer System: Key Credit Strengths

- Strong and diverse customer base with no significant customer concentration (the largest non-wholesale customer accounted for only 1.3% of revenues in FY15)
- Exceptional source of water supply in Floridan aquifer, sufficient to meet our customers' needs through the next 20 years
- Compliant with all wastewater effluent nitrogen reduction requirements
- Strong financial metrics:

	WATER & SEWER SYSTEM
Combined Debt Service Coverage	2.8x
Days of Cash On Hand	149 days
Days of Liquidity	269 days
Net Funded Debt Reduction	\$102m
Total Revenues	\$417m

- Demonstrated commitment by management and board to continued debt reduction and responsible financial management

JEA Consistently Delivers Strong Financial Performance

- JEA’s leadership team continues to work strategically to address industry challenges
- JEA’s Board and staff are committed to consistently strong financial results, as reflected in our AA credit ratings

	Fitch	S&P	Moody’s
Electric Senior Bonds	AA	AA-	Aa2
Electric Subordinated Bonds	AA	A+	Aa3
SJRPP Bonds	AA	AA-	Aa2
Water & Sewer Senior Bonds	AA	AA	Aa2
Water & Sewer Subordinated Bonds	AA	AA	Aa2
Bulk Power Supply System Bonds	AA	AA-	Aa2
District Energy System Bonds	AA	AA-	Aa3

“Strong financial metrics, including a trend of sound coverage of fixed costs and strong liquidity.”

- Standard & Poor’s, June 12, 2015

“Strong financial management: Financial operations and capital planning are guided by an effective management team and highly engaged board.”

- Fitch Ratings, June 15, 2015

The Status of the City Contribution

- Ordinance amending Article 21 of the City Charter approved by City Council on March 8, 2016 and accompanying Interagency Agreement executed on March 15, 2016
- New Contribution Agreement effective FY17-FY21
- Includes a \$114 million floor, equal to FY16 City Contribution, which escalates at 1% per year
- Millage reset at \$114 million
- The formula is the greater of the floor or the millage calculation
- Includes a \$15 million total one-time contribution for Water and Sewer expansion and Septic Tank Phase Out
- JEA assumes responsibility for the City of Jacksonville nitrogen reduction requirements until 2023

Contribution Projections		
	Contribution Floor	One-time W/S Expansion Funding
2016¹	\$114,187,538	
2017	\$115,329,413	\$15,000,000
2018	\$116,482,708	
2019	\$117,647,535	
2020	\$118,824,010	
2021	\$120,012,250	

¹Current agreement



How Will JEA Comply with the Clean Power Plan?

- State required reduction from 1,247 pounds of CO₂/MWh in 2012 to 919
- Future of rule and State Plan are uncertain, but JEA continues to work with stakeholders on key issues
 - Specific utilities and utility organizations
 - Florida Department of Environmental Protection and Florida Public Service Commission Staff
 - Florida Legislature
- JEA is developing generation models which accommodate mass or rate based reductions so a full Integrated Resource Plan can be developed after the State Plan is released
 - Multi-state and interstate considerations will determine treatment of out-of-state generating assets
 - The following elements are being examined as compliance options:
 - ❖ **Incorporation of our 206 MW carbon free power from Vogtle 3 & 4**
 - ❖ Additional natural gas fired generation
 - ❖ Additional renewables; future nuclear
 - ❖ Customer peak demand reduction
 - Recent Supreme Court action & vacancy increases uncertainty in ultimate direction of the CPP Rule

Key Dates



What is the Status of the Plant Vogtle Project?



- Provides fuel diversification by adding zero emitting base-load nuclear to JEA's fleet
- Highly reliable base load unit when it comes online
 - 2019/2020 schedule in-service dates for units 3 and 4
 - Construction Milestones Achieved:
 - Unit 3 Cooling Tower Vertical Complete: December 2014
 - Unit 4 CA04 Reactor Vessel Cavity placed: June 2015
 - Unit 4 CA01 Module set in Nuclear Island: August 2015
 - Unit 4 Cooling Tower over 350 feet: February 2016
- Current cost estimates still within estimates used for original investment decision
- DOE Loan Guarantee: Secured in the amount of \$578 million in June 2015
- \$185 million public markets debt offering closed September 2015

ENVIRONMENTAL CONSIDERATIONS

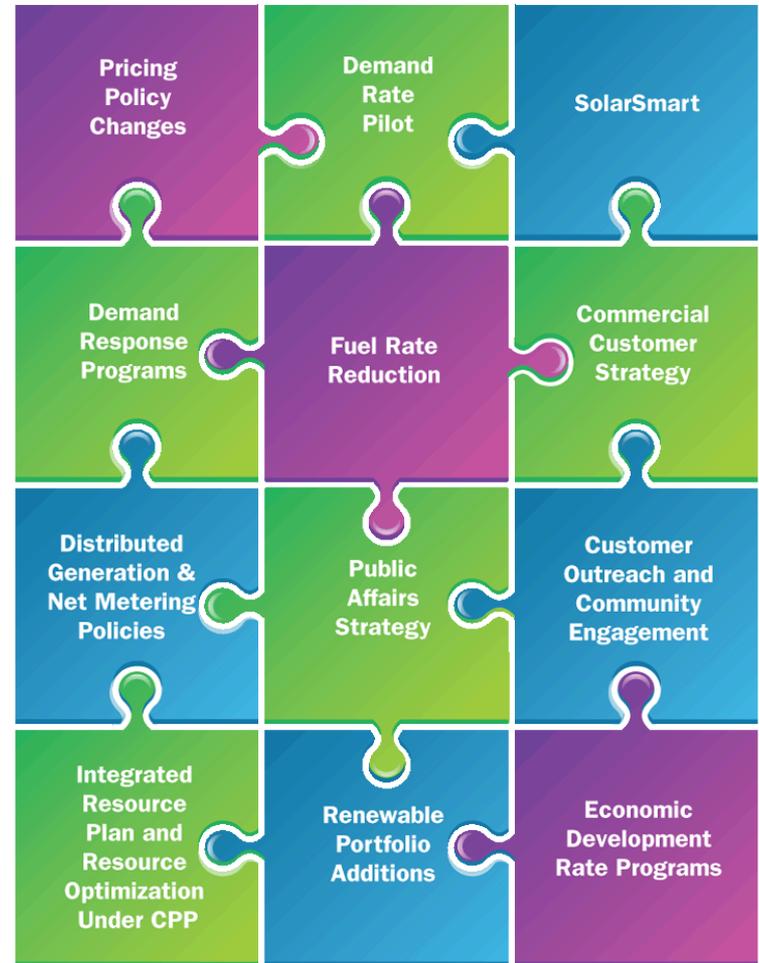
- No decommissioning or spent fuel liability after end of 20 year PPA
- Carbon-free generation

Preparing for Transformative Changes in the Coming Years

- JEA is focused on planning for and adapting to the future of the utility industry
- Looming environmental regulations are expected to reduce CO₂ emissions
- Distributed Generation and energy efficiency could play important roles in a lower carbon future

GOAL

JEA will provide reliable, affordable, environmentally responsible utility service now and in the future



Past

Current

Future

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