



**IMPROVING LIVES. BUILDING COMMUNITY.** to be the best utility in the country

## JEA BOARD OF DIRECTORS MEETING

JEA Tower, T-19 | 21 West Church Street, Jacksonville, FL 32202  
October 26, 2021 | 9:00 am – 12:00 pm

### WELCOME

Meeting Called to Order

Time of Reflection

Introductions

Adoption of Agenda (Action)

John Baker, Chair

---

Safety Briefing & Moment

Todd Skinner, Director, Substation Protection & Controls

### COMMENTS / PRESENTATIONS

---

Council Liaison's Comments

Council Member Michael Boylan

---

Comments from the Public

Public

---

Managing Director / CEO Report

Jay Stowe, Managing Director / CEO

### CONSENT AGENDA (Action)

[Board Meeting Minutes – September 17, 2021](#)

[FY21 Budget Transfers](#)

[FY22 Delegated Authority for Transfers](#)

### BOARD AND COMMITTEE REPORTS

Finance & Audit Committee

Marty Lanahan, Chair

### FOR BOARD CONSIDERATION

Monthly Performance Update

Berdell Knowles, Government Relations Specialist

### UNBEATABLE TEAM

[FY2021 Pay for Performance Results \(Action\)](#)

Pat Maillis, Director, Employee Services

### CUSTOMER LOYALTY

Elimination of Nonbeneficial Surface Water Discharges

Raynetta Marshall, Chief Operating Officer  
Rob Zammataro, Director, Water / Wastewater Planning & Development

### BUSINESS EXCELLENCE

[Pricing Policy Revision \(Action\)](#)

Juli Crawford, Director, Financial Planning & Analysis

---

Plant Vogtle Deep Dive

Jody Brooks, Chief Administrative Officer  
Joe Orfano, Vice President, Financial Services



**IMPROVING LIVES. BUILDING COMMUNITY.** to be the best utility in the country

## **OTHER BUSINESS AND CLOSING CONSIDERATION**

Old and Other New Business/Open Discussion

Chair's Report

[Appreciation and Memoriam of Dr. Leon Haley, Jr. \(Action\)](#)

Announcements – Next Board Meeting November 16, 2021

John Baker, Chair

---

Adjournment

## **UPCOMING BOARD AGENDA ITEMS**

JD Power FY21 Residential Year End Results

Strong Labor Relations

Resilient / Reliable Infrastructure Update

## **INFORMATIONAL MATERIAL**

Appendix A: FY21 Jacksonville Small and Emerging Business (JSEB) Annual Report

Appendix B: Corporate Headquarters Update

Appendix C: FY21 Corporate Communications and Community Outreach

Appendix D: Financial Statements

## **BOARD CALENDAR**

2021 Board Meeting

November 16, 2021

2021 Committee

Governance Committee – November 8, 2021

2022 Board Meetings

9:00 am – January 11, February 22, April 5, May 24, August 9-10, September 20

2022 Committees

Finance & Audit Committee – February 11, May 13, September 9

Governance Committee – March 14, July 14, November 7

Other Committees – TBD



## **Board of Directors Meeting October 26, 2021**

To submit a public comment to be read during the meeting, please email Melissa Charleroy at [charm2@jea.com](mailto:charm2@jea.com). Public comments must be received no later than 9:10am.

To provide public comment via WebEx, please refer to the Public Notice on [jea.com](http://jea.com) for detailed instructions.

If you experience any technical difficulties during the meeting, contact Ontario Blackmon at (904) 665-4203 or JEA's WebEx Support Team at [webexsupport@jea.com](mailto:webexsupport@jea.com).



## **Safety Briefing and Moment**

**Todd Skinner**  
*Director, Substation Protection & Controls*



**Develop an Unbeatable Team**

# Safety Briefing



In the event of an emergency, call 9-911 and alert others

Emergency Evacuation Route (use stairwell)

Assembly Location: First Baptist Church parking lot (corner of Ashley & Main St.)

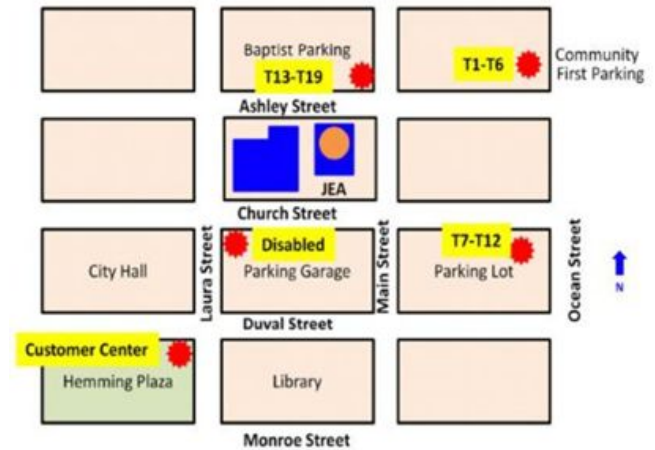
Safety Partner (person to your right)

Medical Conditions / CPR

Hazard & Situational Awareness

Cell Phone & Computer Etiquette

## EVACUATION ASSEMBLY CENTERS During normal business hours



### EGRESS ROUTES FROM:

#### Tower

- Even Floors – evacuate via NW stairwell
- Odd Floors – evacuate via center stairwell

#### Customer Center

- Evacuate via either stairwell

## Safety Moment

### Halloween Safety Reminders

When selecting a costume, make sure it is the right size (not too long) to prevent trips and falls

Remain visible at night with glow sticks, flashlights or reflective costumes

For better vision, choose face paint and/or makeup instead of full-face masks

It is best to have a responsible adult accompany children under 12 years of age

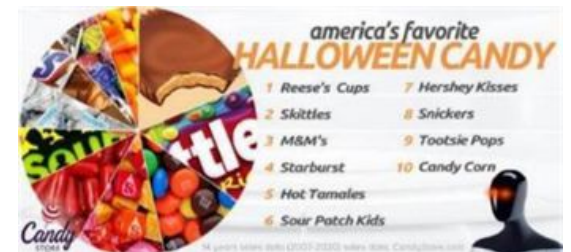
Instruct children to travel only in familiar, well-lit areas and stay together with their friends

Remember to walk facing traffic and avoid walking through lawns

Popular trick-or-treating hours are 5:30 p.m. to 9:30 p.m., so slow down and be alert in residential areas when driving as children may move in unpredictable way with the excitement of Halloween

Lastly, remember to put electronic devices down so you can concentrate on your surroundings and continue to practice COVID-19 safety precautions

JEA





# Monthly Performance Update

Berdell Knowles  
*Government Relations  
Specialist*



Deliver Business Excellence

# JEA Performance Scorecard | Data through September 30, 2021

- Pay-for-Performance Measure
- ▲ Higher is good
- ▼ Lower is good
- On Plan or Better
- At Risk
- Unfavorable

	FY19	FY20	FY21 Goal	FY21 YTD	
<b>UNBEATABLE TEAM</b>	● ▼ Safety - Recordable Incident Rate (RIR)	1.51	0.95	≤ 1.4	0.95
	▲ Diversity - Female Representation %	21%	22%	N/A	22%
	▲ Diversity - People of Color Representation %	24%	25%	N/A	26%
	▲ Diversity - Veteran Representation %	19%	19%	N/A	20%
<b>CUSTOMER LOYALTY</b>	● ▲ Customer Satisfaction - Residential (JD Powers)	1st Quartile	3rd Quartile	1st Quartile	3rd Quartile
	● ▲ Customer Satisfaction - Commercial (JD Powers)	2nd Quartile	2nd Quartile	Top 10	4th Quartile
	▼ Nitrogen to the River (tons)	397	299	450	372
	▼ Sanitary Sewer Overflows (per 100 miles of pipe)	36	48	30	35
	▼ Environmental Compliance - Permit Exceedances	0	1	< 4	1
<b>BUSINESS EXCELLENCE</b>	▲ Sales - Electric System (MWh)	12,366	12,185	12,200	12,216
	▲ Sales - Water System (Million Gallons)	37,696	38,272	38,500	37,181
	▲ Sales - Wastewater System (Million Gallons)	27,726	28,160	28,500	28,139
	▲ Sales - Reclaim (Million Gallons)	3,884	4,427	4,500	4,463
	▲ Revenue - Total System (\$M)	\$1,625	\$1,600	\$1,769	\$1,628
	▼ Outstanding Debt (\$M)	\$3,621	\$3,257	\$2,948	\$3,000
	▼ Operations & Maintenance (O&M) Spend (\$M)	\$381	\$393	\$432	\$381
	▼ Capital Spend (\$M)	\$499	\$387	\$499	\$355
	▼ Fuel & Purchased Power Expense (\$/MWh)	\$34.43	\$28.17	\$29.21	\$34.82
	● ▼ Electric Cost (\$/MWh)	\$63.68	\$50.95	\$53.51	\$45.58
	● ▼ Water Cost (\$/Kgal)	\$4.95	\$4.50	\$5.31	\$4.38
	● ▼ Wastewater Cost (\$/Kgal)	\$9.50	\$8.08	\$10.24	\$8.05
	▼ Reliability - System Average Interruption Duration Index (SAIDI) (12-month Rolling outages per year per customer)	65	89	75	56
	▼ Reliability - System Average Interruption Frequency Index (SAIFI) (12-month Rolling minutes per year per customer)	1.3	1.4	1.4	1.1
	▼ Reliability - Effective Forced Outage Rate (EFOR)	4.9%	2.3%	2.5%	4.0%
▼ Reliability - Water Unplanned Outages (Number of Customers)	9,268	15,342	6,750	12,257	
▼ Water Pressure (average min < 30 psi)	8.8	4.0	3	2.1	

Pay for performance is currently projected at 3.32% of base salaries





# FY2021 Pay for Performance Results

Pat Maillis  
*Director, Employee Services*



Develop an Unbeatable Team

# FY2021 Pay for Performance Program Results



## Corporate Performance Factors

### Safety

<b>0.95 YTD</b>	
Does Not Meet	RIR > 1.4
Meets	RIR ≤ 1.4
Exceeds	RIR < 1.2

### Customer Satisfaction

Residential	
<b>3<sup>rd</sup> Quartile</b>	
Does Not Meet	< 2 <sup>nd</sup> Quartile
Meets	> 2 <sup>nd</sup> Quartile
Exceeds	≥ 50 <sup>th</sup> %tile of 1 <sup>st</sup> Quartile

Commercial	
<b>4<sup>th</sup> Quartile</b>	
Does Not Meet	< Top Ten Nationally
Meets	Top Ten Nationally
Exceeds	#1 Nationally

### Cost Control

(Fiscal Year Ending September 2021)

Electric	
<b>\$45.58/MWh</b>	
Does Not Meet	cost > \$53.51
Meets	cost ≤ \$53.51
Exceeds	cost ≤ \$52.75

Water	
<b>\$4.38/Kgal</b>	
Does Not Meet	cost > \$5.31
Meets	cost ≤ \$5.31
Exceeds	cost < \$5.20

Wastewater	
<b>\$8.05/Kgal</b>	
Does Not Meet	cost > \$10.24
Meets	cost ≤ \$10.24
Exceeds	cost < \$9.95

All participants shall be eligible for the same percentage of payout based on the achievement of the metrics, not to exceed 5% of base salary. Achievement Value for each of the six corporate performance factors is 0.5% for meets target, and 0.83% for exceeds target.

**Performance factors result in a payout of 3.32% of base salaries  
Total payout of \$5.50 M**



# **Elimination of Nonbeneficial Surface Water Discharges**

Preliminary Plan Update

**Raynetta Marshall**  
*Chief Operating Officer*

**Robert Zammataro**  
*Director, Water / Wastewater  
Planning & Development*



# Elimination of Nonbeneficial Surface Water Discharges



Background / Overview

JEA's Water Reclamation System

Management Options

Preliminary Plan

Uncertainties

Next Steps



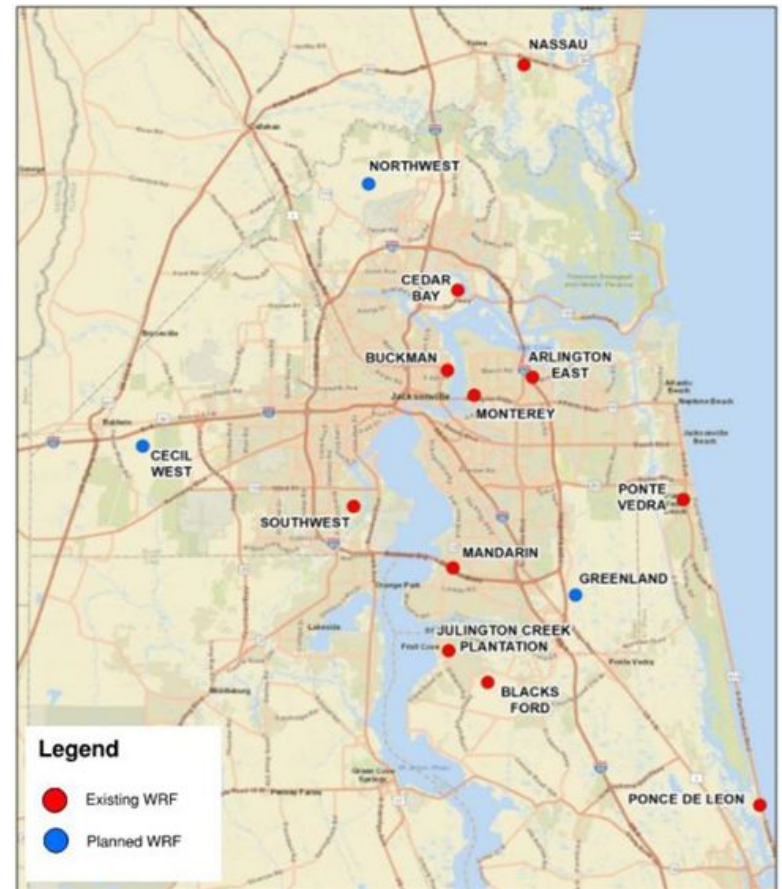
# Timeline Overview



# JEA Water Reclamation Facilities (WRF)



Current 5 Year Average (Million Gallons Per Day (MGD), 2015-Present)		
(Grid)	WRF	Flow ADF
North	Buckman	26.8
	Cecil West	--
	Cedar Bay	5.5
	Northwest	--
	Southwest	11.4
	<b>Total</b>	<b>43.6</b>
South	Arlington East	20.5
	Blacks Ford	5.1
	Greenland	--
	Julington Creek	0.8
	Mandarin	7.3
	<b>Total</b>	<b>33.7</b>
Other	Nassau	1.2
	Monterey	1.8
	Ponce De Leon	0.1
	Ponte Vedra	0.5
	<b>Total</b>	<b>3.6</b>
	<b>System Total</b>	



Currently 25% of the 81 MGD flow is used for irrigation

## JEA Management Options



**Traditional  
Reclaimed  
Water**

Public access reuse for irrigation

Directly offsets groundwater demand



**Purified Water**

Advanced multi-barrier treatment process

Consumptive Use Permit (CUP) credits awarded for aquifer recharge



**Deep Well  
Injection**

Used for reclaimed water and residuals management

No deep wells in Northeast Florida yet



**Wetland  
Hydration**

Large land area required

Not readily available in Northeast Florida

# JEA Preliminary Plan



**Traditional Reclaimed Water**

29.4 MGD

**Purified Water**

3 Facilities  
18.4 MGD

**Deep Well Injection**

26 Deep Injection Wells (DIW)  
52 MGD



Our initial estimate is \$1.85B over 10 years...



## Uncertainties



No deep injection wells have been constructed in North Florida



Rules and regulations required for implementation of the projects are not in place



Would require significantly more engineering, permitting and construction capacity than what is currently available



Finding additional qualified personnel to operate facilities



Permitting and testing could take significantly longer than anticipated



Cost high variable

...any of these uncertainties may change our estimate

## Next Steps



November 1, 2021	Submit plan submittal to FDEP
FY22	Continue Demonstration Facility Continue refining overall plan Begin planning and design on Capital Improvement Program (CIP) Understand impacts to rate payers
August 1, 2022	Finalize plan
FY23 – FY32	Implementation of capital projects



## Pricing Policy Revision

Juli Crawford

*Director, Financial Planning & Analysis*



## Pricing Policy Revision

### Current

#### Set Annually

Based on forward 12 month energy cost projection and any amounts for the Fuel Stabilization fund

Should actual plus forecasted energy costs exceed 10% of projected energy costs during the year, rates may be adjusted to reflect current market conditions

Fuel Stabilization target balance is equal to 15% of the greater of:

- The maximum fiscal year fuel cost in the preceding five fiscal years or
- The projected fiscal year fuel cost
- Should the fund reach 15%, staff determines to continue to fund, issue a credit, or modify the Fuel Charge

### Proposed

#### Set Monthly

Based on forward month energy cost projection and any true-up amounts from the previous month's results

Eliminate Fuel Stabilization Fund

Include safeguards to protect customers from extreme weather events or other large price risks

**JEA proposes moving to a monthly fuel cost adjustment methodology**

## **Pricing Policy Revision**

### **FY22 Recommendation**

Adjust fuel charges on a monthly basis beginning in December

- True pass-through vs crediting customers on the back end
- Implementing in December will lessen the impact on the customer bill utilizing safe guards given current fuel market activity

Create customer communication plan

- Talk to customers that will see largest impacts now
- Provide methodology, monthly pricing updates, and additional resources on jea.com

**Staff is requesting approval of the modified Pricing Policy**



Vogtle Units 3 and 4 northeast side

## **Plant Vogtle**

### **Units 3 & 4**

**Jody Brooks**  
*Chief Administrative Officer*

**Joe Orfano**  
*Vice President, Financial Services*



# Plant Vogtle Status Summary

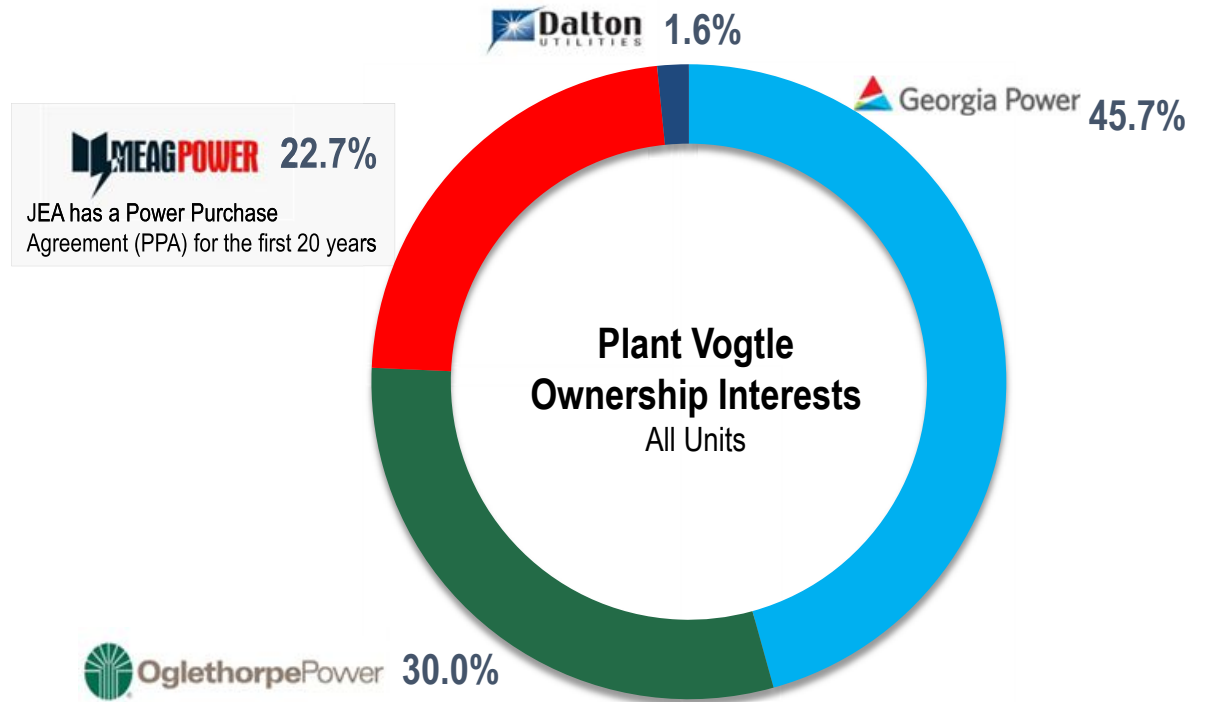


Entering into an agreement with Vogtle was not a poor decision at the time, nor were many of the decisions JEA made along the way

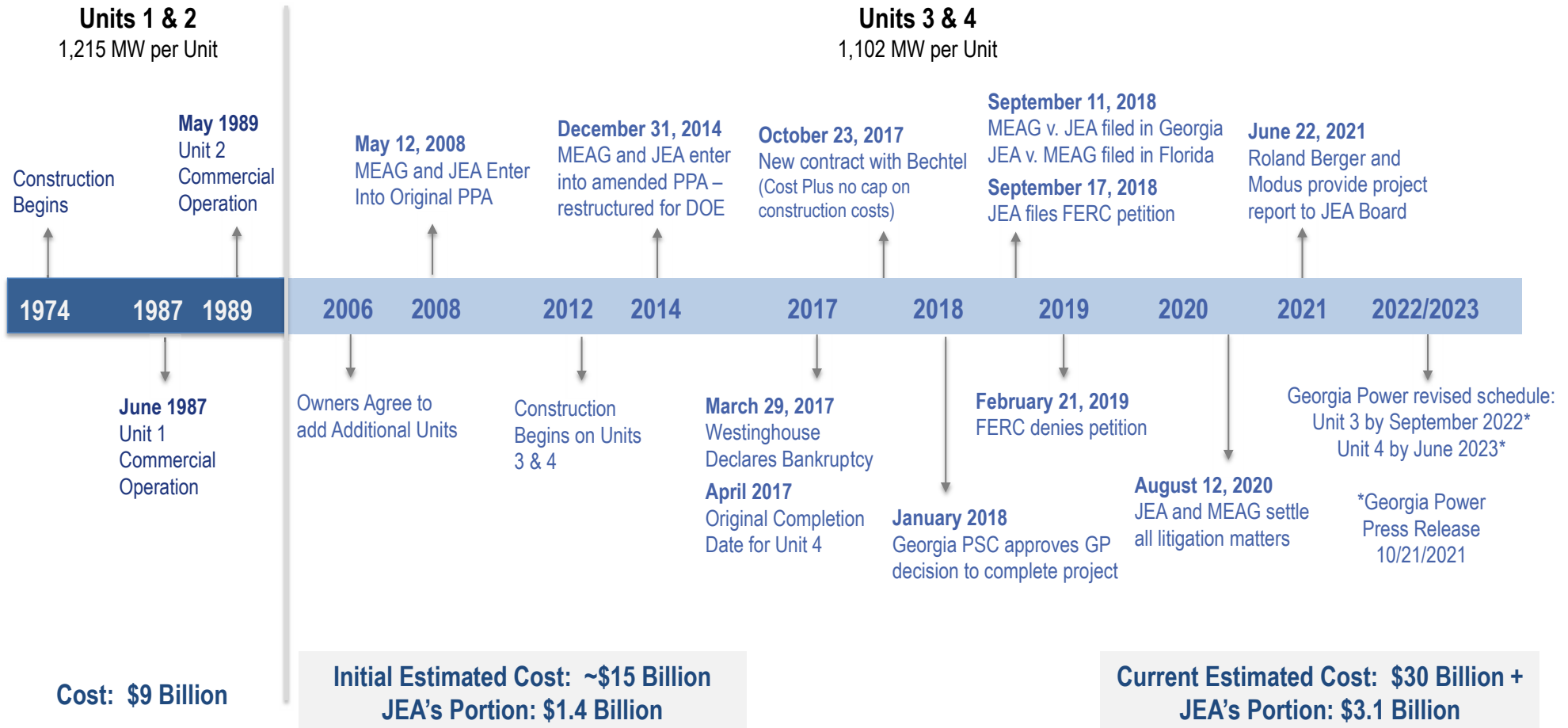
The agreement JEA entered into provides no ability to accelerate the completion of the project

Once Vogtle Units 3 & 4 come online, the fuel cost of nuclear will help the JEA portfolio

In the meantime, continued delays have an cost impact to JEA customers of a roughly 40% increase per MWh



# Alvin W. Vogtle Electric Generating Plant







## Additional Information



October 15, 2021

JEA BOARD OF DIRECTORS SPECIAL MEETING MINUTES  
September 17, 2021

The JEA Board met in special session at 11:00 am on Friday, September 17, 2021, on the 19<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida 32202. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx. Attendees were required to wear masks and CDC guidelines and social distancing were required at the meeting location.

**WELCOME**

**Meeting Called to Order** – Board Chair John Baker called the meeting to order at 11:01 am. Board members in attendance were General Joseph DiSalvo, Marty Lanahan, Bobby Stein, Dr. Zachary Faison and Tom VanOsdol. A quorum of the Board was physically present for the meeting.

Others in attendance in-person were Jay Stowe Managing Director/CEO; Jody Brooks Chief Administrative Officer; Sheila Pressley, Chief Customer Officer; Ted Phillips, Chief Financial Officer; Raynetta Marshall, Chief Operating Officer; David Emanuel, Chief Human Resources Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Council Member Michael Boylan, Council Liaison; Madricka Jones, Executive Assistant to CEO and Melissa Charleroy, Board Services Manager.

**Time of Reflection** – A moment of reflection was observed by all.

**Introductions** – Mr. Stowe introduced and welcomed Melissa Charleroy, Board Services Manager; Regina Ross, Chief Legal Officer, Office of General Counsel; Raynetta Marshall, Chief Operating Officer and Ted Phillips, Chief Financial Officer. Chair Baker extended a welcome to all.

**Adoption of the Agenda** – On *motion* by Marty Lanahan and seconded by Tom VanOsdol, the agenda was approved.

**Safety Briefing** – Margaret Limbaugh, Director, Energy Project Management, presented the Safety Briefing.

**COMMENTS / PRESENTATIONS**

**Comments from the Public**

Email Public Comments:

Keith Rouss, representing Harbert Realty Services, addressed the Board regarding the proposed capacity fee increase. Mr. Rouss cited concerns regarding a project under construction for the Park Place at San Marco, JEA No. 2019-3394, and requested the Board to maintain the capacity fees that were in place at the time of construction commencement for this project.

Matthew Marshall, representing RISE: A Real Estate Company, addressed the Board regarding the proposed capacity fee increase. Mr. Marshall cited concerns regarding the Linden House Apartments on Race Track Road and 9B, and requested the Board to reevaluate the increase on developments and grandfather in projects that will start construction no later than November 1, 2021.

**In-Person Public Comment:**

Cyndy Trimmer, representing Trevato Development Group, addressed the Board regarding the proposed rate adjustments, and requested the Board to evaluate the possibility for a prepayment of the capacity fees at the current rate.

**Online Public Comments:**

Daniel Blanchard, representing Southern Impression Development, addressed the Board regarding the proposed capacity fee increase. Mr. Blanchard cited concerns regarding providing an affordable product, and requested the Board to reconsider the proposed fees and utilize a broad-based funding framework for payment of the increased fees.

*Dr. Faison entered the meeting at 11:12 am.*

Doug Skiles, civil engineer, addressed the Board regarding the proposed capacity fee increase. Mr. Skiles cited concerns regarding current construction projects, and requested the Board to consider grandfathering projects that are currently permitted under the current rates.

Nate Day, single family residential developer and Northeast Florida Builders Association Board Chair, addressed the Board regarding the proposed capacity fee increase. Mr. Day cited a letter previously sent, and requested the Board to consider grandfathering current projects, prepayment of current capacity fees and a 3-year phase-in, as well as mirroring the line extension fees to other cities.

Curtis Hart addressed the Board regarding the proposed capacity fee increase. Mr. Hart requested the Board to consider prepayment and cost sharing options, as well as decreasing the current threshold.

Beth Breeding, residential and commercial developer, addressed the Board regarding the proposed capacity fee increase. Ms. Breeding cited concerns for new commercial developments and the challenge for new businesses to open and grow. Ms. Breeding requested the Board to reevaluate the increase of the capacity fees, as well as an extension of the phase-in.

Joshua Garrison addressed the Board regarding the proposed capacity fee increase. Mr. Garrison cited concerns regarding affordable housing and retail shopping centers. Mr. Garrison requested the Board to defer this matter to give additional thought, as well as cost sharing options.

Mike Herzberg addressed the Board regarding the proposed capacity fee increase. Mr. Herzberg requested the Board to defer the increase to allow for additional research and cited concerns of customers leaving the JEA service territory.

**Special Meeting Format**

Mr. Stowe highlighted that today's meeting is a follow-up to the August 24, 2021 JEA Board of Directors meeting and Public Rate Hearing. Mr. Stowe noted staff will provide a summary of each presentation as Board members previously heard the presentations in full detail. Ms. Lanahan noted some of the presentations the Board will hear today, have been provided a number of times since 2020.

**Consent Agenda**

The Consent Agenda consists of agenda items that require Board approval but are routine in nature or have been discussed in previous public meetings of the Board.

On *motion* by Tom VanOsdol and seconded by Dr. Faison, all Consent Agenda items were approved.

Board Meeting Minutes – July 27, 2021 – Approved

Board Meeting Minutes – August 24, 2021 – Approved

FY2022 JEA Board Calendar (Resolution 2021-17) – Approved

## FOR BOARD CONSIDERATION

### RECOMMENDED RATE ADJUSTMENTS

**FY2022 Rates Overview and Review of Public Hearing Held on August 24, 2021** – Juli Crawford, Director, Financial Planning & Analysis, presented a summary of the FY2022 rate fee adjustments as presented at the August 24, 2021 Board meeting and Public Rate Hearing including:

1. Water & Sewer Rate Adjustment Plans including:
  - a. Plant Capacity Fees
  - b. Tap & Meter Fees
  - c. Large Commercial Water Rate
  - d. Other Tariff Administrative Items – backflow prevention devices, use of funds – line extension growth capacity charges, fire protection language and tariff reformat
2. Electric Rate Adjustment Plans including:
  - a. Energy Rate
  - b. Fuel Rate
  - c. Other Administrative Items – economic development programs, remove Residential Flex Rate Pilot and other formal edits

**Board Discussion and Action on Recommended Rate Adjustments** – Board members held discussions regarding the implementation of the capacity fee increase. Mr. Stowe provided a review of the process and revisions made based on feedback received from the development community. Mr. Stowe reiterated staff is requesting approval of the rate adjustments; however, JEA is committed to reviewing the implementation plan. Ms. Lanahan added the Finance & Audit Committee will review the grandfathering provision at the October 15, 2021 Finance & Audit Committee meeting. Ms. Crawford provided information regarding the current grandfathering provision. Ms. Brooks offered guidance to Board members regarding the process of amending the proposed resolution.

On *motion* by Bobby Stein and seconded by Marty Lanahan, Resolution 2021-20 was approved as drafted with an amendment that between now and October 15, 2021, the Finance & Audit Committee will address and study the implementation of the capacity fee increase and will provide a report at the October 26, 2021 Board of Directors meeting. Ms. Brooks clarified the motion approved by the Board stating the Finance and Audit Committee will study and review the implementation of the capacity fees that were passed today and will be brought back before the Board within 90 days.

### UNBEATABLE TEAM

**FY2022 Pay for Performance Program** – Pat Maillis, Director, Employee Services, presented the proposed FY2022 Pay for Performance metrics that were previously provided at the August 24, 2021 Board of Directors meeting. Ms. Maillis reiterated the proposed FY2022 metrics will continue to focus on JEA's strategic initiatives and areas of focus and better align the employees' ability to influence the

metrics and the execution of the company’s capital plan. The FY2022 payout is expected to not exceed \$8,896,748.

On *motion* by Bobby Stein and seconded by General DiSalvo, Resolution 2021-19 was approved.

**BUSINESS EXCELLENCE**

**Real Property Purchase – Purified Water Site** – Jordan Pope, Director, Real Estate, provided a review of JEA’s proposed acquisition of a purified water site in support of JEA’s purified water initiative. Mr. Pope provided a review of the Integrated Water Resource Plan (IWRP), the purpose of utilizing purified water, phases of the purified water program and the advantages of the south grid location. Mr. Pope noted the purchase price of the proposed land is \$3,276,000, with an overall estimated project cost of \$40M, which includes piloting for research and optimization, a well for aquifer performance testing, staff training facilities and a visitor education center. Mr. Pope introduced Rob Zammataro, Director, Water/Wastewater Planning & Development and Ryan Popko, Project Manager, Purified Water initiative, to answer questions.

On *motion* by Bobby Stein and seconded by General DiSalvo, Resolution 2021-18 was approved.

**OTHER BUSINESS AND CLOSING CONSIDERATION**

Mr. Stowe recognized the passing of Council Member Tommy Hazouri and offered words of reflection.

**Announcements** – Next Board Meeting October 26, 2021

Mr. Stein extended appreciation to Chair Baker, Mr. Stowe and others for continuing to provide the Board with information related to Plant Vogtle. Mr. Stowe and Board Members expressed their appreciation of General DiSalvo for his work. Mr. Stowe noted the Board will receive a deep dive presentation at the October 26, 2021 Board meeting.

**Adjournment** – With no further business coming before the Board, Chair Baker declared the meeting adjourned at 11:54 AM.

APPROVED BY:

\_\_\_\_\_  
Marty Lanahan, Secretary

Date: \_\_\_\_\_

Board Meeting Recorded by:

\_\_\_\_\_  
Melissa M. Charleroy  
Board Services Manager



**BOARD RESOLUTION: 2021-24**

October 26, 2021

**A RESOLUTION AUTHORIZING THE RATIFICATION OF TRANSFERS WITHIN THE ACCOUNTS OF THE FISCAL YEAR 2021 OPERATING BUDGET FOR JEA; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, each year, the City Council approves the JEA Budget, and authorizes the Board to make allocations, allotments, and transfers within the approved budget for JEA; and

**WHEREAS**, each year, the Board of Directors authorizes the Managing Director to make allocations, allotments, and transfers within the approved budget for JEA, up to \$5.0 million during a budget year; and

**WHEREAS**, transfers in excess of \$5.0 million during the fiscal year and/or to close the books at the end of the fiscal year are brought to the Board of Directors for authorization after the fact; now therefore

BE IT RESOLVED by the JEA Board of Directors that:

1. Opportunities existed in FY2021 to transfer funds to budget line items to support JEA’s financial objectives, to reduce debt outstanding and to reduce the need for additional debt by funding current year capital requirements with current year revenues on both the Electric and Water and Wastewater Systems.
2. **Electric System – Operating and Maintenance**  
Lower than budgeted expense for Operating and Maintenance generated the ability to deposit an additional \$17.0 million into Operating Capital Outlay; \$1.0 million into the Demand Side Management Rate Stabilization; and \$0.1 million into the Operating and Maintenance for the Natural Gas pass-through expense.

The following end-of-year budget line item transfers for FY2021 support JEA’s financial objectives and maintains a balanced budget.

<b>Electric System</b>			
<b><u>Transfer From</u></b>		<b><u>Transfer To</u></b>	
Operating and Maintenance	\$ 18.1	Operating Capital Outlay	\$ 17.0
		Demand Side Mgmt - RSF	1.0
		Operating and Maintenance – NG	0.1
	\$ 18.1		\$ 18.1

3. **Water and Wastewater System – Operating and Maintenance**

Lower than budgeted expenses for Operations & Maintenance and Operating Capital Outlay - Environmental, coupled with reduced Debt Service – Interest, and savings from the Emergency Reserve and Uncollectibles generated the ability to deposit an additional \$10.9 million into Capacity Fees, \$8.5 million into Operating Capital Outlay, and an additional \$6.7 million into the Environmental Rate Stabilization.

The FY2021 Water and Wastewater System budget for Capacity Fees was \$29.4 million. However, Capacity Fee revenue was approximately \$40.3 million (including capital contributions), which required additional funds be transferred to the Capacity Fee budget line item.

<b>Water and Wastewater System</b>			
<b><u>Transfer From</u></b>		<b><u>Transfer To</u></b>	
Operations & Maintenance	\$ 12.7	Capacity Fees	\$ 10.9
Operating Capital Outlay - Environmental	7.0	Operating Capital Outlay	8.5
Debt Service - Interest	4.6	Rate Stabilization – Environmental	6.7
Emergency Reserve	1.0		
Uncollectibles	<u>0.8</u>		
	\$ 26.1		\$ 26.1

4. The Board hereby ratifies the FY2021 year-end budget line item transfers of:

**Electric System – Operating and Maintenance**

\$17.0 million to Operating Capital Outlay; \$1.0 million to Demand Side Management Rate Stabilization Fund; and \$0.1 million to Operating and Maintenance – Natural Gas pass-through expense.

**Water and Wastewater System – Operating and Maintenance**

\$10.9 million to Capacity Fees expense; \$8.5 million to Operating Capital Outlay; and \$6.7 million to Environmental Rate Stabilization Fund.

5. This Resolution shall be effective immediately upon passage.

Dated this 26<sup>th</sup> day of October 2021.

\_\_\_\_\_  
JEA Board Chair

\_\_\_\_\_  
JEA Board Secretary

Form Approved by

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**JEA**  
**FY 20/21 FUNDS TRANSFER**

**Electric System  
Operating Budget**

TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
021-Z0000-2001	Operating & Maintenance (Non-DSM/Environmental)	\$ 16,991,390
021-10001-2001	Operating & Maintenance (DSM)	\$ 923,475
021-10501-2001	Operating & Maintenance (DSM)	\$ 135,388
021-Z0000-2001	Operating & Maintenance (Non-DSM/Environmental)	\$ 99,343
		Total \$ 18,149,596

TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
021-Z0000-5501	Operating Capital Outlay	\$ 16,991,390
021-Z0000-5604	Demand Side Management - Rate Stabilization	\$ 923,475
021-Z0000-5604	Demand Side Management - Rate Stabilization	\$ 135,388
021-10221-1201	Operating & Maintenance (Natural Gas Pass Through Expense)	\$ 99,343
		Total \$ 18,149,596

**JUSTIFICATION:** Year-end budget adjustments transferring savings from Operating & Maintenance (Non-DSM/Environmental) to contribute towards the Operating Capital Outlay and Natural Gas Pass Through Expense. In addition, year-end budget adjustments transferring savings from Operating and Maintenance (DSM) to DSM Rate Stabilization.

**APPROVALS:**

APPROVED: *Juli Crawford* 10/11/2021  
*Director, Financial Planning & Analysis* DATE

APPROVED: \_\_\_\_\_ \_\_\_\_\_  
*VP Financial Services* DATE

APPROVED: \_\_\_\_\_ \_\_\_\_\_  
*Chief Financial Officer* DATE

APPROVED: \_\_\_\_\_ \_\_\_\_\_  
*Managing Director/CEO* DATE

Forwarded to Council Auditor: Date: \_\_\_\_\_

**JEA**  
**FY 20/21 FUNDS TRANSFER**

**Water and Wastewater System**  
**Operating Budget**

TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
071-Z0000-2001	Operating & Maintenance (Non-DSM/Environmental)	\$ 12,701,360
071-Z0000-5511	Operating Capital Outlay - Environmental	\$ 7,010,577
071-Z0000-5102	Debt Service - Interest	\$ 4,641,344
071-Z0000-3001	Emergency Reserve	\$ 1,000,000
071-Z0000-5301	Uncollectibles	\$ 753,082
	Total	\$ 26,106,363

TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
071-Z0000-5501	Operating Capital Outlay	\$ 8,509,193
071-Z0000-5605	Rate Stabilization - Environmental	\$ 6,704,447
071-Z0000-5503	Capacity Fees	\$ 10,892,723
	Total	\$ 26,106,363

<b>JUSTIFICATION:</b>	Adjustment of operating expense budget due to savings in Operating & Maintenance, Debt Service Interest, Emergency Reserve, Uncollectibles and Operating Capital Outlay - Environmental. These savings will offset increases in Operating Capital Outlay, Capacity Fees and the Environmental Rate Stabilization Fund.
-----------------------	--

**APPROVALS:**

APPROVED: *Juli Crawford* 10/11/2021  
*Director, Financial Planning & Analysis* DATE

APPROVED: \_\_\_\_\_ \_\_\_\_\_  
*VP Financial Services* DATE

APPROVED: \_\_\_\_\_ \_\_\_\_\_  
*Chief Financial Officer* DATE

APPROVED: \_\_\_\_\_ \_\_\_\_\_  
*Managing Director/CEO* DATE

Forwarded to Council Auditor: Date: _____
---



**BOARD RESOLUTION: 2021-21**

October 26, 2021

**A RESOLUTION AUTHORIZING THE MANAGING DIRECTOR/CEO TO AFFECT TRANSFERS WITHIN THE ACCOUNTS OF THE FISCAL YEAR 2022 OPERATING AND CAPITAL BUDGETS FOR JEA; PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, each year, the City Council approves the JEA Budget, and authorizes the Board to make allocations, allotments, and transfers within the approved budget for JEA; and

**WHEREAS**, each year, the Board of Directors authorizes the Managing Director/CEO to make allocations, allotments, and transfers within the approved budget for JEA, within a limit set by Resolution; now therefore

BE IT RESOLVED by the JEA Board of Directors that:

1. The Managing Director/CEO is authorized to approve transfers between line items within the JEA budget for Fiscal Year 2022, providing the transfers are within the total budget as approved by the City Council.
2. This authorization is limited to \$5.0 million per transfer except in the event of an emergency or year-end adjustments, where the Managing Director/CEO is authorized to approve budget transfers exceeding \$5.0 million. Emergency and year-end transfers exceeding \$5.0 million will be brought to the Board of Directors for ratification.
3. There shall be a copy or a summary of the written documentation of all transfers made between approved budget line items provided to the Council Auditor at the end of each quarter.
4. This Resolution shall be effective immediately upon passage.

Dated this 26<sup>th</sup> day of October 2021.

\_\_\_\_\_  
JEA Board Chair

\_\_\_\_\_  
JEA Board Secretary

Form Approved by

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**IMPROVING LIVES. BUILDING COMMUNITY.** to be the best utility in the country

## FINANCE & AUDIT COMMITTEE

8<sup>th</sup> Floor, 21 West Church Street, Jacksonville, FL 32202  
October 15, 2021 | 9:00 am – 11:00 am

### WELCOME

Meeting Called to Order  
Adoption of Agenda (Action)  
Approval of Minutes – May 14, 2021 (Action)

Marty Lanahan, Chair

---

Safety Briefing & Moment

Kim Wheeler, Director, Preventative Maintenance & Contract Management

### FOR COMMITTEE CONSIDERATION

Plant Capacity Fee Implementation  
Fuel Charge Discussion

Juli Crawford, Director, Financial Planning & Analysis

---

Ernst & Young FY2021 Annual Financial Audit Plan

John DiSanto, Managing Director, Ernst & Young

FY22 Internal Audit Plan (Action)

Steve Tuten, Director, Audit Services  
Lee Montanez, Manager, Internal Audit

### ADDITIONAL INFORMATION

Audit Services Update

Ethics Officer's Report

Electric System and Water & Sewer System Reserve Fund Report

JEA Energy Risk Management Policy Report

### CLOSING CONSIDERATIONS

Announcements – Next Meeting February 11, 2022

Marty Lanahan, Chair

---

Committee Discussion

- Ernst & Young
- Director, Audit Services

John DiSanto, Ernst & Young  
Steve Tuten, Audit Services

Adjournment

### UPCOMING COMMITTEE AGENDA ITEMS

Rates Cost of Service Update  
FY23 Budget Assumptions  
Five Year Financial Plan  
Rating Agency Presentation



## **Finance & Audit Committee October 15, 2021**

If you experience any technical difficulties during the meeting, contact Ontario Blackmon at (904) 665-4203 or JEA's WebEx Support Team at [webexsupport@jea.com](mailto:webexsupport@jea.com).



## **Safety Briefing & Moment**

**Kim Wheeler**  
*Director, Preventive  
Maintenance and Contract  
Management*



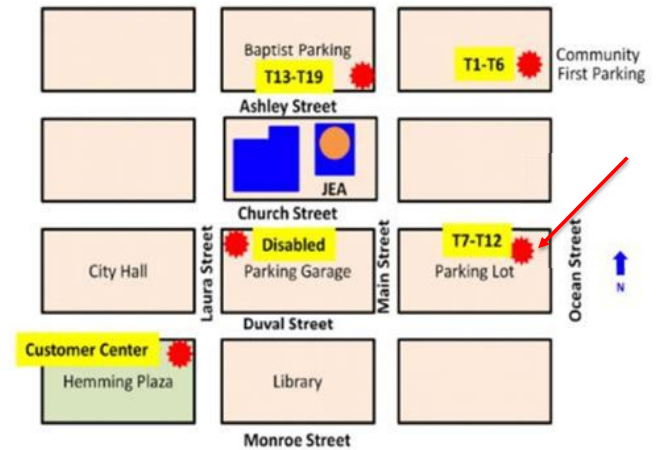
**Develop an Unbeatable Team**

# Safety Briefing



- In the event of an emergency, call 9-911 and alert others
- Emergency Evacuation Route (use stairwell)
- Assembly Location: Parking Lot (corner of Church & Ocean Street)
- Safety Partner (person to your right)
- Medical Conditions / CPR
- Hazard & Situational Awareness
- Cell Phone & Computer Etiquette

## EVACUATION ASSEMBLY CENTERS During normal business hours



### EGRESS ROUTES FROM:

#### Tower

- Even Floors – evacuate via NW stairwell
- Odd Floors – evacuate via center stairwell

#### Customer Center

- Evacuate via either stairwell

# Safety Moment



## Slips, Trips & Falls

Account for a significant portion (~23%) of JEA's work-related injuries each year

According to the National Floor Safety Institute, each year falls account for 8 million emergency room visits (~21% of all emergency room visits)

Flooring alone is responsible for over 2 million falls every year

In fact, 50% of accidental home deaths start with a fall - most of these happen on the same level

## Injury Prevention Reminders

Maintain good housekeeping, safety and housekeeping go hand in hand

Take short steps on slippery surfaces to keep your center of balance

Clean up or report spills right away - even minor spills can be very dangerous

Don't carry loads that you cannot see over

Keep walking and working areas well lit, especially at night

Repair or replace stairs or handrails that are loose or broken

Maintain three points of contact when climbing or descending ladders, trucks and equipment

Never stand on the top or next to the top step of a step ladder

Always use proper PPE (e.g., harness and lanyard) when working at unguarded elevations > 4-feet in height







## Capacity Fee Implementation

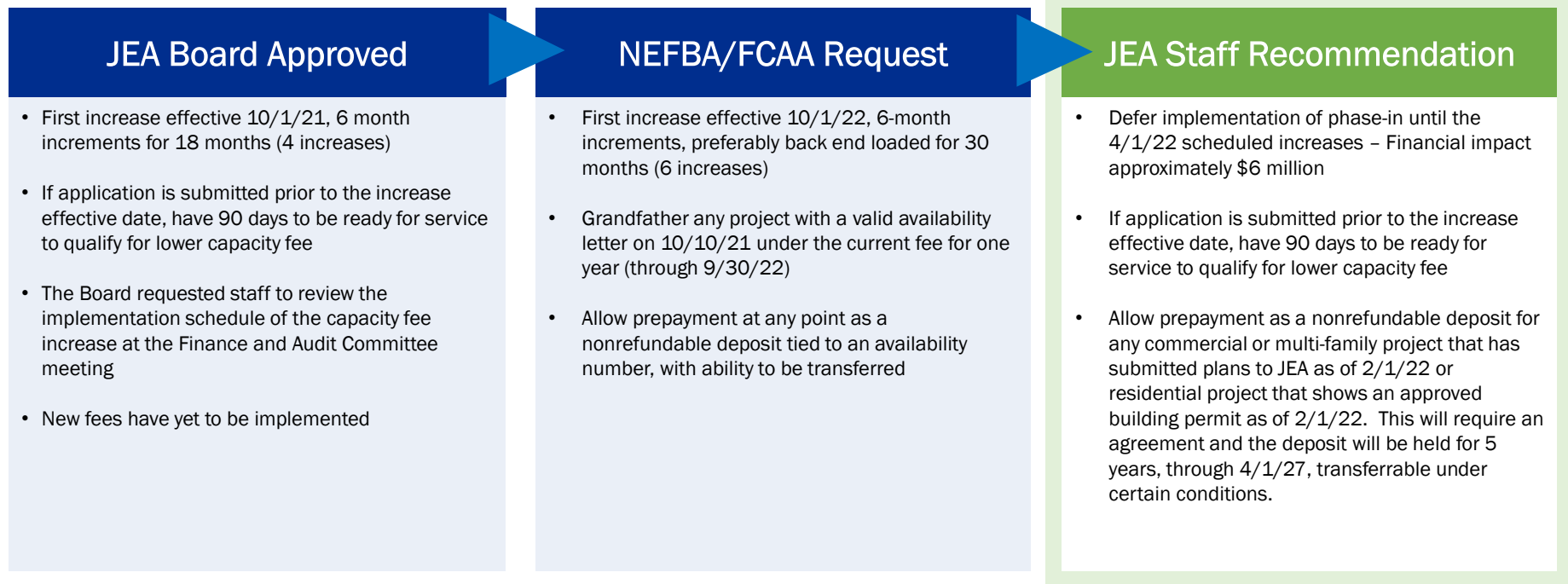
Juli Crawford  
*Director, Financial Planning & Analysis*



Develop an Unbeatable Team

# Plant Capacity Fee Implementation

## Staff Recommendation



# Plant Capacity Fee Implementation

## Staff Recommendation



Effective Date	Current	(10/01/21)	(04/01/22)	(10/01/22)	(04/01/23)
<b>Water/Irrigation Charge per Gallon</b>					
\$/gal	\$0.97	\$1.90	\$2.83	\$3.76	\$4.68
<b>Sewer Charge per Gallon</b>					
\$/gal	\$3.64	\$9.12	\$14.60	\$20.08	\$25.57
<b>¾" Water, Sewer and Irrigation Plant Capacity Fee Totals</b>					
\$	\$1,953	\$2,631.50	\$4,122.75	\$5,614	\$7,103

**All new connections** – All new connections have an additional six months to pay the lower fee. If application is made prior to the new April 1<sup>st</sup> increase date, they then have an additional 90 days to be ready for service, essentially allowing nine months to pay the lower fee.

**Multi-Family and Commercial**–These projects can pre-pay at the lower fee if plans are submitted, per guidelines, by 2/1/22 and payment is made prior to 4/1/22. This is non-refundable and forfeitable after five years.

**Residential** – These projects can pre-pay at the lower fee upon showing an approved building permit by 2/1/22 and payment is made prior to 4/1/22. This is non-refundable and forfeitable after five years.



## Fuel Charge Discussion

Juli Crawford

*Director, Financial Planning & Analysis*



# Fuel Charge Discussion

## FY22 Recommendation



Adjust fuel charges on a monthly basis beginning in December

- True pass-through vs crediting customers on the back end
- Implementing in December will lessen the impact on the customer bill utilizing safe guards given current fuel market activity

Create customer communication plan

- Talk to customers that will see largest impacts now
- Provide methodology, monthly pricing updates, and additional resources on [jea.com](http://jea.com)

## Fuel Charge Discussion

### Current

#### Set Annually

Based on forward 12 month energy cost projection and any amounts for the Fuel Stabilization fund

Should actual plus forecasted energy costs exceed 10% of projected energy costs during the year, rates may be adjusted to reflect current market conditions

Fuel Stabilization target balance is equal to 15% of the greater of:

- The maximum fiscal year fuel cost in the preceding five fiscal years or
- The projected fiscal year fuel cost
- Should the fund reach 15%, staff determines to continue to fund, issue a credit, or modify the Fuel Charge

### Proposed

#### Set Monthly

Based on forward month energy cost projection and any true-up amounts from the previous month's results

Eliminate Fuel Stabilization Fund

Include safeguards to protect customers from extreme weather events or other large price risks

**JEA proposes moving to a monthly fuel cost adjustment methodology**

## Fuel Charge Discussion



### How Are Other Large Public Power Utilities Managing Fuel Volatility?

	Responses	Fuel Charge Adjustments	Fuel Stabilization Fund
<p>Large Public Power Council (LPPC) is comprised of the largest consumer-owned utilities in the United States.</p>	Austin Energy	Annually	Yes
<p>Seven of its members responded to our recent survey concerning their organization’s Fuel and Purchased Power Cost Recovery Charge Policy</p>	CPS Energy	Monthly	No
	Grand River Dam Authority	Monthly	No
	Long Island Power Authority	Monthly	No
	Omaha Public Power District	Annually	No
	Salt River Project	Annually	No
	Tacoma Power	Bi-Annually	No

**It is not uncommon to have a regular fuel cost adjustment  
It is uncommon to have a fuel stabilization fund**

# What's Driving the Accelerated Implementation



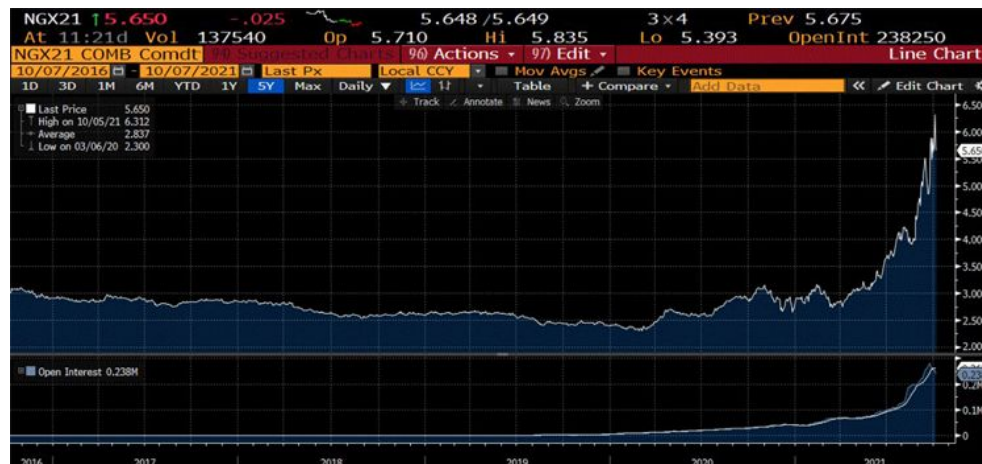
## Fuel Market Overview

### Natural Gas

**Supply:** Drilling activity still below pre-COVID levels due to financial reasons despite higher prices, suppliers are tapping inventory of previously drilled wells to make up shortfall, production losses from Hurricane Ida, underground storage levels below historical averages

**Demand:** Substantial expansion in U.S. LNG production capability allowing for record-breaking export volumes supported by historically high global LNG prices, less price driven natural gas to coal switching due to coal plant retirements, hottest U.S. summer on record

**Price:** Started slow upward trend in April, broke out of trading channel in June, price rally accelerated by Hurricane Ida, winter concerns now driving prices higher and increasing market volatility



### Power Purchases

Higher prices in the wholesale energy markets. Power purchases prices are highly correlated to natural gas

JEA will have to rely on more expensive power purchases and natural gas based generation due to the delay of Plant Vogtle

A portion of Plant Scherer's replacement power is based on rising natural gas prices

### Solar Power

JEA will have to purchase additional more expensive power purchases and natural gas based generation to replace the energy that was projected to come from the 250 MW solar plants

### Northside Solid Fuel

**Supply:** Global pet coke and coal supplies remain extremely tight. JEA's pet coke supply restricted from the U.S. Gulf due to vessel retirements and suffering from a failed restart of the St. Croix refinery. JEA's coal supply from Columbia impacted by mine closures

**Demand:** Economic reopening and stimulus causing surge in international demand. 80% of global coal demand coming from Asia as China is building coal plants quicker than the rest of the world can retire them. Higher natural gas prices causing shift to solid fuel

**Price:** Started slow uptrend during the summer of last year, had a massive price rally as global LNG prices increased, has become difficult to assess current market prices as monthly publications have not been able to keep up with price movements

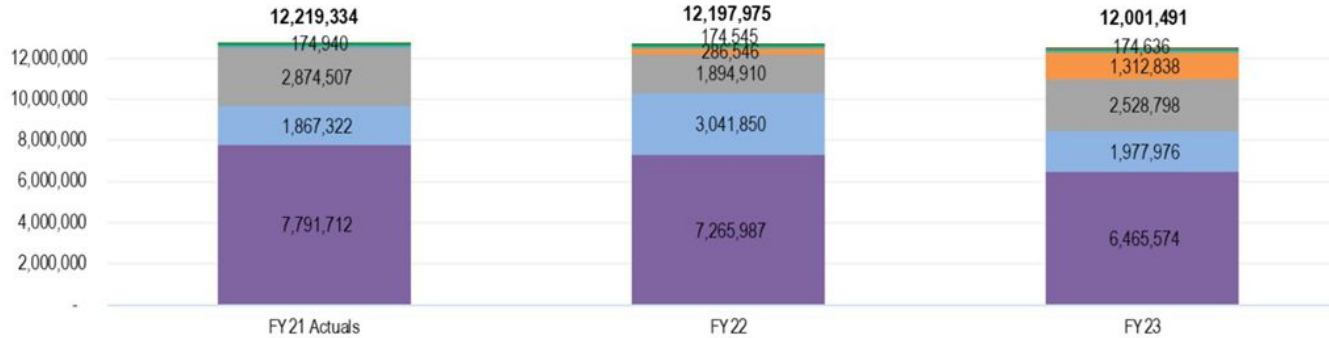
**The FY 22 fuel forecast is over 40% higher than the FY 22 Fuel Budget developed 6 months ago**



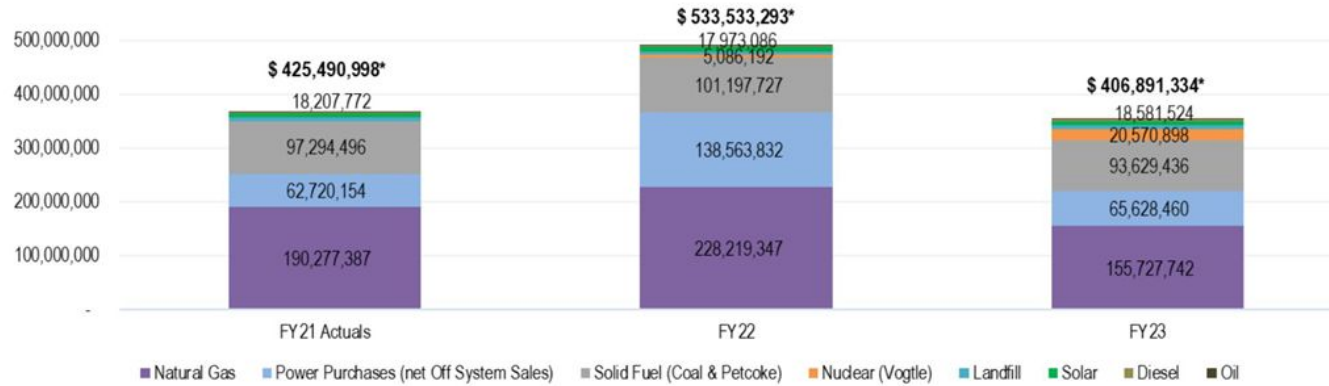
# JEA's Fuel Mix



Generation Mix (MWh)



Expenses (\$)



\*Totals include Fixed Gas Transportation, Byproduct Disposal, Fuel Handling, TEA Equity, and Fuel Uncollectables

JEA's fuel mix relies heavily on natural gas, power purchases, and solid fuel and market changes in these fuel types have significant impact



# Fuel Charge Discussion

## FY22 Forecast Impact to Fuel Stabilization Fund

	\$/MWh			10/8/21 Forecast	Fuel Fund
	Fuel Charge	MWh	Fuel Revenues	Expenses	Balance
					<b>\$41,770,000</b>
October-21	\$30.50	909,733	\$27,508,225	\$40,507,045	\$28,771,180
November-21	\$30.50	808,083	\$24,434,572	\$36,158,801	\$17,046,951
December-21	\$30.50	991,959	\$29,994,571	\$47,217,345	-\$175,824
January-22	\$30.50	1,058,061	\$31,993,329	\$54,589,016	-\$22,771,510
February-22	\$30.50	890,820	\$26,936,345	\$44,204,834	-\$40,039,999
March-22	\$30.50	902,538	\$27,290,671	\$44,877,509	-\$57,626,837
April-22	\$30.50	845,552	\$25,567,534	\$37,969,671	-\$70,028,974
May-22	\$30.50	1,068,525	\$32,309,732	\$42,736,298	-\$80,455,540
June-22	\$30.50	1,130,596	\$34,186,622	\$43,777,777	-\$90,046,695
July-22	\$30.50	1,260,872	\$38,125,859	\$50,075,091	-\$101,995,927
August-22	\$30.50	1,242,686	\$37,575,963	\$49,923,494	-\$114,343,458
September-22	\$30.50	1,088,551	\$32,915,278	\$41,496,412	-\$122,924,592
<b>Total</b>		<b>12,197,975</b>	<b>\$368,838,701</b>	<b>\$533,533,293</b>	
			FY22 Budget:	\$376 million	

**At our current fuel charge, our fuel stabilization fund will be under balanced by January**



# Fuel Charge Discussion

## Sample Impact to a Customer's Bill

### RESIDENTIAL BILL IMPACT

Average residential bill based on 1,000 kWh per month

Current		Illustration	
Basic Monthly Charge	\$5.50	Basic Monthly Charge	\$5.50
Energy Charge	\$71.71	Energy Charge	\$71.71
Environmental Charge	\$0.62	Environmental Charge	\$0.62
Fuel Charge	\$30.50	Fuel Charge	\$40.40
Total (before taxes and fees)	\$108.33	Total (before taxes and fees)	\$118.23
Franchise Fee	\$3.25	Franchise Fee	\$3.55
Gross Receipts Tax	\$2.86	Gross Receipts Tax	\$3.12
Public Service Tax	\$8.91	Public Service Tax	\$8.96
Total (after taxes and fees)	<b>\$123.35</b>	Total (after taxes and fees)	<b>\$133.86</b>

A \$9.90 increase to the Fuel Charge represents a 8.5% increase to typical residential bill

## Fuel Charge Discussion

### FY22 Recommendation



Adjust fuel charges on a monthly basis beginning in December

- True pass-through vs crediting customers on the back end
- Implementing in December will lessen the impact on the customer bill utilizing safe guards given current fuel market activity

Create customer communication plan

- Talk to customers that will see largest impacts now
- Provide methodology, monthly pricing updates, and additional resources on [jea.com](http://jea.com)

**JEA will present pricing policy revisions for board approval**

JEA

2021 audit plan

October 15, 2021



## Executive summary

Key business priorities	What's new and next	Digital commitment	2021 audit plan
<ul style="list-style-type: none"> <li>• 2021 Bond Refunding</li> <li>• 2020 Uniform Guidance Audit (FEMA)                             <ul style="list-style-type: none"> <li>▶ No findings</li> <li>▶ Unmodified opinions on compliance</li> </ul> </li> <li>▶ Plant Vogtle</li> <li>▶ GASB 84, Fiduciary Activities, adoption</li> </ul>	<p><b>New:</b> The following GASB pronouncements come into effect for fiscal year 2021:</p> <ul style="list-style-type: none"> <li>• GASB Statement No. 84, Fiduciary Activities</li> <li>• GASB Statement No. 90, Majority Equity Interests</li> </ul> <p>The GASB Pronouncement slides within cover additional information on the effects these will have on JEA.</p>	<p>We continue to benefit from and improve upon the digital audit technology implemented during our previous audits, including:</p> <ul style="list-style-type: none"> <li>• Canvas client portal: Shared audit team access to documentation to ensure status of requests is shared; segregated access of sensitive data to appropriate users.</li> <li>• EY Helix: Executed the revenue and payroll expense audit programs which resulted in a reduction of traditional tests of details.</li> <li>• Trade Receivables Analyzer: Identified key items that pose the greatest risk of material misstatement by analyzing aggregated accounts receivable transactions.</li> </ul>	<p><b>Audit timeline</b></p> <ul style="list-style-type: none"> <li>• We will perform our interim procedures during the months of May, walkthrough procedures August and September, and our year-end procedures during the months of October through December.</li> </ul>
<p><b>Additional points to consider</b></p> <ul style="list-style-type: none"> <li>▶ “Governments and all types of organizations around the world have agreed ambitious targets to cut and eventually end their dependency on carbon energy. Clients are increasingly seeking our help across service-lines as they look to invest in renewables, including off-shore wind, solar and, increasingly, hydrogen.”</li> <li>▶ We can discuss JEA’s position on renewable energy, reaching these targets, and possibly engaging EY in the process.</li> </ul>	<p><b>Next:</b> See <a href="#">Important Updates: New GASB Pronouncements (looking ahead)</a> for GASB pronouncements effective fiscal year 2022 and beyond.</p>		<p><b>Audit strategy, including significant risks identified</b></p> <ul style="list-style-type: none"> <li>• Our audit strategy, including significant risks identified, for the 2021 audit is outlined in the Areas of audit emphasis. Our approach is consistent with prior years</li> </ul> <p><b>Involvement of internal audit and others</b></p> <ul style="list-style-type: none"> <li>• We plan to use the work of the internal auditors in selected areas of our 2021 audit similar to previous years. Refer to the Involvement of Internal Auditors section.</li> </ul>





## Leases

**Reminder:** the new leases standard is effective starting fiscal year 2022.





### What are the key areas to focus on now?

1. Develop a project plan.
2. Identify the appropriate resources to implement the standard and educate key internal stakeholders.
3. Understand your lease population and identify a complete population of leases.
4. Analyze lease contracts to identify changes to accounting policies and determine whether to elect the transition practical expedients.
5. Determine how you will track the information you need to account for and disclose leases (e.g., modify or add an IT system, use Excel spreadsheets).

### Summary of audit procedures related to the implementation







Key audit procedures	Status
Test the completeness of the population of leases	Will begin during our FY22 procedures
Test the completeness and accuracy of the lease data	Will begin during our FY22 procedures
Test the computation of the transition adjustments	Will begin during our FY22 procedures
Test the implementation of a new [or modified] IT system	Will begin during our FY22 procedures

## Areas of emphasis











Topic	Significance	Subjectivity	Considerations
Revenue recognition and sales commitments			<ul style="list-style-type: none"> <li>▶ Review calculation of unbilled revenue</li> <li>▶ Test contractual arrangements, including unique terms and conditions, to obtain reasonable assurance of compliance with the applicable accounting standards</li> <li>▶ Test timing of revenue recognition based on the terms of the arrangement</li> <li>▶ Confirm terms and conditions with both customers and management as considered necessary</li> <li>▶ Test account reconciliations to determine timely completion and review</li> <li>▶ Perform detailed analytical review procedures, by system, including predictive analytics based on verifiable consumption and production data</li> <li>▶ Perform detailed tests over a sample of revenue transactions to assess the appropriateness and accuracy of recorded amounts</li> <li>▶ Through the use of data analytics we will analyze 100% of the revenue data within the general ledger and perform a correlation analysis between revenue, AR and cash</li> </ul>
Regulatory accounts			<ul style="list-style-type: none"> <li>▶ Test approval of any new regulatory assets/liabilities</li> <li>▶ Verify that amortization and expense recognition are consistent with rate recovery</li> <li>▶ Vouch significant activity</li> <li>▶ Test account reconciliations</li> <li>▶ Perform projection tests to determine that regulatory accounts will be recovered/amortized over the remaining maturities/useful lives of related debt and capital assets</li> </ul>



## Areas of emphasis

Topic	Significance	Subjectivity	Considerations
Derivative instruments and hedging activities			<ul style="list-style-type: none"> <li>▶ Test assessment of hedge effectiveness documentation, including re-performance where quantitative methods are used</li> <li>▶ Confirm instruments with counterparties</li> <li>▶ Test recorded market values using independently developed estimates</li> <li>▶ Test fuel hedge contract settlements</li> <li>▶ Evaluate disclosures</li> <li>▶ Reconsider normal purchase/normal sales assumptions for commodity contracts</li> </ul>
Asset retirement obligations (SJRPP and Scherer Decommissioning)			<ul style="list-style-type: none"> <li>▶ We will review the Actuary's Report and ensure that disclosures, Required Supplementary Information, and funding for the OPEB liability are in accordance with requirements of GASB 75.</li> <li>▶ We will review significant assumptions used by the actuary for reasonableness and test data provided by JEA used in the actuary's calculations.</li> <li>▶ We will engage and work with EY internal specialists to assist the audit team with the review of the actuarial assumptions used in order to estimate JEA's OPEB liability as of year end.</li> <li>▶ We will audit Plan assets held by the Florida Municipal Pension Trust Fund for JEA's OPEB trust.</li> <li>▶ We will review the note disclosure and required supplementary information to ensure it is complete and accurate.</li> </ul>
Pension plan accounting and reporting – COJ Plan			<ul style="list-style-type: none"> <li>▶ Review actuary reports for reasonableness of assumptions and methodology</li> <li>▶ For cost sharing plan (City Plan) obtain audited allocation schedule to determine the City's liabilities, expenses, deferred inflows and outflows</li> <li>▶ In accordance with AU-C 805, obtain a report on elements from CRI, the Plan's auditors.</li> <li>▶ Census data testing for JEA plan participants</li> <li>▶ Assess reasonableness of required disclosures</li> </ul>

## Areas of emphasis

Topic	Significance	Subjectivity	Considerations
Pension plan accounting and reporting – SJRPP Plan	 Low	 Low	<ul style="list-style-type: none"> <li>▶ Review actuary reports for reasonableness of assumptions and methodology</li> <li>▶ For single employer plan, obtain actuary's reports and procedures performed by plan auditors</li> <li>▶ Census data testing for JEA plan participants</li> <li>▶ Assess reasonableness of required disclosures</li> <li>▶ Substantively test plan assets</li> </ul>
Investments	 Moderate	 Moderate	<ul style="list-style-type: none"> <li>▶ Assess estimation uncertainty for significant classes of securities in JEA's portfolio</li> <li>▶ Confirm investments with custodial institutions and managers</li> <li>▶ Test valuation for selected securities using alternative pricing sources</li> <li>▶ Test selected transactions</li> <li>▶ Evaluate GASB 40 risk disclosures</li> <li>▶ Evaluate GASB 72 fair market value disclosures</li> </ul>
Capital assets	 Moderate	 Low	<ul style="list-style-type: none"> <li>▶ Review items capitalized to determine whether they should be capitalized versus expensed</li> <li>▶ Test selection of assets added, retired, and disposed of during the fiscal</li> </ul>
Asset impairments	 Low	 Moderate	<ul style="list-style-type: none"> <li>▶ Review and evaluate impairment indicators through inquiries and review of other records and meeting minutes</li> <li>▶ Discuss and understand management's assessment if a change in circumstance potentially effects the value of an asset</li> <li>▶ If applicable, test impairment computations and disclosures</li> </ul>
Plant Vogtle	 Moderate	 Moderate	<ul style="list-style-type: none"> <li>▶ As part of our procedures we will continue to inquire of management and legal counsel and evaluate the possible impact on JEA's financial statements including possible contingent liabilities and required disclosures</li> </ul>



## Important Updates: New GASB Pronouncements (effective fiscal year ending 2021)

GASB Pronouncement	Description
GASB Statement No. 84, Fiduciary Activities	Requires fiduciary activities to be presented in the financial statements (separate funds). Affects SJRPP pension plan and JEA OPEB plan.
GASB Statement No. 90, Majority Equity Interests	Requires that majority equity interests be reported as either an investment following the equity method or a component unit depending on the facts and circumstances. JEA will need to evaluate its investment in TEA and any other majority equity interests to determine if any accounting changes will be warranted.



## Important Updates: New GASB Pronouncements (looking ahead)

GASB Pronouncement	Effective for Fiscal Year Ending	Description
GASB Statement No. 87, Leases	September 30, 2022	Requires all leases to be recorded as assets and liabilities on the balance sheet. (Note certain purchase power agreements are specifically excluded).
GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period	September 30, 2022	Requires that all interest cost incurred on long-term debt borrowing during the period of construction to be expensed, rather than capitalized. Requires retroactive application.
GASB Statement No. 92, Omnibus 2020	September 30, 2022	This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.



## Important Updates: New GASB Pronouncements (looking ahead)

GASB Pronouncement	Effective for Fiscal Year Ending	Description
GASB Statement No. 93, Replacement of Interbank Offered Rates	September 30, 2022	This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.
GASB Statement No. 91, Conduit Debt Obligations	September 30, 2023	Clarifies definition of conduit debt, establishes that conduit debt is not an obligation of the issuer, requires the third-party obligor to record the liability for the debt and requires additional footnote disclosures.
GASB Statement No. 94, Public - Private and Public - Public Partnerships and Availability Payment Arrangements	September 30, 2023	This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement apply to financial statements of all state and local governments.





26 | [Company name] 2021 audit plan

## Important Updates: New GASB Pronouncements (looking ahead)

GASB Pronouncement	Effective for Fiscal Year Ending	Description
GASB Statement No. 96, Subscription - Based Information Technology Arrangements	September 30, 2023	Provides accounting guidance on subscription-based information technology arrangements (“SB ITAs”), such as cloud computing arrangements. Requires recognition of a right-to-use asset and a corresponding liability for SB ITAs, and requires expensing of certain costs associated with SB ITAs.
GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans	September 30, 2021 & September 31, 2022	This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

Confident



## How data is driving this year's audit

We continue to broaden and deepen our use of data analytics as we continue on our data-driven audit journey. We plan to focus on expanding our use of data in these key areas.

<b>1</b>	<p><b>Broaden data-driven risk assessment to all significant accounts</b></p> <p>This year, we're utilizing of data to identify and assess risk for the following significant accounts and processes: trade receivables, revenue, and expenses Doing so will allow us to focus our procedures on higher risks and ask better questions.</p>
<b>2</b>	<p><b>Use data to enhance our response to identified fraud risks</b></p> <p>We aim to refine our audit procedures over revenue and the risk of management override through the use of data. Doing so allows us to identify unusual transactions outside the normal course of business that have a higher risk of fraud.</p>
<b>3</b>	<p><b>Deepen our understanding of the trade payables processes</b></p> <p>We will expand our use of data to deepen our understanding of processes trade payables. Doing so will allow us to streamline the walkthrough process, corroborating what has been recorded, focusing on what has changed and providing insights.</p>
<b>4</b>	<p><b>Take our use of data to the next level</b></p> <p>We will discuss the implementation of a fixed assets subledger in future years to obtain an understanding of the totality of current year activity. Doing so will allow us to utilize analytical procedures and minimize or eliminate the need for testing representative samples.</p>
<p><b>How can we team successfully?</b></p> <ul style="list-style-type: none"> <li>▶ Provide trade receivables subledger data and JE data by October 15, 2021</li> <li>▶ Continued use of EY Canvas Client Portal</li> </ul>	



## Involvement of Internal Auditors

Areas/significant classes of transactions where EY is planning to use the work of the internal auditors under the direct assistance model	
Internal audit	Estimated Hours
▸ Revenue and expense test of transactions	35
▸ Derivative swaps	40
▸ Accruals	30
▸ Fixed assets	35
▸ Officer expense testing	20
▸ Cost to be recovered	40

<sup>1</sup> Direct assistance model – When we use the direct assistance model, we treat internal audit or others as our own staff by providing audit programs, supervising their work, and performing a detail and second-level review of the workpapers.

<sup>2</sup> Reliance model – When we use the reliance model, we perform certain procedures to evaluate the quality and effectiveness of internal audit's or others' work. Procedures will include reviewing audit programs, understanding supervision of procedures performed, reviewing workpapers and results, and performing tests of their work.

■ Indicates a change from prior year



## Appendices

- A** Required communications
- B** Business insights

## Required communications

Area	Comments
<ul style="list-style-type: none"> <li>▶ Terms of the audit engagement, including the objective of the audit, the auditor's responsibilities under generally accepted auditing standards and management's responsibilities</li> </ul>	Refer to the engagement letter.
<ul style="list-style-type: none"> <li>▶ Overall planned scope and timing of the audit, and significant risks identified and any changes thereto</li> </ul>	Refer to the executive summary and areas of emphasis for additional information.
<ul style="list-style-type: none"> <li>▶ Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention</li> </ul>	There are no matters to communicate.
<ul style="list-style-type: none"> <li>▶ Independence matters</li> </ul>	None
<ul style="list-style-type: none"> <li>▶ Inquiries regarding:                             <ul style="list-style-type: none"> <li>– Risks of material misstatement</li> <li>– Fraud and noncompliance with laws and regulations (illegal acts)</li> <li>– Related-party relationships and transactions</li> </ul> </li> </ul>	Inquiries regarding these matters are to be performed at this meeting.

As required, provided above is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *The Auditor's Communication With Those Charged With Governance*, and other applicable auditing standards. This communication is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.





## Business insights: prioritizing cyber resilience and data privacy should top the private board agenda

In today's turbulent environment, the need for board oversight across a broad array of operational activities has intensified, particularly for cybersecurity and data privacy.

Accelerated digital transformation, widespread remote working and increased reliance on third parties have expanded opportunities for cybersecurity incidents and risks, requiring companies and their boards to be proactive rather than reactive. Now, more than ever, cyber resiliency and trust in data privacy must be considered as strategic imperatives.

Poll data from company directors who attended a recent EY webcast on the latest challenges and leading practices for board oversight of cybersecurity risks indicated:

<p><b>22%</b> were very confident in the board's understanding of the company's most significant cyber threats and vulnerabilities</p>	<p><b>33%</b> indicated that their board had participated in simulation exercises</p>	<p><b>53%</b> have not independently engaged a third party to review the risk management program</p>
--	---	--

Adversaries don't discriminate based on size or industry, making potential damaging impact far greater for the unsuspecting or unprepared. Private boards must get informed, gain experience and be ready for immediate action should they encounter a cyber or data privacy threat.

Reviewing these insights can help fulfill oversight responsibilities for private board directors:

- ▶ Consider all factors impacting cybersecurity risks
- ▶ Look at third parties and their potential vulnerabilities
- ▶ Understand the cybersecurity "value at risk" to quantify potential losses
- ▶ Be prepared and proactive – prioritize rapid threat detection and effective response utilizing simulations and exercises and understand the cyber escalation process
- ▶ Build trust by being transparent about risk mitigation and response efforts

Navigating cybersecurity oversight presents a distinct set of challenges, even more so for private boards who have yet to focus on resiliency planning. Oversight should be prioritized without delay and should include a rigorous and measured strategy that includes ongoing education, real-life simulation and tactical response testing.

## Business insights: five ways Private boards can begin to unlock the strategic value of environmental, social and governance (ESG)

A variety of factors have caused ESG (environmental, social and governance) investing strategies to go from niche to transforming the flow of capital. To sustain and thrive in this new era of stakeholder capitalism, companies should begin to embrace ESG as a strategic business imperative. Here are five ways private boards can enhance their oversight of ESG, deliver high quality non-financial reporting and better position the company to unlock its value:

- 1 Address heightened stakeholder expectations**  
 Get informed on ESG investing and stewardship trends and consider adapting to the changes in business context.

---

- 2 Understand the ESG ecosystem and developments impacting expectations**  
 Know the key players and keep pace with market-driven and regulatory developments.

---

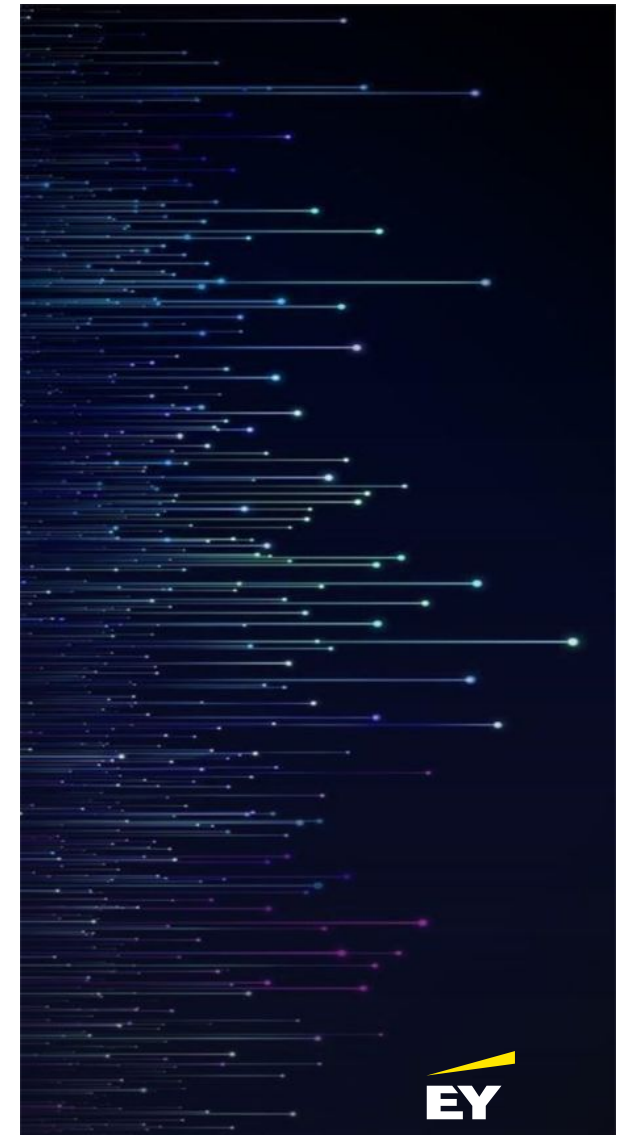
- 3 Guide ESG strategy development that drives engagement and value**  
 Oversee a materiality assessment and ESG goal setting and metrics, and provide for transparent ESG governance structures.

---

- 4 Support the integration of ESG with the broader business strategy and ERM**  
 Consider capital allocation, supply chain management, marketing, partner choice and investments.

---

- 5 Consider how the company talks about its ESG story**  
 Provide a forward-looking view into how the company is building resilience and strengthening its competitive positioning.



**EY | Building a better working world**

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

**About EY's Assurance Services**

Our assurance services help our clients meet their reporting requirements by providing an objective and independent examination of the financial statements that are provided to investors and other stakeholders. Throughout the audit process, our teams provide a timely and constructive challenge to management on accounting and reporting matters and a robust and clear perspective to audit committees charged with oversight.

The quality of our audits starts with our 90,000 assurance professionals, who have the breadth of experience and ongoing professional development that come from auditing many of the world's leading companies.

For every client, we assemble the right multidisciplinary team with the sector knowledge and subject matter knowledge to address your specific issues. All teams use our Global Audit Methodology and latest audit tools to deliver consistent audits worldwide.

© 2021 Ernst & Young LLP.  
All Rights Reserved.



## **FY22 Internal Audit Plan**

**Lee Montanez**  
*Manager, Internal Audit*



# Institute of Internal Auditors (IIA) International Professional Practices Framework



## Definition

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.



## Code of Ethics

Internal auditors are expected to apply and uphold the following principles:

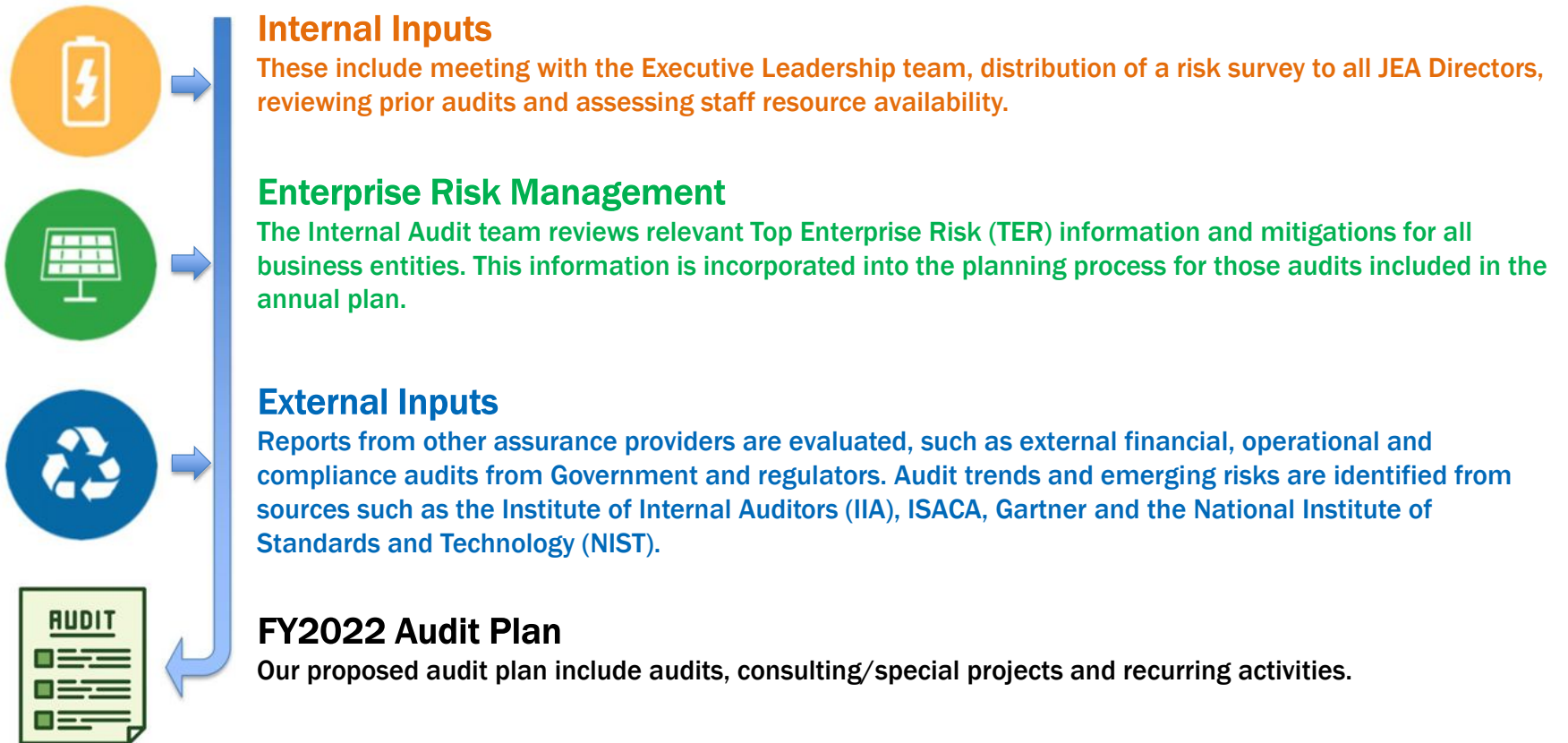
- Integrity
- Objectivity
- Confidentiality
- Competency



## Institute of Internal Auditors Standards

Standards are principle-focused and provide a framework for performing and promoting internal auditing

# Audit Plan – Risk-Based Planning Process





## Proposed Audit Plan - Summary



Audit/Project Title**	Q1	Q2	Q3	Q4
JEA Performance Pay Audit	■			
Appointed Timecard Entry	■			
Appointed Hiring Process	■			
External Audit Assistance - EY	■			
C2M Project Review & Evaluation	■	■		
TEA Audit	■	■		
IA/Forensic Auditing Collaboration	■	■		
IA/ERM Risk Working Group	■	■	■	■
Action Plan Follow-Up		■	■	■
Project Accounting		■	■	
System Protections & Controls		■	■	
Debt Management		■	■	
Data Center, Storage & Backups		■	■	
FY 2023 Annual Risk Assessments		■	■	
Green-e Agreed-Upon Engagement			■	■
Fiber Network Resiliency			■	■
Procurement Services			■	■
Fleet Services				■

Activity	Total
Audits	7
Consulting/Special Projects	7
Recurring Activities	4

\*\*Detailed description of Audits, Consulting/Special Projects and Recurring Activities can be found on the following pages.

The proposed Audit Plan will be re-evaluated in February 2022 to determine if higher-priority audits or consulting projects need to be included

Any changes will be approved by Management and submitted to the Finance and Audit Committee for discussion and approval

**Staff is requesting approval of the FY22 Internal Audit Plan**

# Details of Proposed Audit Plan



Audit Name	Proposed Timing	Inclusion Reason	Applicable Top Enterprise Risks
Data Center, Storage, Backups	Q1-Q2	Testing to focus on Cologix, storage and backups for essential systems	Technology Infrastructure Reliability Cybersecurity – Business Disruption Technology Services Disaster Recovery/Business Continuity Technology Services Resource Optimization Operations Technology Management - Electric Systems Operations Technology Management Water/ Wastewater Systems
Project Accounting	Q2	JEA has an ongoing five year capital project strategic plan to address aging assets in W/WW. As part of the audit, we will confirm that processes are being followed and make recommendations to improve the manual process of entering asset data into our systems.	Generation Equipment and Infrastructure Maintenance - Generation Assets Infrastructure Maintenance - Water/Wastewater
Debt Management	Q2-Q3	Testing to focus on controls related to revenue and expense management, including credit availability and cost	Revenue and Expense Management - Water/Wastewater Systems Credit Availability/Cost
System Protections & Controls	Q2-Q3	Audit requested by Management to determine readiness level before next NERC/FERC audit.	Physical Security - Criminal Activity Critical Infrastructure Protection (CIP) Compliance FERC/NERC (Section 693) O&P Reliability & Compliance
Procurement and Contracts (from FY20 Plan)	Q3	Carryover from FY21. Management had requested that Procurement complete the rollout of P-Code and Procedures before kicking off the audit. As part of the audit, we will review controls over systems & segregation of duties.	Ethics and Fraud Risk Management Revenue and Expense Management - Water/Wastewater Systems Work Environment

# Details of Proposed Audit Plan



Audit Name	Proposed Timing	Inclusion Reason	Applicable Top Enterprise Risks
Fiber Network Resiliency	Q3-Q4	Focus on resiliency of above ground fiber, data communications and prioritization of underground fiber work.	Technology Infrastructure Reliability Technology Services Disaster Recovery/Business Continuity Technology Services Resource Optimization
Fleet Services	Q4	Carryover from FY21, awaiting GPS system implementation. Management has agreed with the proposed audit and suggested audit review the existing service repair contracts.	Ethics and Fraud Risk Management Cyber Security - Information Protection Technology Services Disaster Recovery/Business Continuity

Consulting / Special Project Name	Proposed Timing	Inclusion Reason	Applicable Top Enterprise Risks
Appointed Timecard Entry	Q1	Review of current process and make recommendations to improve efficiency.	Not Applicable
Appointed Hiring Process	Q1	Various Leadership Team executives are having problems hiring for key positions. Key issues: lack of qualified candidates, hiring timeline and required evaluation from PSI. Discussed with the Chief Human Resources Officer who agrees with the proposed project.	Revenue and Expense Management – Water/Wastewater Systems Work Environment Cybersecurity - Business Disruption
JEA Performance Pay	Q1	Review of JEA metrics and supporting data to determine performance payout.	Not Applicable

## Details of Proposed Audit Plan



Consulting / Special Project Name	Proposed Timing	Inclusion Reason	Applicable Top Enterprise Risks
External Audit Assistance - EY	Q1	Collaboration with EY will reduce total audit costs for JEA.	Not Applicable
TEA Audit	Q1 - Q2	Last minute request from TEA to have JEA lead the audit for an additional year.	Not Applicable
C2M Project Review & Evaluation	Q1 - Q2	Request for reviewing the ongoing C2M project to validate upcoming milestones	Not Applicable
Green-e Agreed-Upon Procedures Engagement	Q3	Required to certify renewable energy credit (RECs) sales to external parties.	Not Applicable

Recurring Activity Name	Proposed Timing	Inclusion Reason	Applicable Top Enterprise Risks
FY 2023 Annual Risk Assessments	Q2-Q3	The FY22 audit plan will be reassessed during February to better align with TERs. Full audit planning for FY23 starting in May 2022.	Not Applicable
Action Plan Follow-Up	Continuous	Follow-up with Management until completion of agreed-upon action plans.	Not Applicable
IA/ERM Collaboration	Continuous	Collaborate with first and second lines of defense in updating JEA's Top Enterprise Risks.	Not Applicable
IA/Forensic Auditing Collaboration	Continuous	Assist with Forensic Auditing in the documentation and review of EthicsPoint cases related to fraud, waste and/or abuse.	Not Applicable



# Plant Capacity Fee Implementation

Additional Information





# Plant Capacity Fees Approved

Effective October 1, 2021

Capacity fees and charges are one-time fees paid by builders or customers connecting to the system to recover the cost of capacity expansion. A large portion of our Capital Improvement Plan (CIP) is driven by growth and providing additional water, sewer, and/or reclaimed capacity. These projects are a direct indication of the cost to connect new customers.

Effective Date	Current	(10/01/21)	(04/01/22)	(10/01/22)	(04/01/23)
<b>Water/Irrigation Charge per Gallon</b>					
<b>\$/gal</b>	\$0.97	\$1.90	\$2.83	\$3.76	\$4.68
<b>Sewer Charge per Gallon</b>					
<b>\$/gal</b>	\$3.64	\$9.12	\$14.60	\$20.08	\$25.57
<b>¾" Water, Sewer and Irrigation Plant Capacity Fee Totals</b>					
<b>\$</b>	\$1,953	\$2,631.50	\$4,122.75	\$5,614	\$7,103

## 105 – Water and Sewer Capacity Charge and Surcharges

- a) **Applicability of capacity charges and surcharges.** To any customer whose property initially connects with JEA’s water and/or sewer system.

Applications for new service will be submitted along with required meter and capacity fees at the time the customer is ready for the new service(s). The customer’s site for meter placement must be in compliance with JEA Development Guidelines and JEA Water and Sewer Rules and Regulations before connections are allowed. Connection delays over 90 days following application and payment of fees that are attributable to the site not meeting the service requirements are subject to action by JEA to cancel the application for service and refund of any fees paid. Any applications for service without an active service agreement are subject to both “post- payment” increases in said water/sewer capacity charges and any “post-payment” new charges attributable to the pending service request.

**Current tariff gives those that apply for service before the effective date 90 days to be ready for connection in order to pay the lower fee**

# Plant Capacity Fee Implementation

## Feedback



September 24, 2021

Dear JEA Board Members,

On behalf of the Northeast Florida Builders Association and the First Coast Apartment Association, we are requesting the following changes be made to the upcoming rollout of the increased Capacity fee.

**Extend rollout to 3-year** (i.e. Oct/April 2022, 2023, 2024) By extending the large increase over three years JEA will be allowing the market to adjust more gradually. It is not the development customer's fault that the fee hasn't been adjusted for 15 years, and absorbing that quickly creates a lot of instability in the housing and commercial market. As much of the fee that can be backloaded would help, but JEA can decide how often and what increments they want to use.


**Allow Prepayment** JEA needs to allow builders/developers/owners to prepay the capacity fee at any point during the rollout by applying, calculating the fee based on a proposed use, and then paying a deposit that would be held under their account and tied to a specific JEA availability number. This payment would not be refundable but would stay as a credit on the account until such time as the meter is set. Deposits should be transferrable (in the case that the developer sells finished lots to one or more builders, it could be transferred to the builder(s) account).

**Allow Grandfathering** For one year following implementation of the fee increase (i.e. Oct 21 through Oct 22), any project is allowed to pay the current capacity fees as long as they can show, at time of meter install or prepayment request, that they had a valid JEA availability letter at the time of the fee increase (on or before Oct 10, 2021). For example, if a customer is actively designing and/or constructing a project right now, then they will have until October of 2022 to either request meters or request prepayment of capacity fees, and at that point be entitled to pay the current fee in effect prior to the proposed fee increases. After a year, the only option a customer would have is the above prepayment option.

It is our hope that these changes to the rollout plan will help blunt the negative impact of this significant fee increase and allow Jacksonville to remain competitive.

Sincerely,

Keith R. Ward  
President, Northeast Florida Builders Association

  
Lindsey McClain  
Executive VP, First Coast Apartment  
Association

# Plant Capacity Fee Implementation



## Plan Submission Guidelines

Plans will be considered for pre-payment if a complete submittal is received by February 1, 2022

Plans will be considered as a complete submittal if the submittal package meets all requirements laid out in the latest design guideline sections:

- General Plan Submittal Requirements for New Development (2021 Guidelines Section 2.4.3)

- Water Plan Submittal Requirements (2021 Guidelines Section 2.4.4)

- Wastewater Plan Submittal Requirements (2021 Guidelines Section 2.4.5)

- Reclaimed Water Plan Submittal Requirements (2021 Guidelines Section 2.4.6)

- Horizontal Directional Drill/Jack & Bore Plan Submittal Requirements (2021 Guidelines Section 2.4.7)

- Utility Construction Notes (2021 Guidelines Section 2.4.8)

- Preliminary Plan Review Package (2021 Guidelines Section 2.5)

Plan submittals that do not meet these requirements will be rejected at intake



# Plant Capacity Fee Implementation

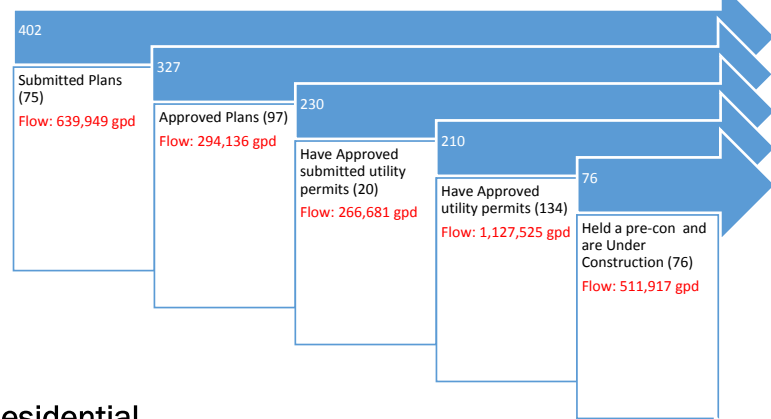
In the queue as of September 2021



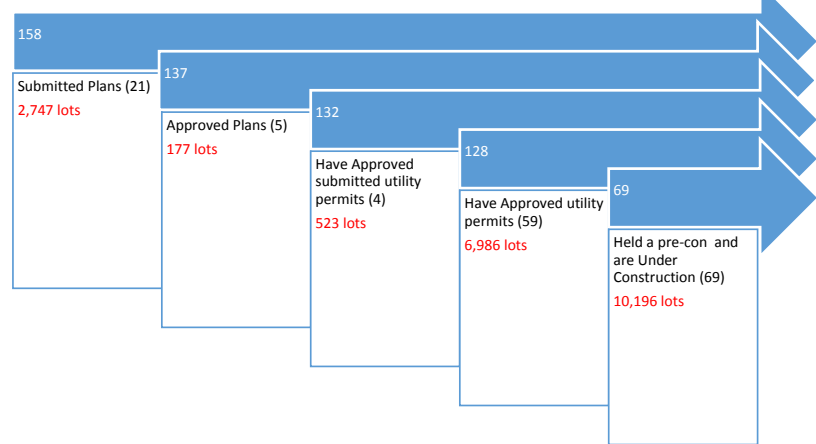
	Plans Submitted	Approved Plans	Submitted for Utility Permits	Have Utility Permits	Under Construction
Commercial	402	327	230	210	76
Multi Family	54	46	37	29	18
Residential	158	137	132	128	69
<b>Total</b>	<b>614</b>	<b>510</b>	<b>399</b>	<b>367</b>	<b>163</b>

Infrastructure Complete  
Ready for Meter

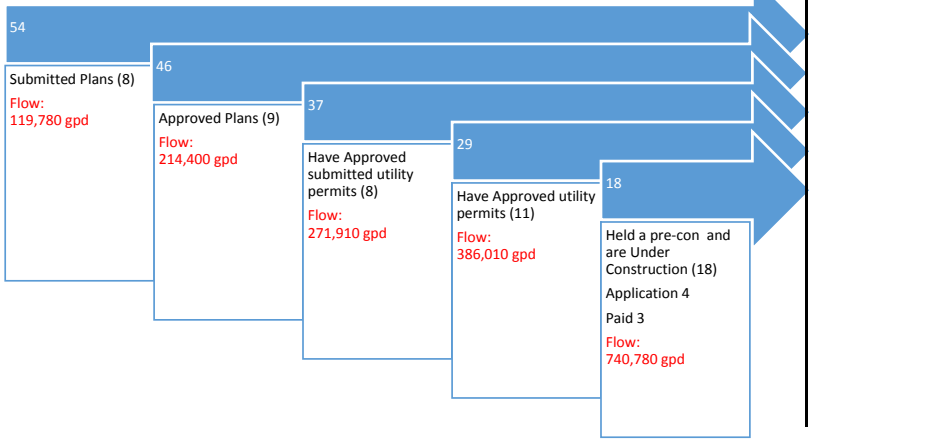
## Commercial



## Residential



## Multi Family



Infrastructure Complete  
Ready for Meter

# Plant Capacity Fee Implementation

## Recommendation Impacts

### Implementation Deferral Impacts:

**~\$6M Total Impact in FY22**

**~\$2M Residential Impact**

Forecasted revenue for first 6 months calculated utilizing current fee structure and half of forecasted new connections per meter size for the FY

**~\$4M Commercial Impact**

Forecasted revenue for first 6 months calculated utilizing current fee structure and half of 5-year historical ADF

### Prepayment Impacts:

**~\$600K loss for every 100 units (for combined water & sewer)**  
if customer would not be ready for service until phase 4

\$25.64 per GPD (phase 4 fee less current fee)

250 assumed GPD

*Note: GPD can vary by connection based on accessed ADF*

**600 eligible projects at varying steps of the project**



## **Fuel Charge Discussion**

[Additional Information](#)



# Fuel Charge Discussion

## FY22 Fuel Expense Risk Mitigation

### Prior Fuel Risk Mitigation Actions

Hedged approximately 40% of expected FY22 natural gas volumes at \$2.58/mmBtu

Currently mitigating over \$48M of natural gas price increases in FY22 (As of October 1, 2021)

Hedged 70% of Plant Scherer's replacement power that is indexed to natural gas

Currently mitigating over \$11M of natural gas price increases in FY22 (As of October 1, 2021)

### Recent Fuel Risk Mitigation Actions

Hedged additional 36% of expected FY22 natural gas volumes on September 28, 2021

Total hedge protection covers 76% of expected natural gas burn in FY22

Purchased 100 MW of fixed price power for Nov'21 through Sep'22 on September 28, 2021

Also considering the purchase of 100 MW of on peak fixed price power

### Other Strategies

Fuel Diversity

Gas Prepay Contracts

Revolving Credit Facility

# Fuel Charge Discussion

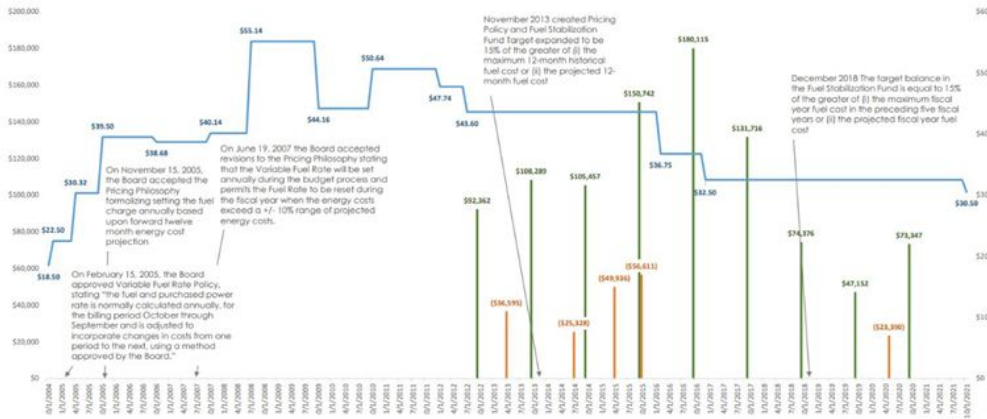


## Fuel rates in \$/MWh from FMEA utility bill comparison reports

	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Fuel Stabilization?
<b>Most large municipal utilities maintain some form of fuel stabilization fund:</b>									
JEA	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	\$32.50	Y
Gainesville	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	Y
Jax Beach	\$21.84	\$21.84	\$21.84	\$21.84	\$21.84	\$21.84	\$21.84	\$21.84	Y
Lakeland	\$30.00	\$35.00	\$35.00	\$35.00	\$40.00	\$40.00	\$40.00	\$40.00	Y
Orlando	\$32.02	\$32.02	\$32.02	\$32.02	\$29.52	\$29.52	\$29.52	\$29.52	Y
Tallahassee	\$28.08	\$28.08	\$28.08	\$28.08	\$29.99	\$29.99	\$29.99	\$29.99	Y
Winter Park	\$17.08	\$20.15	\$20.15	\$20.15	\$20.15	\$20.15	\$20.15	\$25.55	Cannot Verify
<b>IOUs are prescribed by the PSC for their fuel rate setting policy which is set for the upcoming year with an option for Mid-Course Correction if projected/actual costs deviate greater than 10%:</b>									
FPL	\$18.84	\$21.23	\$21.23	\$21.23	\$21.23	\$25.10	\$25.10	\$25.10	N
Gulf	\$32.62	\$30.70	\$30.70	\$30.70	\$30.70	\$30.70	\$30.70	\$30.70	N
Duke	\$30.67	\$28.11	\$28.11	\$28.11	\$28.11	\$28.11	\$28.11	\$28.11	N
TECO	\$22.85	\$28.56	\$28.56	\$28.56	\$28.56	\$28.56	\$28.56	\$28.56	N
FI Public Utilities	\$74.59	\$69.61	\$69.61	\$69.61	\$69.61	\$69.61	\$69.61	\$69.61	N
<b>Small utilities/towns generally do not own generation and are supplied either from FMPA or other contracts:</b>									
Bartow	\$43.67	\$44.26	\$48.53	\$51.19	\$50.58	\$44.21	\$48.49	\$49.66	
Chattahoochee	\$12.71	\$18.75	\$2.14	\$15.80	\$0.00	\$0.66	-\$0.32	\$4.49	
Fort Meade	\$24.00	\$21.00	\$19.00	\$21.00	\$22.00	\$24.00	\$27.00	\$30.00	
Havana	\$18.11	\$23.25	\$25.13	\$26.99	\$24.40	\$29.12	\$30.94	\$33.16	
Kissimmee	-\$35.81	-\$38.28	-\$37.09	-\$36.72	-\$35.77	-\$34.85	-\$35.19	-\$36.31	
Quincy	\$14.07	\$17.37	\$18.00	\$14.00	\$17.00	\$18.74	\$14.24	\$14.24	
Starke	\$34.56	\$27.15	\$38.89	\$35.23	\$32.40	\$24.53	\$27.43	\$29.81	
Wachula	\$15.00	\$12.00	\$10.00	\$13.00	\$17.00	\$18.00	\$17.00	\$17.00	
Williston	\$10.10	\$19.60	\$10.50	\$14.60	\$6.30	\$1.20	\$1.20	\$1.20	

# August Slides for Reference

## Fuel Charge History



## FY22 Fuel Rate



### Current Fuel Forecasts Impact Fuel Stabilization Fund

The Fuel Charge for FY22 was approved with the Budget in June, lowering the fuel charge \$2/MWh to \$30.50/MWh effective October 1<sup>st</sup>

Current fuel forecasts would result in the Fuel Stabilization Fund falling below the Pricing Policy target of ~\$68 million (15% of the highest annual fuel expenses of the past five years) before the beginning of FY22

The Fuel Stabilization Fund is currently forecasted to be drawn down to \$0 mid-year FY22

A more frequent pass-through of fuel expenses would eliminate the need of the fuel stabilization fund, utilizing mitigation mechanisms already in place (hedging and fuel diversity) and the Revolving Credit Facility as a back stop for an extreme circumstance

Fuel Cost Adjustments would eliminate the need for the fuel stabilization fund

## Fuel Cost Adjustments



Strategy for proposal at October Finance & Audit Committee Meeting

Strategy under development for proposal to Finance & Audit Committee in October with a targeted implementation by Q2 2022:

- Calculate monthly fuel charge based on fuel expense projections and reconciliation to previous month's actual fuel expense
- Establish "safeguards" within the policy to protect customers from extreme events – a long term "true up", payment plans, other billing option, etc.

Changes will require a Board approved modification to the Pricing Policy



# Audit Services Update

Steve Tuten  
*Director, Audit Services*



## Enterprise Risk Management (ERM)



The Risk Working Group (RWG), comprised of the Risk Owners, ERM, and Internal Audit, has initiated its risk review meetings, beginning with a review of the Cybersecurity and Environmental risks. Upcoming reviews will include Human Resources and Safety risks. ERM will update the Leadership Team and Finance & Audit Committee on the RWG's progress through the risk register.

ERM is also participating in the Resiliency Task Force, which in conjunction with the RWG, is tasked to identify, assess and effectively recover from events that can prevent JEA from serving its customers, delivering its services and protecting its workforce in the face of adverse operational scenarios.

Several ERM-related training programs have been completed or are underway to expand and enhance risk awareness throughout the enterprise. These include orientation/refresher training for the Leadership Team, the updated internal controls and risk computer-based training for all employees, as well as a two-phase business unit risk assessment development course for Director-level personnel. These latter courses have been reintroduced to help our business units identify, assess and mitigate risks and processes that could significantly prevent them from meeting their operational objectives, and/or could negatively impact the enterprise-wide risks.

ERM is in the process of implementing a Governance, Risk & Compliance (GRC) application to streamline its processes, facilitate communications with risk owners, and allow for better data analysis through Key Risk/Process Indicators.



# FY21 Internal Audit Plan Year-End Status



## Completed Audits and Engagements with Rating

TEA Member Review	No Rating
Customer & Community Engagement	Satisfactory
Investment Recovery Operations	Satisfactory
JEA Culture Consulting Engagement	No Rating
Cyber Program Assessment	No Rating
<b>FY2022 Annual Risk Assessments (new)</b>	No Rating
<b>W/WW Project Engineering &amp; Construction (new)</b>	Satisfactory
<b>Fuels Management Services (new)</b>	Excellent
<b>Safety &amp; Health Services (new)</b>	Excellent
<b>Treasury Cash &amp; Investments (new)</b>	Excellent
<b>IT Staffing (new)</b>	Needs Improvement

## Upcoming Audits and Engagements

(None)

## In-Process Audits and Engagements with Status

Vogtle Follow-Up *	Reporting
eAM Asset Management Follow-Up *	Reporting
W/WW Asset Management & Performance *	Reporting
Identity & Access Management **	Testing

\* Audits in "Reporting" stage are planned to be completed by October 15

\*\* Audit in "Testing" stage is on track to be completed by October 30

## Cancelled or Postponed Audits and Engagements

JEA Performance Pay Audit

Green-e Agreed-Upon Procedures Engagement

Receivables & Collections

**Cloud Computing (new)**

**Fleet Services (new)**

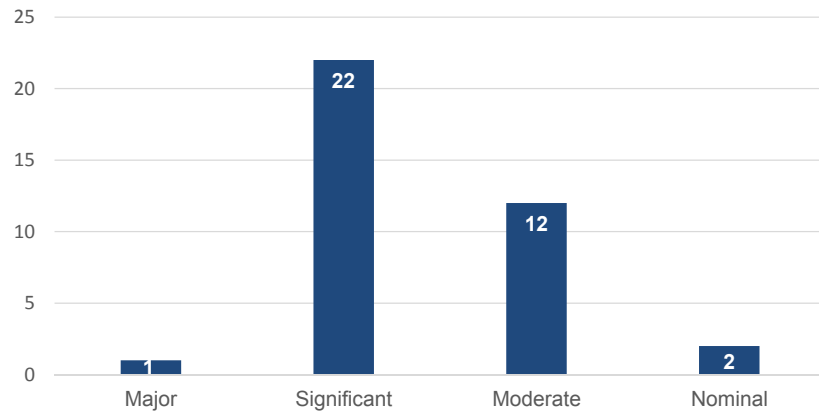
**Procurement & Contracts (new)**

Several of the Cancelled/Postponed Audits are Included in the FY22 Plan

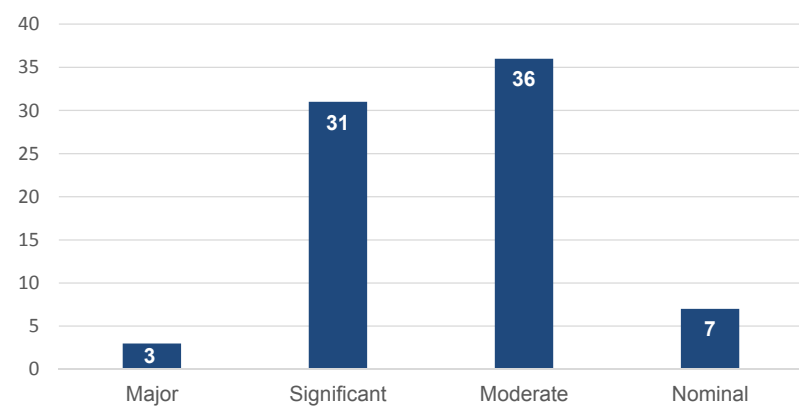
# Open/Closed Internal Audit Report Issues



Open Action Plans by Issue Rating  
(37 Total)



Closed Action Plans by Issue Rating  
FY21 Total (77 Total)



## Closed Action Plan Highlights

Audit Name	Description
Software Licensing	Improvements were made to identify and reconcile software used by the Energy Systems and W/WW Systems groups that are supported by Technology Services Additionally, ServiceNow is being utilized to document license information for software applications
Telecommunications & Support	The Ex-Mux project was substantially completed by replacing devices, for transmission of critical data, that were at their end-of-life
Vendor Management	Audit Services assisted staff in scheduling a vendor management fraud training by a Secret Service member

## Forensic Audit & Investigations (FAI)



At fiscal year end 2021, FAI has nine open cases, four of which have been referred to COJ's Office of Inspector General (OIG)

Since we last reported to the Finance & Audit Committee in May, eight cases have been closed; these are summarized on the following page

The corrective action plans for eleven OIG recommendations related to their ITN 127-19 review have been submitted; their due date was September 30<sup>th</sup>

## FAI - Summary of Ethics Hotline Closed Cases



Allegation	Results
An employee falsified timecards by not working the hours claimed	Analysis confirmed personal stops during work hours Case worked with the OIG/\$638 loss identified The employee refused to repay funds Management implemented new processes/internal controls
A manager told employees information that could cause some co-workers to be terminated	Allegation could not be substantiated A manager's actions did not rise to level of misconduct The manager could have relayed message in a less contentious manner
A manager told employees that a co-worker made a complaint and kept notes on them	The allegation could not be substantiated Manager could have conveyed the message in less controversial manner
A manager retaliated against an employee after an open forum discussion	The allegation could not be substantiated The employee did receive two separate forms of counseling, both of which were performance-based Neither form of counseling was considered discipline
Harassment and discrimination by management	The allegation could not be substantiated The caller did not identify any witnesses Requests for additional information via the Ethics Hotline were unanswered
Management created a toxic work environment	The allegation could not be substantiated The caller did not identify any witnesses Requests for additional information via the Ethics Hotline were unanswered
Management violated overtime call-out procedure, discriminated by favoring an employee and showed favoritism during a promotional process	A violation of the call-out procedure was substantiated The affected employee was compensated for the error No evidence was found to support the promotional process procedure violations
A manager created a hostile and toxic work environment by targeting two employees	No evidence was found to support the allegation of a toxic work environment

Note: This fiscal year-to-date, nine (9) cases have been closed  
Of those, eight (8) were closed since the last FAC meeting

Since the inception of the Ethics Hotline in FY06, we have closed 342 cases



# **FY21 Ethics Officer Report**

**Walette Stanford**  
*Ethics Officer*



# Ethics Hotline Upgrade to EthicsPoint Completed



If you observe unethical behavior at JEA, please don't ignore it, speak to your Manager, Ethics Officer, Labor Relations, or call the Ethics Hotline.

## What Types of Situations Should I Report?

- Bribery
- Conflicts of Interest
- Dishonest or Inaccurate Accounting or Financial reporting
- Fraud (falsifying time card, using company vehicle for personal use, etc.)
- Harrassment
- Improper conduct
- Kickbacks
- Management issues adversely impacting corporate values/community trust
- Noncompliance with laws and regulations
- Theft
- Violations of policy that negatively impact JEA's reputation



**JEA ETHICS HOTLINE**  
[jea.ethicspoint.com](http://jea.ethicspoint.com)



**QR CODE FOR MOBILE INTERFACE**



**JEA ETHICS HOTLINE**  
**(800) 805-3569**

**JEA now offers three ways to report unethical behavior confidentially**

# 2021 Business Ethics Training Overview



## Highlights

Business Ethics Refresher Computer-Based Training (CBT) was sent out to 1800 employees on March 1<sup>st</sup>

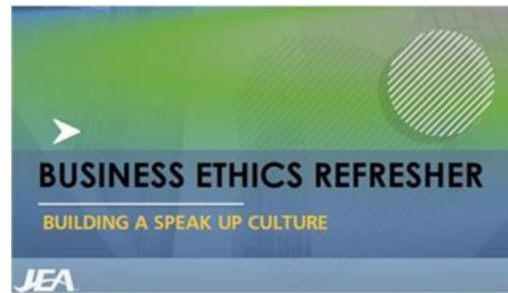
5 employees on the gap report

Overall responses were positive

“The training went well. A couple new things in the training, thought it was great. Liked how the various forms were in the training allowing you to complete if need be.”

“Very good, liked the different look and feel and upbeat pace of the course. LOVED the kid’s perspectives...very cute kids btw.”

“I like the new look and feel of the program. It was easy to understand and was well laid out.”

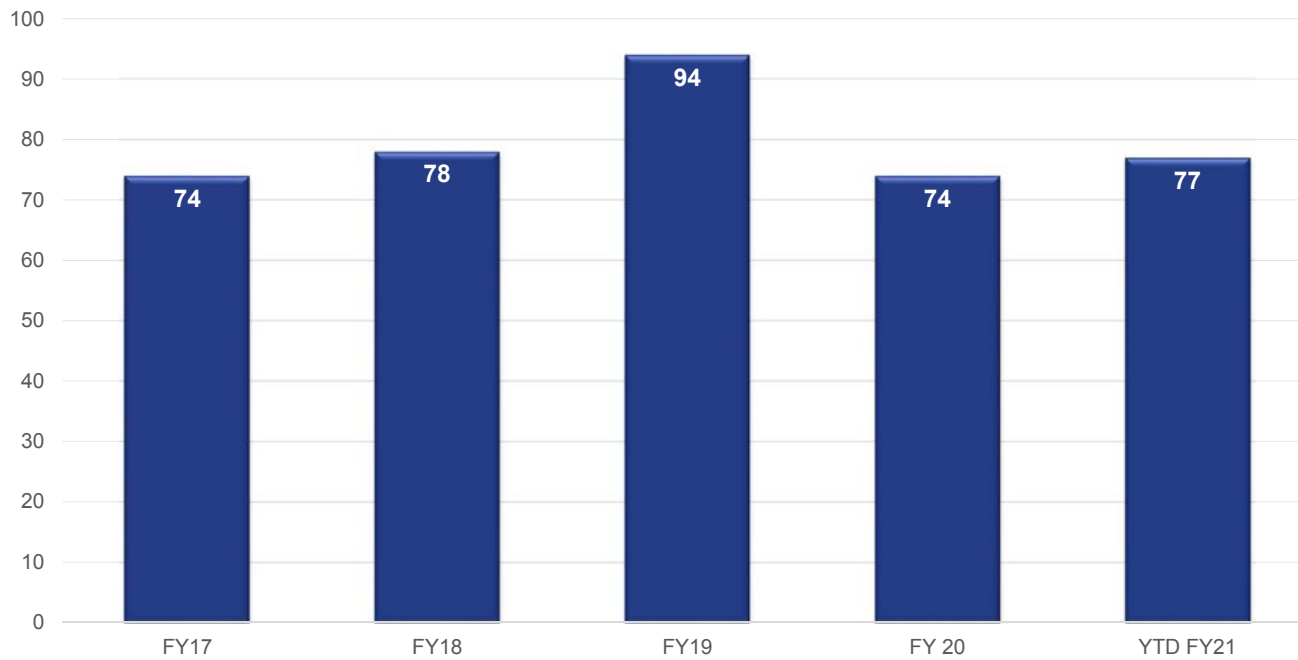


**JEA is 99% in compliance for FY21 training**

# Ethics Cases By Year

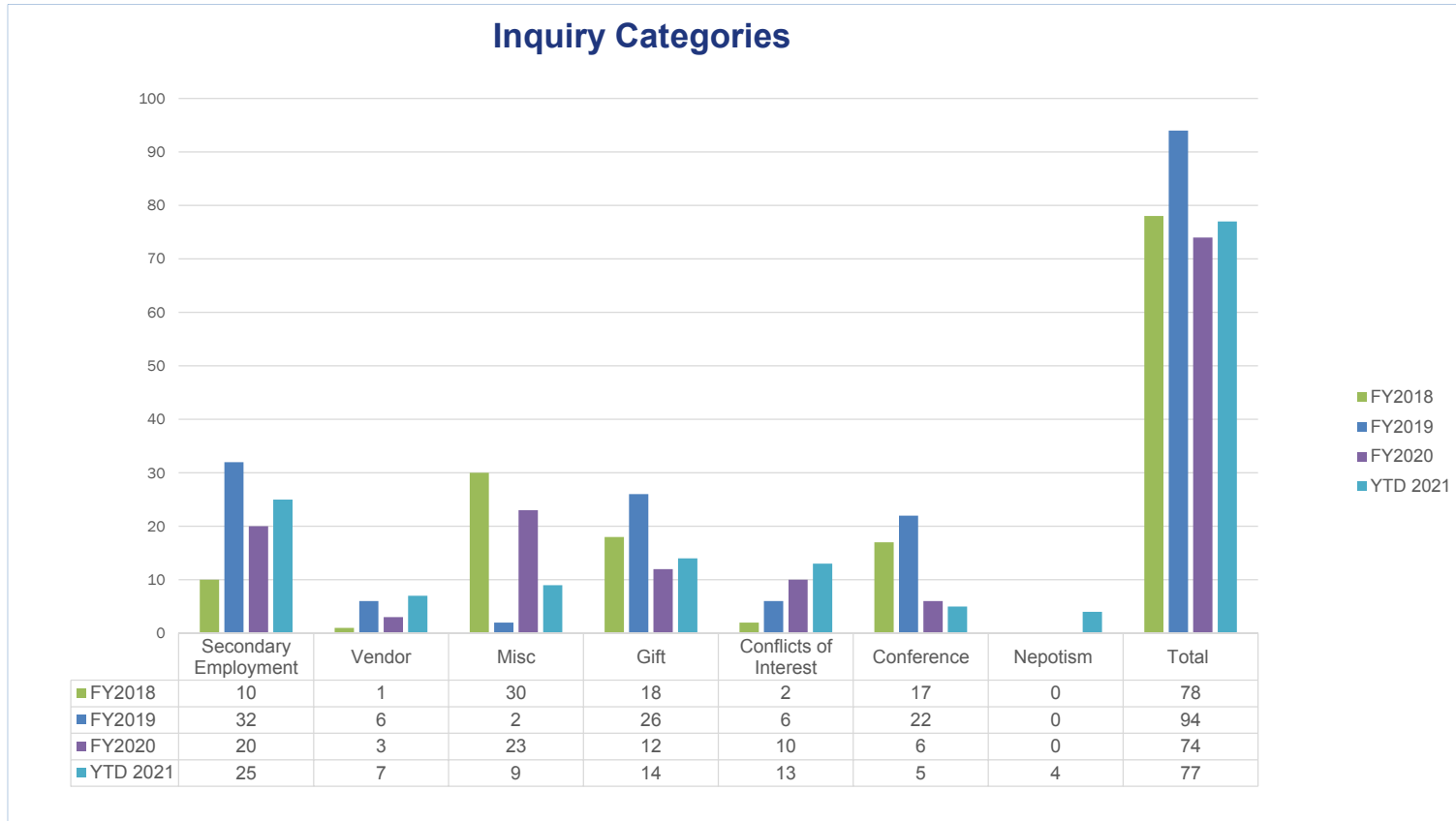


Ethics Cases by Year





# Ethics Inquiry Categories



**Secondary employment is the most popular inquiry**

## Code of Ethics Guidelines



Honest and Ethical  
Conduct

Avoidance of  
Conflicts of Interest

Disclosure of  
Potential Conflicts  
of Interest

Disclosure in Filings  
and  
Communications

Compliance with  
Laws, Rules and  
Regulations

Reporting of  
Violations

**Ethics is a continuous journey with building blocks**

## Business Ethics Update and What's Next



Develop end of year department scorecard

Meet with all new Leadership Team members to discuss ethics at JEA

Roll out the updated Code of Conduct and video in October

Finalize the Conflict of Interest form for procurement with OGC and COJ Ethics office

Partner with OGC and COJ Ethics office to develop required training for management based on Charter changes

Rollout 4<sup>th</sup> quarter ethics tool in October

Secondary employment renewal audit completed in September with no major findings

Gift policy updated in June based on payroll recommendations

**FY22 planning on the horizon**



# Reserve Report

**For the Third Quarter Ending  
June 2021**



**Electric System and Water & Sewer System Reserve and Fund Balances (1)**

For the Years Ending September 30  
(In Thousands of Dollars)

**Electric System**

	<u>Actual</u> <u>Fiscal Year</u> <u>2018</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2019</u>	<u>Actual</u> <u>Fiscal Year</u> <u>2020</u>	<u>Projected</u> <u>Fiscal Year</u> <u>2021</u>	<u>Detail</u> <u>Page #</u>
<b>Unrestricted</b>					
Operations/Revenue Fund	\$ 85,459	\$ 34,587	\$ 47,449	72,254	
Self Insurance Reserve Fund					
• Property	10,000	10,000	10,000	10,000	3
• Employee health insurance	8,139	11,210	10,890	10,766	4
Rate Stabilization					
• Fuel	74,376	47,152	73,347	45,207	5
• DSM/conservation	3,470	4,363	5,423	7,725	6
• Environmental	42,163	25,632	21,818	18,762	7
• Debt Management	29,884	29,884	-	-	8
• Non-Fuel Purchased Power	53,493	56,870	36,326	9,560	9
Environmental	16,818	16,568	16,568	16,568	10
Customer Deposits	44,242	44,242	43,641	43,859	11
<b>Total Unrestricted</b>	<b>368,044</b>	<b>280,508</b>	<b>265,462</b>	<b>234,701</b>	
<b>Days of Cash on Hand (2)</b>	<b>218</b>	<b>146</b>	<b>183</b>	<b>169</b>	
<b>Days of Liquidity (3)</b>	<b>316</b>	<b>308</b>	<b>359</b>	<b>336</b>	
<b>Restricted</b>					
Debt Service Funds (Sinking Funds)	159,656	145,520	82,525	78,817	12
Debt Service Reserve Funds	60,582	60,582	50,993	50,993	13
Renewal and Replacement Funds/OCO	189,922	81,964	137,643	176,277	14
Environmental Fund [Capital Projects]	-	-	301	701	15
Construction Funds	203	-	311	387	16
<b>Total Restricted</b>	<b>410,363</b>	<b>288,066</b>	<b>271,773</b>	<b>307,175</b>	
<b>Total Electric System</b>	<b>\$ 778,407</b>	<b>\$ 568,574</b>	<b>\$ 537,235</b>	<b>\$ 541,876</b>	

**Water and Wastewater System**

<b>Unrestricted</b>					
Operations/Revenue Fund	\$ 43,461	\$ 17,934	\$ 26,719	\$ 34,489	
Rate Stabilization					
• Debt Management	14,209	14,209	-	-	17
• Environmental	12,914	15,687	23,372	30,398	18
Customer Deposit	15,616	16,289	16,926	17,180	19
<b>Total Unrestricted</b>	<b>86,200</b>	<b>64,119</b>	<b>67,018</b>	<b>82,067</b>	
<b>Days of Cash on Hand (2)</b>	<b>434</b>	<b>186</b>	<b>176</b>	<b>341</b>	
<b>Days of Liquidity (3)</b>	<b>527</b>	<b>334</b>	<b>353</b>	<b>504</b>	
<b>Restricted</b>					
Debt Service Funds (Sinking Funds)	81,242	80,775	41,660	32,300	20
Debt Service Reserve Funds	102,850	63,441	58,228	55,665	21
Renewal and Replacement Funds	141,415	48,796	38,131	106,914	22
Environmental Fund [Capital Projects]	1,159	1,891	649	1,908	23
Construction Funds	284	28,968	25,541	14,350	24
<b>Total Restricted</b>	<b>326,950</b>	<b>223,871</b>	<b>164,209</b>	<b>211,137</b>	
<b>Total Water &amp; Sewer System</b>	<b>\$ 413,150</b>	<b>\$ 287,990</b>	<b>\$ 231,227</b>	<b>\$ 293,204</b>	

(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) Days of Liquidity 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. Revolving credit facility is allocated between Electric and Water & Sewer Systems based on their portion of the Operating Expenses, net of Depreciation.

**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 Self Insurance - Property**

**For the Third Quarter Ending June 30, 2021**

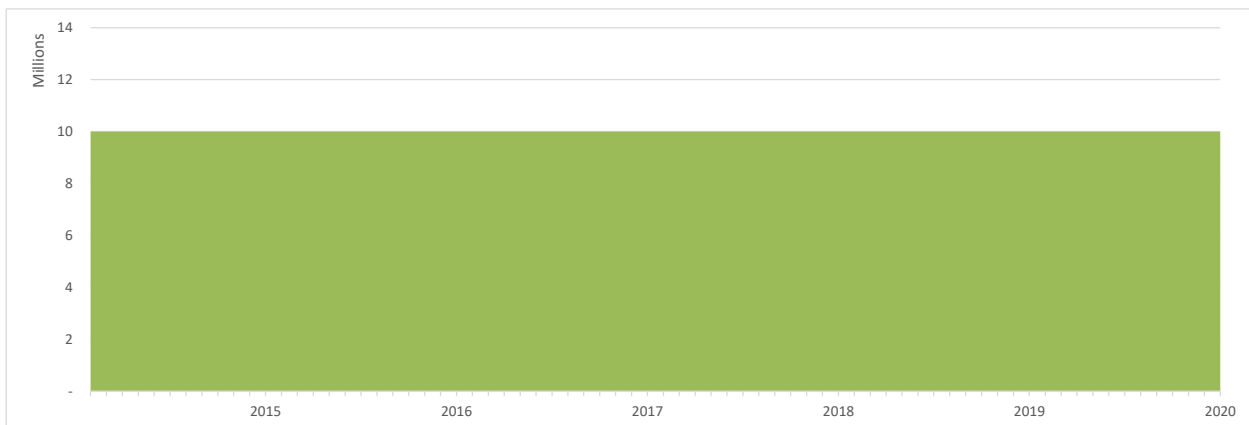
**Definitions and Goals**

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.

<i>(In Thousands)</i>	<b>Current Activity</b>		<b>Projected Activity</b>		
	Quarter-End	Year -to-Date	<u>2021</u>	<u>2022</u>	<u>2023</u>
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals					
Ending Balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

**Historical Activity**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Opening Balance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>



**Observations**

- Reserve/Fund Authorization: Budget Appropriation.

**Electric System Self Insurance - Employee Health Insurance**

**For the Third Quarter Ending June 30, 2021**

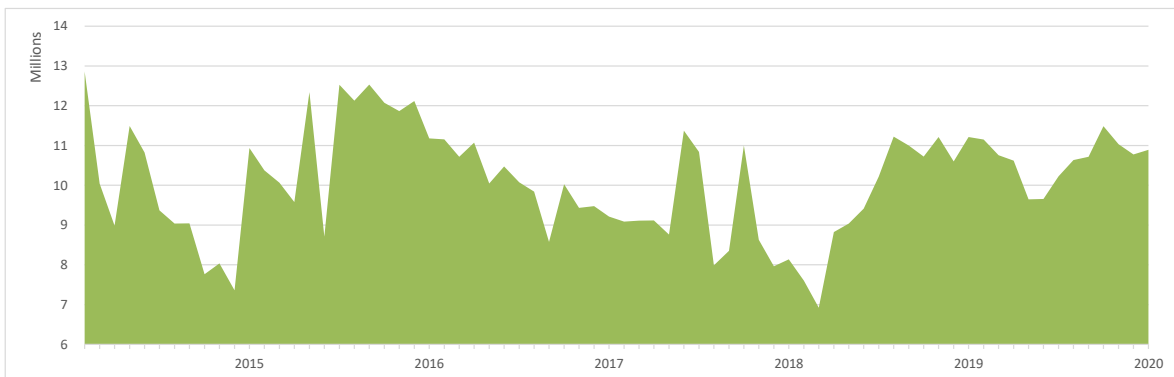
**Definitions and Goals**

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)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 11,662	\$ 10,890	\$ 10,890	\$ 10,766	\$ 8,812
Additions:					
Employee Contributions	1,676	3,306	6,544	6,578	6,578
Retiree & Other Contributions	1,533	4,771	6,895	6,931	6,931
Employer Contributions	4,991	9,677	19,822	20,071	20,071
Sub-total	\$ 8,200	\$ 17,754	\$ 33,261	\$ 33,580	\$ 33,580
Withdrawals:					
Payments for Claims	6,914	14,673	30,704	32,853	35,153
Actuary & Other Payments	423	1,446	2,681	2,681	2,681
Sub-total	\$ 7,337	\$ 16,119	\$ 33,385	\$ 35,534	\$ 37,834
Ending Balance	\$ 12,525	\$ 12,525	\$ 10,766	\$ 8,812	\$ 4,558

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 10,937	\$ 11,179	\$ 9,214	\$ 8,138	\$ 11,210
Additions:					
Employee Contributions	5,460	5,862	6,158	6,423	6,534
Retiree & Other Contributions	5,694	6,443	7,273	8,270	6,914
Employer Contributions	24,231	19,004	18,378	20,662	18,900
Sub-total	\$ 35,385	\$ 31,309	\$ 31,809	\$ 35,355	\$ 32,348
Withdrawals:					
Payments for Claims	32,946	30,994	30,933	29,860	30,387
Actuary & Other Payments	2,197	2,280	1,952	2,423	2,281
Sub-total	\$ 35,143	\$ 33,274	\$ 32,885	\$ 32,283	\$ 32,668
Ending balance	\$ 11,179	\$ 9,214	\$ 8,138	\$ 11,210	\$ 10,890



Maximum Balance: 12,860  
Minimum Balance: 6,922

Average Balance: 10,101

**Observations**

- Self Insurance for Employee Health Insurance began in July 2009.



**Electric System Rate Stabilization - Demand Side Management (DSM)**

**For the Third Quarter Ending June 30, 2021**

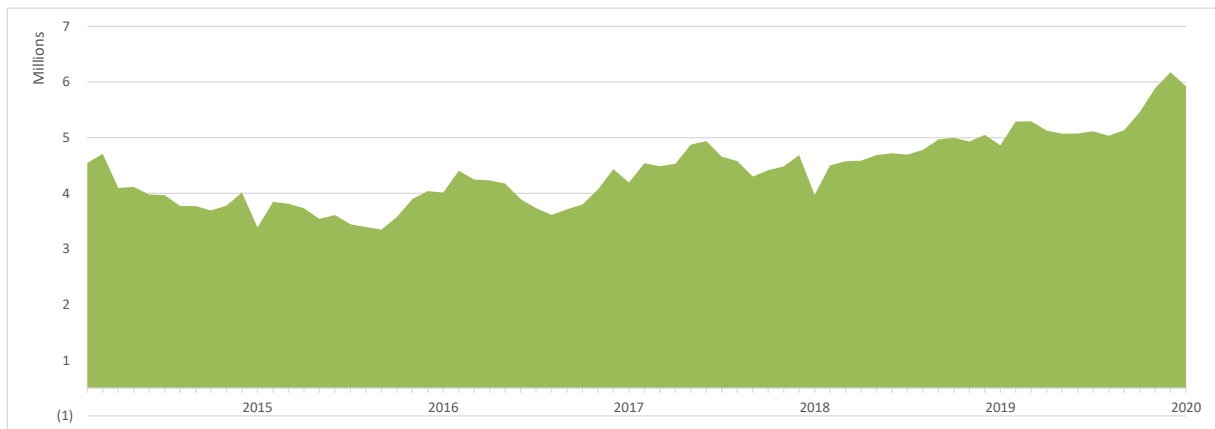
**Definitions and Goals**

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.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 6,438	\$ 5,423	\$ 5,423	\$ 7,725	\$ 7,329
Additions:					
Contributions	1,596	4,752	6,799	6,832	6,732
Sub-total	\$ 1,596	\$ 4,752	\$ 6,799	\$ 6,832	\$ 6,732
Withdrawals:					
Withdrawals	1,212	3,353	4,497	7,228	5,692
Sub-total	\$ 1,212	\$ 3,353	\$ 4,497	\$ 7,228	\$ 5,692
Ending Balance	\$ 6,822	\$ 6,822	\$ 7,725	\$ 7,329	\$ 8,369

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 2,886	\$ 3,515	\$ 3,695	\$ 3,470	\$ 4,363
Additions:					
Contributions	7,232	6,685	7,088	7,042	6,969
Sub-total	\$ 7,232	\$ 6,685	\$ 7,088	\$ 7,042	\$ 6,969
Withdrawals:					
Withdrawals	6,603	6,505	7,313	6,149	5,909
Sub-total	\$ 6,603	\$ 6,505	\$ 7,313	\$ 6,149	\$ 5,909
Ending balance	\$ 3,515	\$ 3,695	\$ 3,470	\$ 4,363	\$ 5,423



Maximum Balance: 5,678      Average Balance: 3,903  
 Minimum Balance: 2,848

**Observations**

- Rate Stabilization Fund for Demand Side Management began in April 2009.

**Electric System Rate Stabilization - Fuel Management**

**For the Third Quarter Ending June 30, 2021**

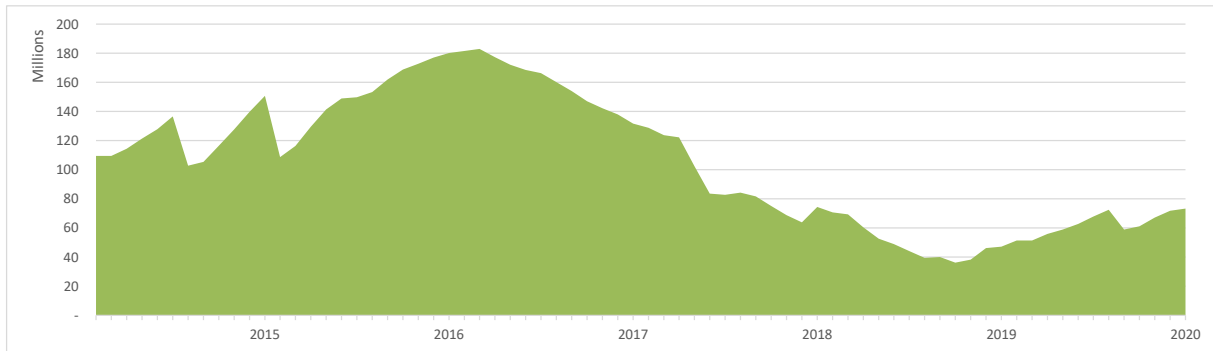
**Definitions and Goals**

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 (i) the maximum fiscal year fuel cost in the preceding five fiscal years or (ii) the projected fiscal year 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)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 76,360	\$ 73,347	\$ 73,347	\$ 45,207	\$ 1,218
Additions:					
Contributions	-	9,945	9,944	-	624
Sub-total	\$ -	\$ 9,945	\$ 9,944	\$ -	\$ 624
Withdrawals:					
Withdrawals	6,805	13,737	38,084	43,989	-
Sub-total	\$ 6,805	\$ 13,737	\$ 38,084	\$ 43,989	\$ -
Ending Balance	\$ 69,555	\$ 69,555	\$ 45,207	\$ 1,218	\$ 1,842

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 150,742	\$ 180,115	\$ 131,716	\$ 74,376	\$ 47,152
Additions:					
Contributions	85,979	2,845	-	11,597	44,553
Sub-total	\$ 85,979	\$ 2,845	\$ -	\$ 11,597	\$ 44,553
Withdrawals:					
Withdrawals		51,244	57,340	38,821	18,358
Fuel Rebate Credit	56,606				
Sub-total	\$ 56,606	\$ 51,244	\$ 57,340	\$ 38,821	\$ 18,358
Ending balance	\$ 180,115	\$ 131,716	\$ 74,376	\$ 47,152	\$ 73,347



Maximum Balance: 182,960      Average Balance: 106,001  
 Minimum Balance: 36,191

**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 - Environmental**

**For the Third Quarter Ending June 30, 2021**

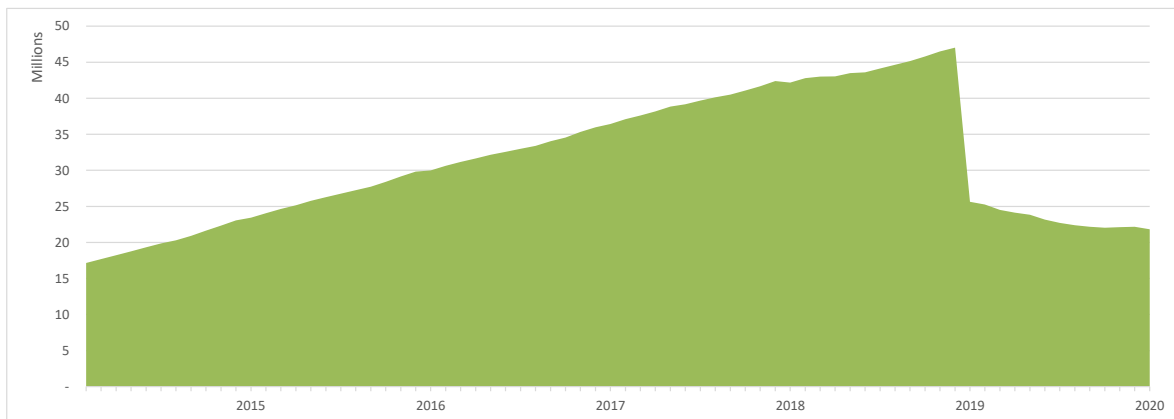
**Definitions and Goals**

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 are limited to potential environmental expenditures approved by the Board, and may include initiatives such as the cost of acquisition of renewable energy capacity. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 21,329	\$ 21,818	\$ 21,818	\$ 18,762	\$ 9,298
Additions:					
Contributions	1,853	5,322	7,489	7,442	7,320
Sub-total	\$ 1,853	\$ 5,322	\$ 7,489	\$ 7,442	\$ 7,320
Withdrawals:					
Withdrawals	3,066	7,024	10,545	16,906	8,222
Ending Balance	\$ 20,116	\$ 20,116	\$ 18,762	\$ 9,298	\$ 8,396

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 23,430	\$ 29,975	\$ 36,417	\$ 42,163	\$ 25,632
Additions:					
Contributions	7,700	7,384	7,572	7,578	7,469
Sub-total	\$ 7,700	\$ 7,384	\$ 7,572	\$ 7,578	\$ 7,469
Withdrawals:					
Withdrawals	1,155	942	1,827	24,109	11,283
Sub-total	\$ 1,155	\$ 942	\$ 1,827	\$ 24,109	\$ 11,283
Ending balance	\$ 29,975	\$ 36,417	\$ 42,163	\$ 25,632	\$ 21,818



Maximum Balance:	47,018	Average Balance:	31,083
Minimum Balance:	17,155		

**Observations**

- Rate Stabilization Fund for Environmental began in June 2010.

**Electric System Rate Stabilization - Debt Management**

**For the Third Quarter Ending June 30, 2021**

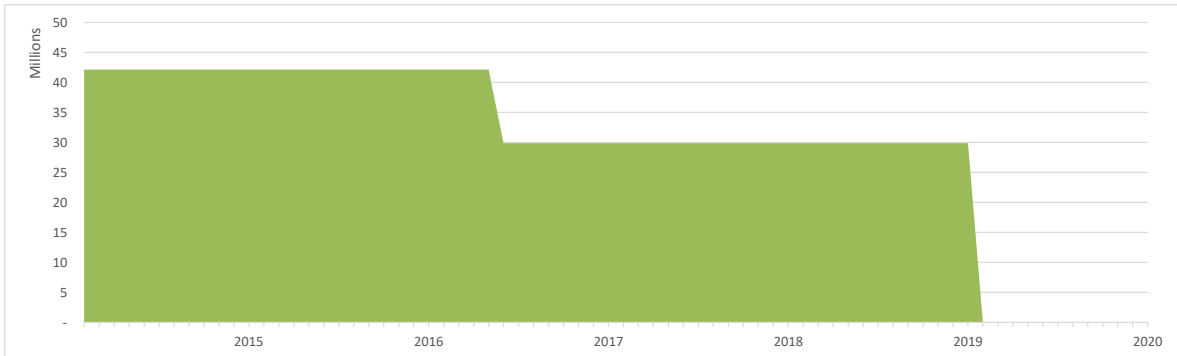
**Definitions and Goals**

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. 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. Funds used in October 2019 for defeasance of debt.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year-to-Date	2021	2022	2023
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 42,126	\$ 42,126	\$ 29,884	\$ 29,884	\$ 29,884
Additions:					
Contributions	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	-	12,242	-	-	29,884
Sub-total	\$ -	\$ 12,242	\$ -	\$ -	\$ 29,884
Ending balance	\$ 42,126	\$ 29,884	\$ 29,884	\$ 29,884	\$ -



Maximum Balance: 42,126      Average Balance: 29,664  
 Minimum Balance: -

**Observations**

- Rate Stabilization Fund for Debt Management began in May 2009. Funds used for defeasances in October 2019.

**Electric System Rate Stabilization - Non-Fuel Purchased Power**

**For the Third Quarter Ending June 30, 2021**

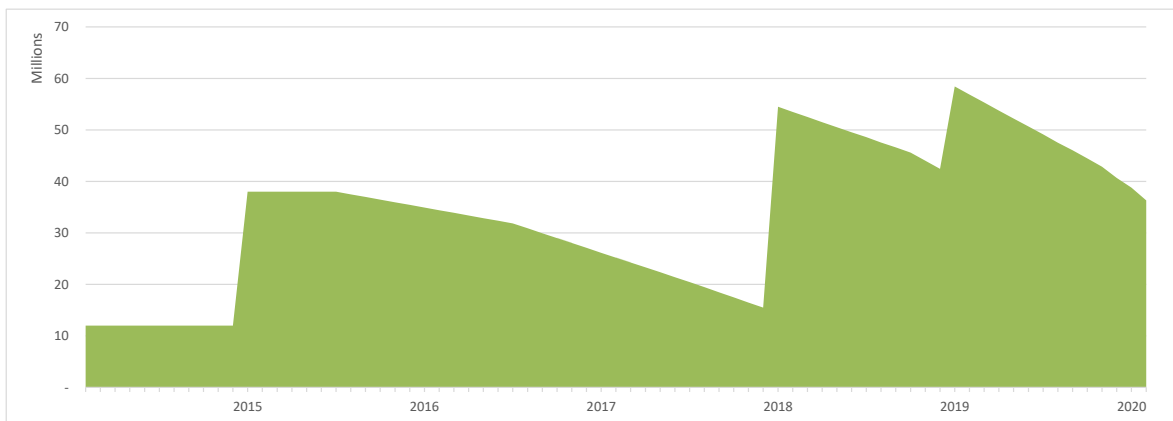
**Definitions and Goals**

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.

<i>(In Thousands)</i>	<b>Current Activity</b>		<b>Projected Activity</b>		
	Quarter-End	Year-to-Date	2021	2022	2023
Opening Balance	\$ 22,950	\$ 36,326	\$ 36,326	\$ 9,560	\$ 69,560
Additions:					
Contributions	-	-		60,000	10,000
Sub-total	\$ -	\$ -	\$ -	\$ 60,000	\$ 10,000
Withdrawals:					
Withdrawals	6,222	19,598	26,766	-	
Ending Balance	<u>\$ 16,728</u>	<u>\$ 16,728</u>	<u>\$ 9,560</u>	<u>\$ 69,560</u>	<u>\$ 79,560</u>

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 38,000	\$ 34,400	\$ 25,189	\$ 53,493	\$ 56,870
Additions:					
Contributions			40,000	17,566	-
Sub-total	\$ -	\$ -	\$ 40,000	\$ 17,566	\$ -
Withdrawals:					
Withdrawals	3,600	9,211	11,696	14,189	20,544
Sub-total	\$ 3,600	\$ 9,211	\$ 11,696	\$ 14,189	\$ 20,544
Ending balance	<u>\$ 34,400</u>	<u>\$ 25,189</u>	<u>\$ 53,493</u>	<u>\$ 56,870</u>	<u>\$ 36,326</u>



Maximum Balance:	58,436	Average Balance:	34,126
Minimum Balance:	12,000		

**Observations**

- The Non-Fuel Purchased Power Rate Stabilization Fund began in FY 2014.

**Electric System Environmental Reserve**

**For the Third Quarter Ending June 30, 2021**

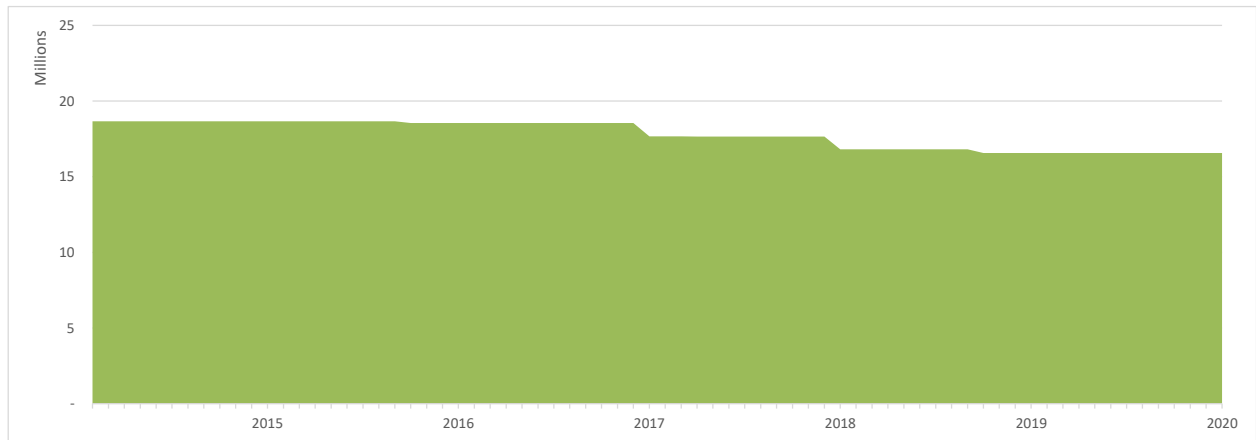
**Definitions and Goals**

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.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 16,568	\$ 16,568	\$ 16,568	\$ 16,568	\$ 16,068
Additions:					
Contributions		-			
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals		-	-	500	5,000
Ending Balance	\$ 16,568	\$ 16,568	\$ 16,568	\$ 16,068	\$ 11,068

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 18,662	\$ 18,556	\$ 17,672	\$ 16,818	\$ 16,568
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	106	884	854	250	
Sub-total	\$ 106	\$ 884	\$ 854	\$ 250	\$ -
Ending balance	\$ 18,556	\$ 17,672	\$ 16,818	\$ 16,568	\$ 16,568



Maximum Balance: 18,662      Average Balance: 17,775  
 Minimum Balance: 16,568

**Observations**

- The Environmental Reserve began in FY 2008.

### Electric System Customer Deposits

For the Third Quarter Ending June 30, 2021

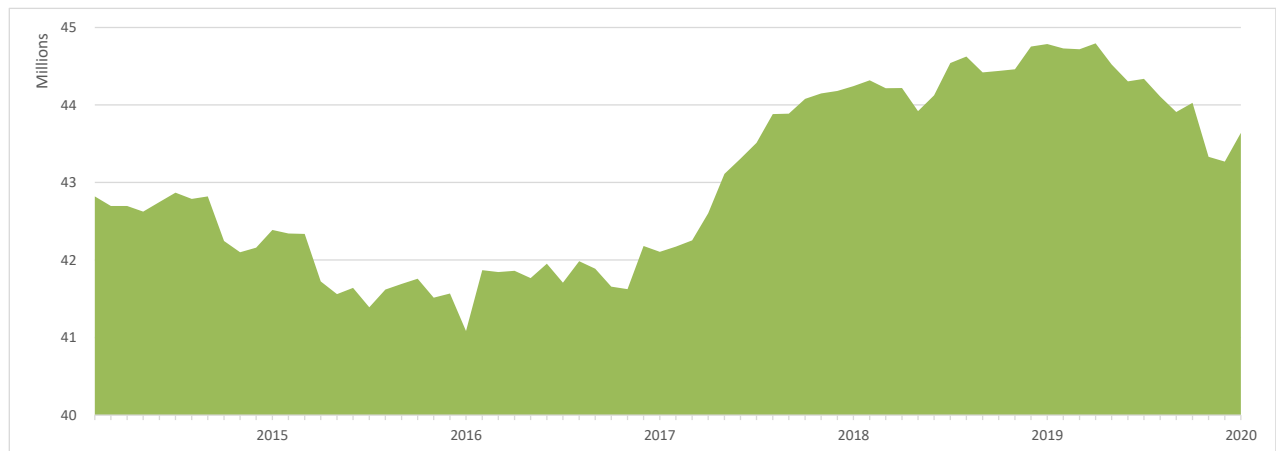
#### Definitions and Goals

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.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	<u>2021</u>	<u>2022</u>	<u>2023</u>
Opening Balance	\$ 43,720	\$ 43,641	\$ 43,641	\$ 43,859	\$ 44,078
Additions:					
Net Customer Activity	1,221	1,528	797	1,120	959
Sub-total	<u>\$ 1,221</u>	<u>\$ 1,528</u>	<u>\$ 797</u>	<u>\$ 1,120</u>	<u>\$ 959</u>
Withdrawals:					
Net Customer Activity	11	239	579	901	738
Ending Balance	<u>\$ 44,930</u>	<u>\$ 44,930</u>	<u>\$ 43,859</u>	<u>\$ 44,078</u>	<u>\$ 44,299</u>

### Historical Activity

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Opening Balance	\$ 42,389	\$ 41,084	\$ 42,105	\$ 44,242	\$ 44,785
Additions:					
Net Customer Activity		1,021	2,137	543	596
Sub-total	<u>\$ -</u>	<u>\$ 1,021</u>	<u>\$ 2,137</u>	<u>\$ 543</u>	<u>\$ 596</u>
Withdrawals:					
Net Customer Activity	1,305				1,740
Sub-total	<u>\$ 1,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,740</u>
Ending balance	<u>\$ 41,084</u>	<u>\$ 42,105</u>	<u>\$ 44,242</u>	<u>\$ 44,785</u>	<u>\$ 43,641</u>



Maximum Balance: 44,795  
Minimum Balance: 41,084

Average Balance: 43,022

### Observations

**Electric System Debt Service Sinking Fund**

**For the Third Quarter Ending June 30, 2021**

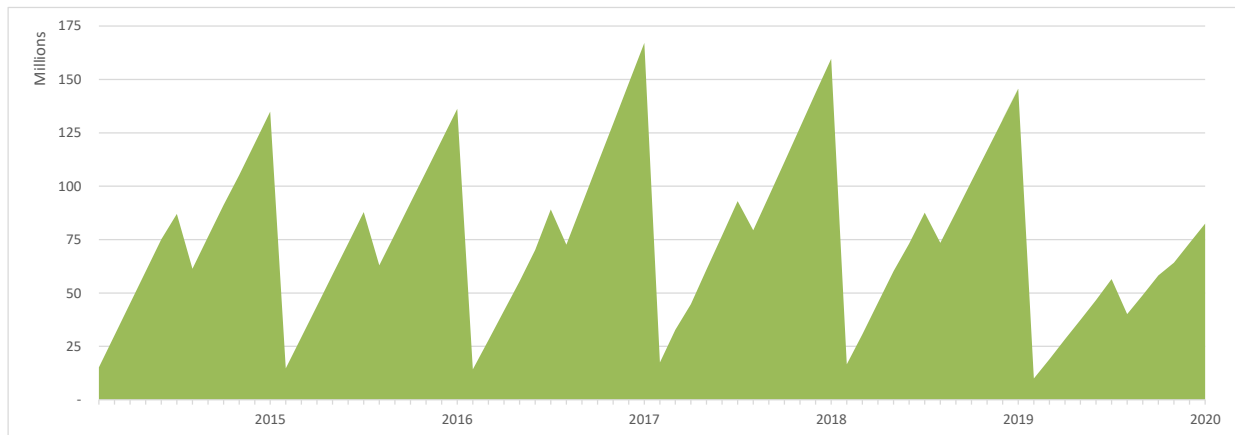
**Definitions and Goals**

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)	Current Activity		Projected Activity		
	Quarter-End	Year-to-Date	2021	2022	2023
Opening Balance	\$ 52,241	\$ 82,525	\$ 82,525	\$ 78,817	\$ 63,951
Additions:					
Revenue Fund Deposits	26,405	79,921	106,277	104,360	74,439
Sub-total	\$ 26,405	\$ 79,921	\$ 106,277	\$ 104,360	\$ 74,439
Withdrawals:					
Principal and Int Payments	22,909	106,709	109,985	119,226	103,219
Sub-total	\$ 22,909	\$ 106,709	\$ 109,985	\$ 119,226	\$ 103,219
Ending Balance	\$ 55,737	\$ 55,737	\$ 78,817	\$ 63,951	\$ 35,171

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 134,927	\$ 136,232	\$ 167,087	\$ 159,656	\$ 145,520
Additions:					
Revenue Fund Deposits	177,847	209,450	201,359	186,135	116,826
Sub-total	\$ 177,847	\$ 209,450	\$ 201,359	\$ 186,135	\$ 116,826
Withdrawals:					
Principal and Int Payments	176,542	178,595	208,790	200,271	179,821
Sub-total	\$ 176,542	\$ 178,595	\$ 208,790	\$ 200,271	\$ 179,821
Ending balance	\$ 136,232	\$ 167,087	\$ 159,656	\$ 145,520	\$ 82,525



Maximum Balance: 167,087  
Minimum Balance: 9,945

Average Balance: 75,042

**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).
- Projections are based on the debt outstanding as of July 31, 2021.



**Electric System Debt Service Reserve Account**

**For the Third Quarter Ending June 30, 2021**

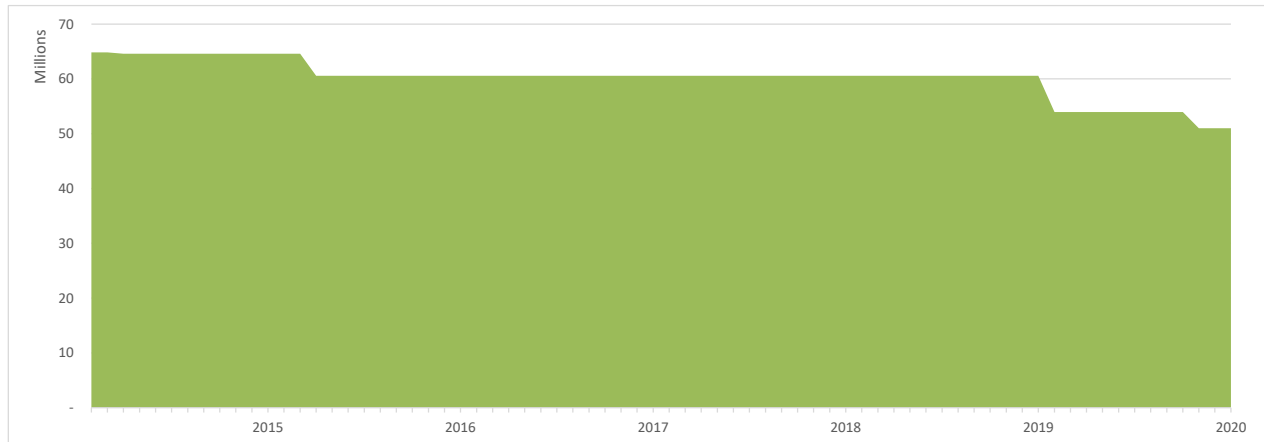
**Definitions and Goals**

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.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 50,993	\$ 50,993	\$ 50,993	\$ 50,993	\$ 50,993
Additions:					
Proceeds from Bonds					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Ending Balance	\$ 50,993	\$ 50,993	\$ 50,993	\$ 50,993	\$ 50,993

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 64,595	\$ 60,582	\$ 60,582	\$ 60,582	\$ 60,582
Additions:					
Proceeds from Bonds					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Release to Revenue Fund	4,013				2,956
Release for STAR Plan Defeasance					6,633
Sub-total	\$ 4,013	\$ -	\$ -	\$ -	\$ 9,589
Ending balance	\$ 60,582	\$ 60,582	\$ 60,582	\$ 60,582	\$ 50,993



Maximum Balance: 64,841      Average Balance: 60,140  
 Minimum Balance: 50,993

**Observations**

- This report does not include any Scherer debt service reserves.

**Electric System Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)**

**For the Third Quarter Ending June 30, 2021**

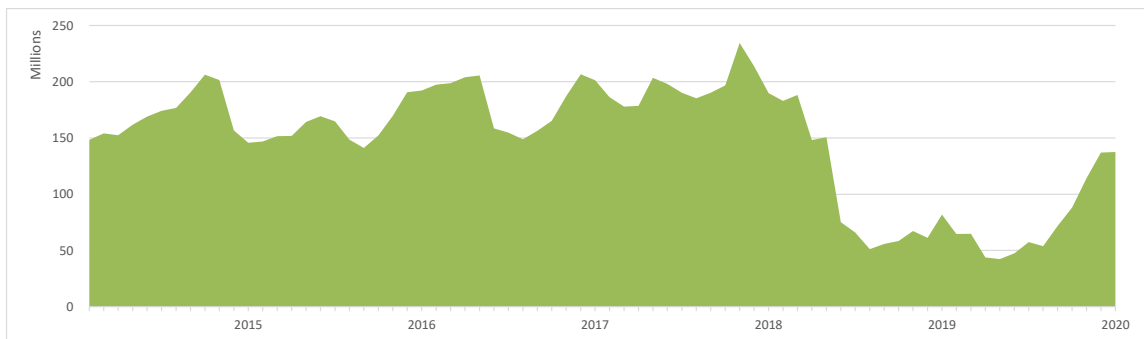
**Definitions and Goals**

Pursuant to the 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. In addition, as a portion of the base rate, JEA will recover from current revenue a formula driven amount for capital expenditures known 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)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 77,915	\$ 137,643	\$ 137,643	\$ 176,277	\$ 128,247
Additions:					
R&R/OCO Contribution	76,633	205,902	300,175	173,633	129,274
Transfers betw Capital Fds					
Other	2,967	9,942	4,079	1,000	2,000
Sub-total	\$ 79,600	\$ 215,844	\$ 304,254	\$ 174,633	\$ 131,274
Withdrawals:					
Capital Expenditures	34,218	123,341	158,771	222,663	190,226
Transfers betw Capital Fds					
Debt Reduction	-	106,849	106,849		43,822
Other					
Sub-total	\$ 34,218	\$ 230,190	\$ 265,620	\$ 222,663	\$ 234,048
Ending Balance	\$ 123,297	\$ 123,297	\$ 176,277	\$ 128,247	\$ 25,473

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 145,711	\$ 192,179	\$ 201,368	\$ 189,922	\$ 81,964
Additions:					
R&R/OCO Contribution	200,692	196,589	148,105	197,623	272,342
Loans betw Capital Fds					
Other	3,744	5,074	35,675	39,521	8,389
Sub-total	\$ 204,436	\$ 201,663	\$ 183,780	\$ 237,144	\$ 280,731
Withdrawals:					
Capital Expenditures	157,201	113,987	181,263	275,042	206,415
Transfers/loans b/w Capital Fds	765	37,200			
Debt Defeasance				70,000	18,637
Other	2	41,287	13,963	60	-
Sub-total	\$ 157,968	\$ 192,474	\$ 195,226	\$ 345,102	\$ 225,052
Ending balance	\$ 192,179	\$ 201,368	\$ 189,922	\$ 81,964	\$ 137,643



Maximum Balance: 234,504      Average Balance: 147,542  
 Minimum Balance: 42,396

**Observations**

- Other includes Sale of Property and miscellaneous billings.

**Electric System Environmental Fund - Capital Projects**

**For the Third Quarter Ending June 30, 2021**

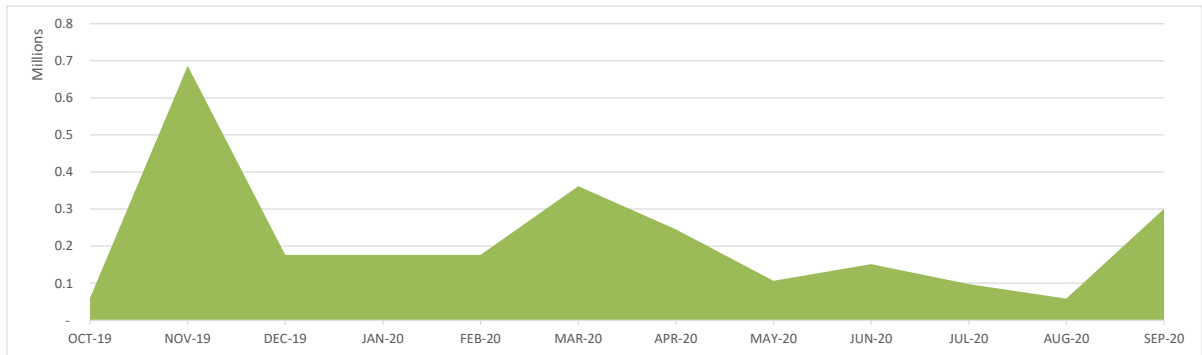
**Definitions and Goals**

The Environmental Charge will be applied to all kWh consumption and structured to provide funding for major specific environmental and regulatory program needs. The Environmental Charge is designed to recover from customers all costs of environmental remediation and compliance with new and existing environmental regulations, excluding the amount already collected in the Environmental Liability Reserve, as specified in the Pricing Policy for specific environmental and regulatory programs. This fund represents the amounts collected from the Electric System Environmental Charge and used on expenditures for capital projects.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 31	\$ 301	\$ 301	\$ 701	\$ -
Additions:					
Environmental Contributions	1,355	2,108	3,814	8,938	184
Transfers betw Capital Fds					
Other					
Sub-total	\$ 1,355	\$ 2,108	\$ 3,814	\$ 8,938	\$ 184
Withdrawals:					
Capital Expenditures	1,318	2,341	3,414	9,639	184
Transfers betw Capital Fds					
Other					
Sub-total	\$ 1,318	\$ 2,341	\$ 3,414	\$ 9,639	\$ 184
Ending Balance	\$ 68	\$ 68	\$ 701	\$ -	\$ -

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Additions:					
Environmental Contributions					4,389
Loans betw Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 4,389
Withdrawals:					
Capital Expenditures					4,088
Transfers/loans b/w Capital Fds					
Other					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 4,088
Ending balance	\$ -	\$ -	\$ -	\$ -	\$ 301



Maximum Balance: 686      Average Balance: 308  
 Minimum Balance: 60

**Observations**

- The Environmental Construction Fund began in October 2019.

**Electric System Construction / Bond Fund**

**For the Third Quarter Ending June 30, 2021**

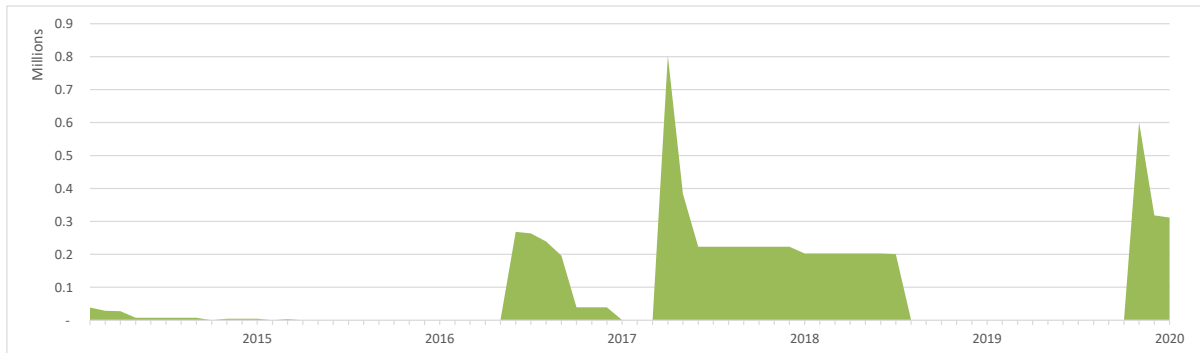
**Definitions and Goals**

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)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 67	\$ 312	\$ 312	\$ 387	\$ -
Additions:					
Bond Proceeds	-	-	398		
Loans betw Capital Fds					
Other	1				
Sub-total	\$ 1	\$ -	\$ 398	\$ -	\$ -
Withdrawals:					
Capital Expenditures	-	245	323	387	
Transfers betw Capital Fds					
Other					
Sub-total	\$ -	\$ 245	\$ 323	\$ 387	\$ -
Ending Balance	\$ 68	\$ 67	\$ 387	\$ -	\$ -

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 4	\$ -	\$ -	\$ 203	\$ -
Additions:					
Bond Proceeds		429	805		601
Loans betw Capital Fds					
Other	2				
Sub-total	\$ 2	\$ 429	\$ 805	\$ -	\$ 601
Withdrawals:					
Capital Expenditures	6				289
Transfers/loans b/w Capital Fds				201	
Other		429	602	2	
Sub-total	\$ 6	\$ 429	\$ 602	\$ 203	\$ 289
Ending balance	\$ -	\$ -	\$ 203	\$ -	\$ 312



Maximum Balance: 803  
 Minimum Balance: -

Average Balance: 92

**Observations**

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used revolving credit facility borrowings and loans between capital funds to decrease borrowing costs.

**Water and Sewer System Rate Stabilization - Debt Management**

**For the Third Quarter Ending June 30, 2021**

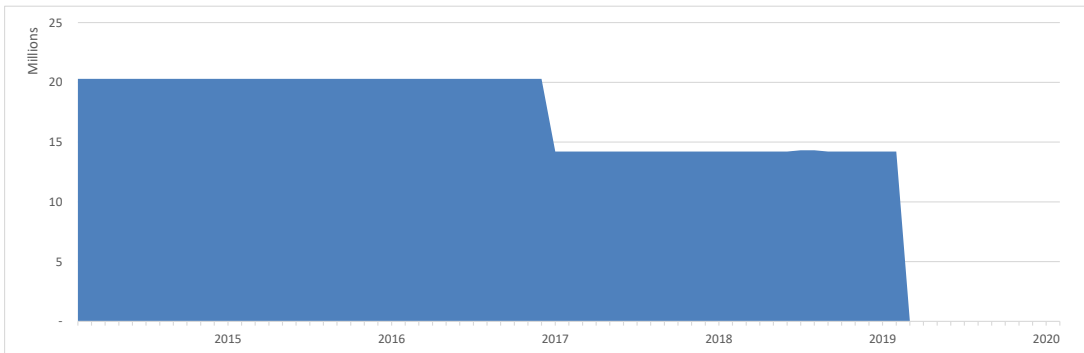
**Definitions and Goals**

The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund ("RSF") 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 RSF 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.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
<i>(In Thousands)</i>					
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals	-	-	-	-	-
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 20,290	\$ 20,290	\$ 14,209	\$ 14,209	\$ 14,209
Additions:					
Contributions					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawals:					
Withdrawals		6,081			14,209
Sub-total	\$ -	\$ 6,081	\$ -	\$ -	\$ 14,209
Ending balance	\$ 20,290	\$ 14,209	\$ 14,209	\$ 14,209	\$ -



Maximum Balance: 20,290      Average Balance: 14,716  
 Minimum Balance: -

**Observations**

- Contributions began in June 2009. Funds used for defeasances in October 2019.

**Water & Sewer System Rate Stabilization - Environmental**

**For the Third Quarter Ending June 30, 2021**

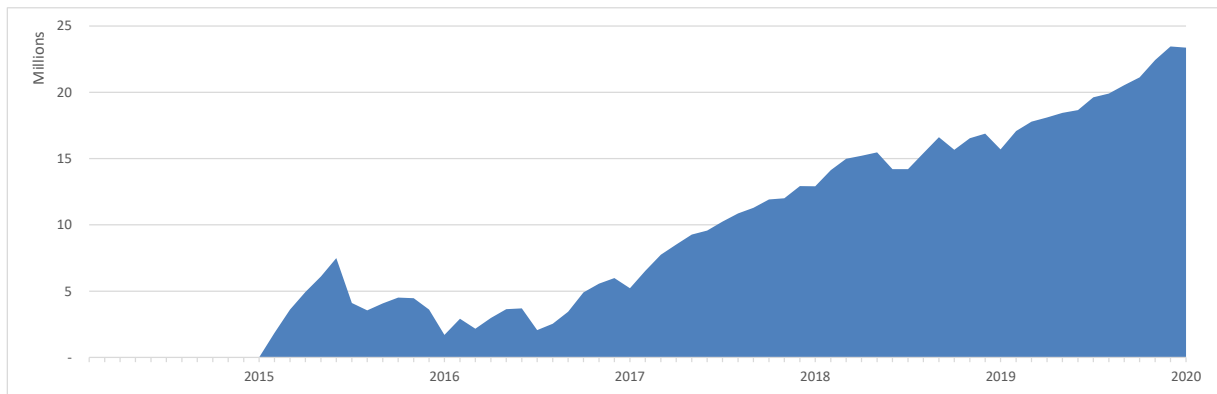
**Definitions and Goals**

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.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 28,774	\$ 23,372	\$ 23,372	\$ 30,398	\$ 20,494
Additions:					
Contributions	6,854	18,592	25,531	27,010	26,819
Sub-total	\$ 6,854	\$ 18,592	\$ 25,531	\$ 27,010	\$ 26,819
Withdrawals:					
Withdrawals	3,973	10,310	18,505	36,914	23,201
COJ Septic Tank Agreement			-		
Sub-total	\$ 3,973	\$ 10,310	\$ 18,505	\$ 36,914	\$ 23,201
Ending Balance	\$ 31,654	\$ 31,654	\$ 30,398	\$ 20,494	\$ 24,112

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ -	\$ 1,699	\$ 5,214	\$ 12,914	\$ 15,687
Additions:					
Contributions	23,635	24,362	23,829	25,099	25,677
Sub-total	\$ 23,635	\$ 24,362	\$ 23,829	\$ 25,099	\$ 25,677
Withdrawals:					
Withdrawals	21,936	20,847	16,129	22,326	17,992
Sub-total	\$ 21,936	\$ 20,847	\$ 16,129	\$ 22,326	\$ 17,992
Ending balance	\$ 1,699	\$ 5,214	\$ 12,914	\$ 15,687	\$ 23,372



Maximum Balance: 23,461      Average Balance: 10,740  
 Minimum Balance: 1,699

**Observations**

- Rate Stabilization Fund for Environmental began in June 2010.

**Water and Sewer System Customer Deposits**

**For the Third Quarter Ending June 30, 2021**

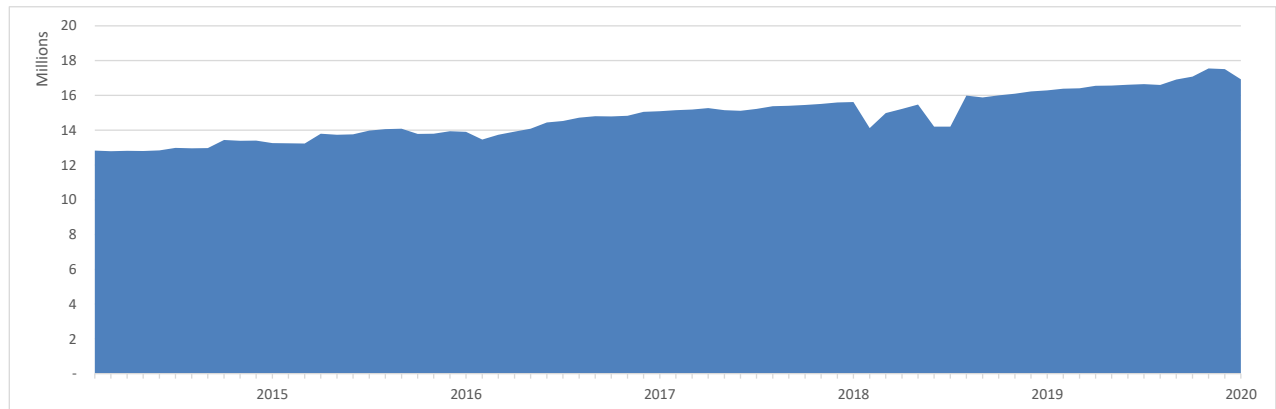
**Definitions and Goals**

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.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 16,599	\$ 16,926	\$ 16,926	\$ 17,180	\$ 17,684
Additions:					
Allocated from Electric	235	254	642	892	894
Sub-total	\$ 235	\$ 254	\$ 642	\$ 892	\$ 894
Withdrawals:					
Allocated from Electric	15	363	388	388	375
Sub-total	\$ 15	\$ 363	\$ 388	\$ 388	\$ 375
Ending Balance	\$ 16,818	\$ 16,818	\$ 17,180	\$ 17,684	\$ 18,203

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 13,255	\$ 13,910	\$ 15,086	\$ 15,616	\$ 16,289
Additions:					
Allocated from Electric	655	1,633	730	888	1,318
Sub-total	\$ 655	\$ 1,633	\$ 730	\$ 888	\$ 1,318
Withdrawals:		457	200	215	681
Allocated from Electric					
Sub-total	\$ -	\$ 457	\$ 200	\$ 215	\$ 681
Ending balance	\$ 13,910	\$ 15,086	\$ 15,616	\$ 16,289	\$ 16,926



Maximum Balance: 17,549  
 Minimum Balance: 12,619

Average Balance: 14,540

**Observations**

**Water and Sewer System Debt Service Sinking Fund**

**For the Third Quarter Ending June 30, 2021**

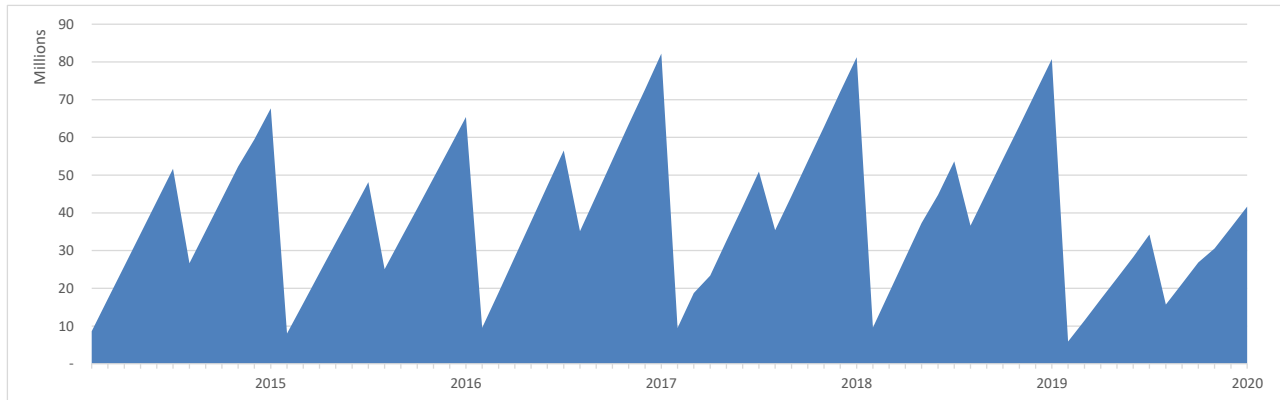
**Definitions and Goals**

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.

	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
<i>(In Thousands)</i>					
Opening Balance	\$ 27,804	\$ 41,660	\$ 41,660	\$ 32,300	\$ 31,136
Additions:					
Revenue fund deposits	13,950	41,874	55,697	63,277	106,538
Sub-total	\$ 13,950	\$ 41,874	\$ 55,697	\$ 63,277	\$ 106,538
Withdrawals:					
Principal and interest payments	23,155	64,935	65,057	64,441	64,684
Sub-total	\$ 23,155	\$ 64,935	\$ 65,057	\$ 64,441	\$ 64,684
Ending Balance	\$ 18,598	\$ 18,599	\$ 32,300	\$ 31,136	\$ 72,990

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 67,720	\$ 65,410	\$ 82,208	\$ 81,241	\$ 80,775
Additions:					
Revenue fund deposits	97,077	114,873	113,636	112,251	69,515
Sub-total	\$ 97,077	\$ 114,873	\$ 113,636	\$ 112,251	\$ 69,515
Withdrawals:					
Principal and interest payments	99,387	98,075	114,603	112,717	108,630
Sub-total	\$ 99,387	\$ 98,075	\$ 114,603	\$ 112,717	\$ 108,630
Ending balance	\$ 65,410	\$ 82,208	\$ 81,241	\$ 80,775	\$ 41,660



Maximum Balance: 82,208      Average Balance: 39,146  
 Minimum Balance: 5,890

**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).
- Projections are based on the debt outstanding as of July 31, 2021.



**Water and Sewer System Debt Service Reserve Account**

**For the Third Quarter Ending June 30, 2021**

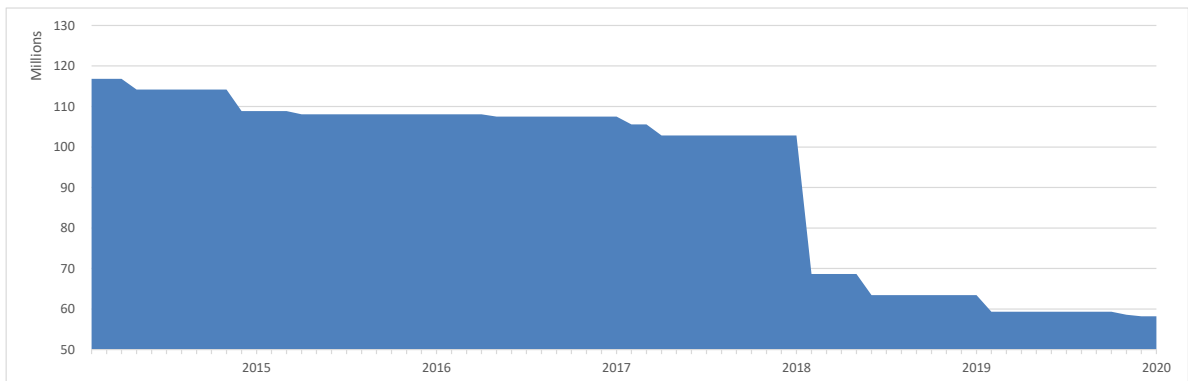
**Definitions and Goals**

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.

(In Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 58,664	\$ 58,228	\$ 58,228	\$ 55,665	\$ 56,606
Additions:					
Bond Issue - Deposit	-	363	363	795	
Revenue Fund		73	73	146	980
Sub-total	\$ -	\$ 436	\$ 436	\$ 941	\$ 980
Withdrawals:					
Revenue Fund			795		
Release to Refunding Defeasance			2,204		
Sub-total	\$ -	\$ -	\$ 2,999	\$ -	\$ -
Ending Balance	\$ 58,664	\$ 58,664	\$ 55,665	\$ 56,606	\$ 57,586

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 108,849	\$ 108,086	\$ 107,488	\$ 102,850	\$ 63,441
Additions:					
Construction reserves/bond issues					737
Revenue fund					
Sub-total	\$ -	\$ -	\$ -	\$ -	\$ 737
Withdrawals:					
Revenue fund	763	598	4,638	5,525	1,689
Release for STAR Plan Defeasance				33,884	2,791
Release to Refunding Defeasance					1,470
Sub-total	\$ 763	\$ 598	\$ 4,638	\$ 39,409	\$ 5,950
Ending balance	\$ 108,086	\$ 107,488	\$ 102,850	\$ 63,441	\$ 58,228



Maximum Balance: 116,829  
Minimum Balance: 58,228

Average Balance: 92,895

**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.
- 2018 Bond Resolution amendment will allow the use of \$33 million AA+ rated Berkshire Hathaway Assurance surety policy to be included in Debt Service Reserve Fund funding calculation which allowed the release of \$33.8 million to the Construction Fund.

**Water and Sewer System Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)**

**For the Third Quarter Ending June 30, 2021**

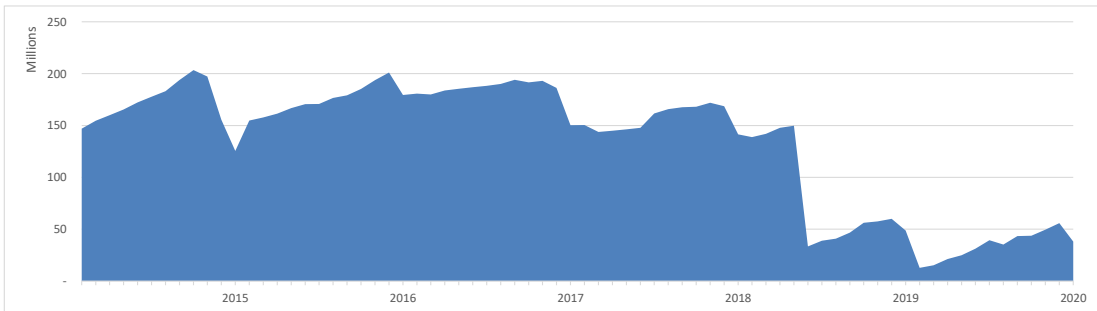
**Definitions and Goals**

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. 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 Thousands)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 70,996	\$ 38,131	\$ 38,131	\$ 106,914	\$ 41,639
Additions:					
R&R/OCO Contribution	53,151	145,852	194,333	166,115	126,075
Capacity Fees	8,776	27,966	39,116	47,007	45,996
Transfer from Capital Fds					
Other	2,428	8,026	8,640	9,201	9,201
Sub-total	\$ 64,355	\$ 181,844	\$ 242,088	222,323	181,272
Withdrawals:					
Capital Expenditures	41,451	126,075	173,305	287,598	198,471
Debt Defeasance					
Other					
Sub-total	\$ 41,451	\$ 126,075	\$ 173,305	\$ 287,598	\$ 198,471
Ending Balance	\$ 93,900	\$ 93,900	\$ 106,914	\$ 41,639	\$ 24,440

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 128,249	\$ 179,431	\$ 150,319	\$ 141,415	\$ 48,796
Additions:					
R&R/OCO Contribution	124,574	108,119	153,372	150,171	166,107
Capacity Fees	21,995	24,777	28,002	29,389	32,857
Loans betw Capital Fds		137		268	
Other (incl septic tank)	31,041	8,050	6,383	16,390	12,654
Sub-total	\$ 177,610	\$ 141,083	\$ 187,757	\$ 196,218	\$ 211,618
Withdrawals:					
Capital Expenditures	126,322	165,242	196,637	189,626	191,087
Loan Repayment				99,189	31,196
Transfer to Constr. Fund	106				
Other (incl septic tank)		4,953	24	22	
Sub-total	\$ 126,428	\$ 170,195	\$ 196,661	\$ 288,837	\$ 222,283
Ending balance	\$ 179,431	\$ 150,319	\$ 141,415	\$ 48,796	\$ 38,131



Maximum Balance: 203,406      Average Balance: 133,232  
 Minimum Balance: 12,847

**Observations**

- Other includes the Septic Tank Phase-out project, Sale of Property, and the transfer of RSF - Environmental in FY 2016 - 2025.

**Water and Sewer System - Environmental Fund [Capital Projects]**

**For the Third Quarter Ending June 30, 2021**

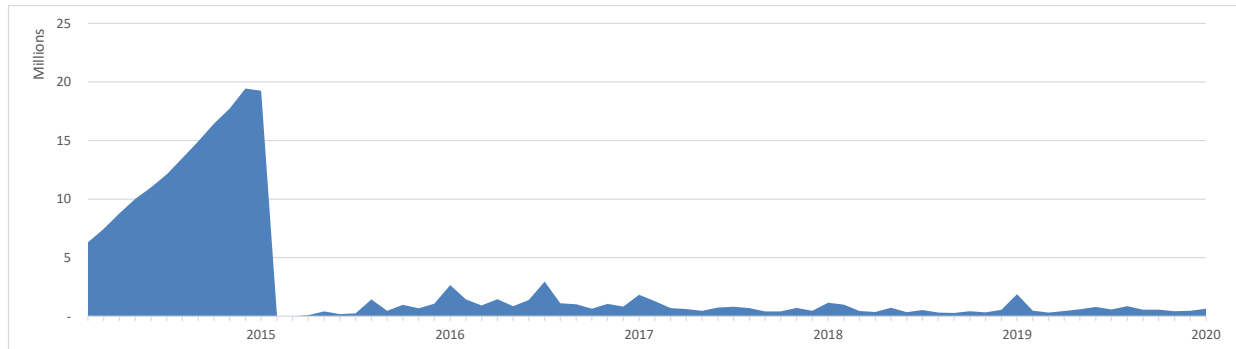
**Definitions and Goals**

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)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 690	\$ 649	\$ 649	\$ 1,908	\$ -
Additions:					
Environmental Contributions	1,640	4,034	9,533	19,220	13,708
Loans betw Capital Fds					
Other					
Sub-total	\$ 1,640	\$ 4,034	\$ 9,533	\$ 19,220	\$ 13,708
Withdrawals:					
Capital Expenditures	1,547	3,899	8,274	21,128	13,708
Other					
Sub-total	\$ 1,547	\$ 3,899	\$ 8,274	\$ 21,128	\$ 13,708
Ending Balance	\$ 783	\$ 783	\$ 1,908	\$ -	\$ -

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ -	\$ 2,659	\$ 1,839	\$ 1,159	\$ 1,891
Additions:					
Environmental Contributions	15,539	12,394	6,691	10,656	6,649
Loans betw Capital Fds					
Other					
Sub-total	\$ 15,539	\$ 12,394	\$ 6,691	\$ 10,656	\$ 6,649
Withdrawals:					
Capital Expenditures	12,880	13,214	7,370	9,924	7,892
Septic Tank Phase Out					
Other			1		
Sub-total	\$ 12,880	\$ 13,214	\$ 7,371	\$ 9,924	\$ 7,892
Ending balance	\$ 2,659	\$ 1,839	\$ 1,159	\$ 1,891	\$ 648



Maximum Balance: 19,439      Average Balance: 2,821  
 Minimum Balance: -

**Observations**

**Water and Sewer System - Construction / Bond Fund**

**For the Third Quarter Ending June 30, 2021**

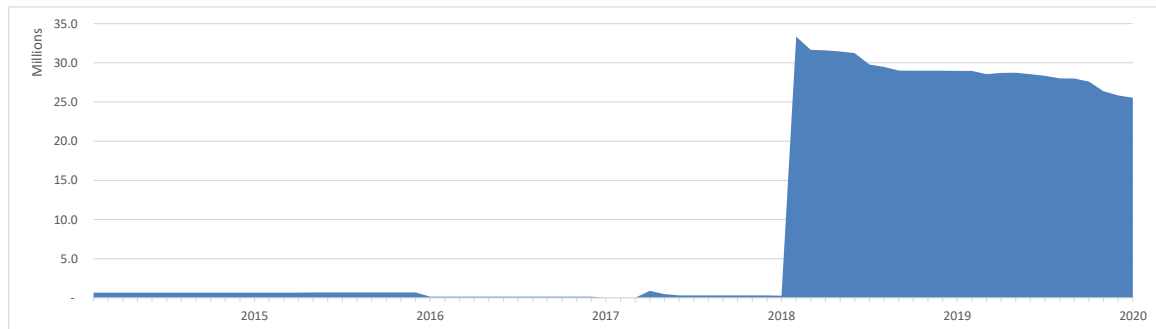
**Definitions and Goals**

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)	Current Activity		Projected Activity		
	Quarter-End	Year -to-Date	2021	2022	2023
Opening Balance	\$ 23,133	\$ 25,541	\$ 25,541	\$ 14,350	\$ -
Additions:					
Bond Proceeds	-	-	520	-	200,183
Revolving credit facility					
Other	8	31	37		
Sub-total	\$ 8	\$ 31	\$ 557	\$ -	\$ 200,183
Withdrawals:					
Capital Expenditures / Bond Issue Costs	2,819	5,250	11,748	14,350	200,183
Other					
Sub-total	\$ 2,819	\$ 5,250	\$ 11,748	\$ 14,350	\$ 200,183
Ending Balance	\$ 20,322	\$ 20,322	\$ 14,350	\$ -	\$ -

**Historical Activity**

	2016	2017	2018	2019	2020
Opening Balance	\$ 664	\$ 152	\$ 15	\$ 284	\$ 28,968
Additions:					
Bond Proceeds			894	33,884	506
Revolving credit facility					
Loans/transfers b/w Capital Fds					
Other	17				837
Sub-total	\$ 17	\$ -	\$ 894	\$ 33,884	\$ 1,343
Withdrawals:					
Capital Expenditures			623	4,930	4,770
Bond Proceeds					
Loans/trnsf btw CapFds					
Other	529	137	2	270	-
Sub-total	\$ 529	\$ 137	\$ 625	\$ 5,200	\$ 4,770
Ending balance	\$ 152	\$ 15	\$ 284	\$ 28,968	\$ 25,541



Maximum Balance: 33,333  
Minimum Balance: 15

Average Balance: 9,969

**Observations**

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used revolving credit facility borrowings and loans between capital funds to decrease borrowing costs. Release of Debt Service Reserve Funds in Oct 2018.

**Energy Market Risk Management: Physical and Financial Positions**

Summary as of 9/1/2021		
Projected FY21 Fuel Expense (Budget = \$357M)	\$421M	⊗
Projected FY21 Fuel Fund Ending Balance (Target = \$68M)	\$45M	⊗
Projected FY22 Fuel Expense (Budget = \$376M)	\$470M	⊗
Projected FY22 Fuel Fund Ending Balance (Target = \$68M)	(\$56M)	⊗
EMRM Compliance	Yes	☺
Counterparty Credit Limit Exceptions	No	☺
Any Issues of Concern	No	☺

**Table 1: Physical Counterparties (Contracts One Year or Greater) as of 9/1/2021**

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
Scherer 4	Coal	CY21 Blackjewel - Eagle Butte - 016	Fixed Price	\$1,507,418	4 months
Scherer 4	Coal	CY21 Peabody Caballo - 017	Fixed Price	\$877,651	4 months
NS CFB	Limestone	CY17-CY21 Vulcan	Fixed Price	\$1,138,966	4 months
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$648,681,970	9.25 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$133,362,610	27.58 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$124,775,294	27.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$77,941,894	17.58 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$122,225,481	27.83 years

**Table 2: Financial Positions as of 9/1/2021**

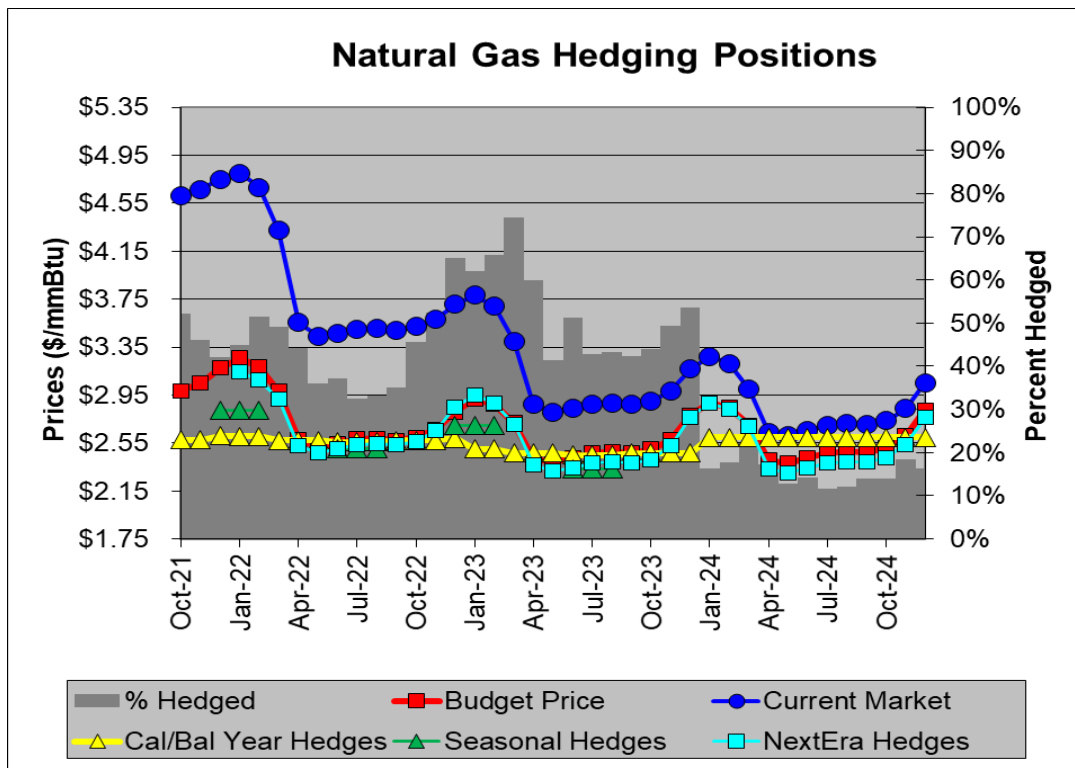
Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Mark-to-Market Value	Counter Party
FY22	Natural Gas	58,352,141	23,720,000	40.6%	\$ 4.07	Swap	\$ 2.58	\$ (35,312,540)	Wells Fargo & RBC
FY23	Natural Gas	45,754,512	23,720,000	51.8%	\$ 3.24	Swap	\$ 2.49	\$ (17,658,990)	Wells Fargo & RBC
FY24	Natural Gas	48,802,050	5,520,000	11.3%	\$ 2.88	Swap	\$ 2.53	\$ (3,043,340)	Wells Fargo & RBC
CY22-31	Nat.Gas-PPA	122,602,857	85,822,000	70.0%	\$ 3.10	Swap	\$ 2.59	\$ (43,336,068)	Nextera

**Table 3: Fuel & Purchase Power Procurement as of 9/1/2021**

Fuel Type	Natural Gas	Coal	Petcoke	Limestone	Purchased Power	Oil/Diesel	Renewables	Vogtle	
FY21 Remaining / Energy Mix	57%	14%	7%	N/A	20%	0%	1%	-	
Expected Spend (\$)	18.6M	7.0M	3.8M	0.2M	8.2M	0.1M	1.2M	-	
% Procured	42%	89%	0%	100%	46%	100%	100%	-	
% Hedged	25%	89%	0%	100%	46%	100%	100%	-	
Fuel Type	Natural Gas	Coal	Petcoke	Limestone	FPL PPA	PurchPwr	Oil/Diesel	Renewables	Vogtle
FY22 Budget / Energy Mix	55%	9%	20%	N/A	8%	6%	0%	2%	6%
Expected Spend (\$)	210.2M	41.4M	43.7M	2.0M	33.4M	71.5M	4.0M	17.4M	5.1M
% Procured	46%	23%	0%	18%	100%	0%	100%	100%	100%
% Hedged	29%	23%	0%	18%	70%	0%	100%	100%	100%
FY23 Projection / Energy Mix	48%	7%	14%	N/A	7%	4%	0%	5%	13%
Expected Spend (\$)	139.1M	39.8M	41.5M	3.1M	29.4M	19.9M	2.5M	27.4M	20.6M
% Procured	60%	0%	0%	0%	100%	0%	100%	100%	100%
% Hedged	43%	0%	0%	0%	70%	0%	100%	100%	100%

**Supporting Notes:**

- Renewable purchase power agreements are not included in Table 1
- Solid fuel procurement - annually at Scherer CY2020 -2021 and quarterly at Northside; JEA is transferring CY22 Scherer coal tons to co-owners in exchange for them transferring CY21 coal volumes to JEA
- Scherer 4 Blackjewel Eagle Butte Contracts 21002, 21005, 22001, 22005 have been combined to 21016 and Peabody Caballo Contracts 21003, 21004, 22002, 22004, 22007 have been combined to 21017
- Scherer 4 retires on 1/1/22
- Table 3: FY Energy Mix based on MWH; 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
- Renewables in Table 3 represent signed agreements and an estimated cost for pending contracts
- Table 3: FY22 Projections include assumed Scherer 4 retirement as of 1/1/2022 with an FPL PPA agreement as replacement
- Table 1: Natural Gas discount; Municipal Gas Authority of Georgia (MGAG) issues municipal bonds to prepay for gas, allowing them to offer discounts to JEA for qualified use
- Table 2 shows negative Mark-to-Market values, this indicates a projected payment to JEA for realized hedges



as of 9/1/2021



**BOARD RESOLUTION: 2021-22**

October 26, 2021

**RESOLUTION OF APPRECIATION AND MEMORIAM OF DR. LEON HALEY, JR.**

**WHEREAS**, Dr. Leon Haley, Jr. was appointed to the JEA Board of Directors by Mayor Lenny Curry on April 14, 2020;

**WHEREAS**, Dr. Haley served with wisdom and enthusiasm as a member of the JEA Governance Committee, Compensation Committee, and CEO Search Subcommittee;

**WHEREAS**, Dr. Haley was an exemplary Board member and a consummate professional, who worked tirelessly to improve the quality of life for his fellow citizens of Jacksonville, Florida;

**WHEREAS**, Dr. Haley continues to be widely celebrated within the Jacksonville medical community, and his commitment to public service and volunteerism remains evident in light of the seemingly endless devotion of his time and energy;

**WHEREAS**, Dr. Haley will always be adored by family, revered by colleagues, and respected by all those who knew him;

**WHEREAS**, Dr. Haley established an enduring legacy by leaving his profession, his community, and JEA in a remarkably better place;

**BE IT RESOLVED** by the JEA Board of Directors that:

1. The record reflect JEA’s deep appreciation for the invaluable service provided by Dr. Haley to JEA, the medical community, and the City of Jacksonville, Florida.
2. The life and contributions of Dr. Haley are hereby recognized, and sincere sympathy is extended to his family, friends, and colleagues.
3. This resolution be incorporated into the minutes of this meeting.

Dated this 26<sup>th</sup> day of October 2021.

\_\_\_\_\_  
JEA Board Chair

\_\_\_\_\_  
JEA Board Secretary

Form Approved by

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**BOARD RESOLUTION: 2021-23**

October 26, 2021

**FY2021 PAY FOR PERFORMANCE PROGRAM PAYOUT**

**WHEREAS**, JEA's Pay for Performance Program was introduced in 1990 to focus employees on key organizational measures and objectives, as well as to push the organization toward a continuous improvement culture with resulting operational excellence and reward exceptional performance as measured against pre-established goals and metrics; and

**WHEREAS**, JEA section 21.08(f), *City of Jacksonville Charter*, provides that:

Employee Bonus Program. JEA may implement or adopt an employee bonus plan or program ("bonus program") for JEA employees pursuant to F.S. § 215.425(3), as amended, subject to the prior approval of the governing body of JEA. The governing body of JEA shall approve such bonus program annually for each fiscal year, and if a bonus program is implemented in any fiscal year without first obtaining the approval of the governing body of JEA, such program shall be void. The governing body of JEA shall not delegate its approval authority regarding a bonus program under this subsection to the managing director or any other officer, employee or agent of JEA. Such bonus program must comply with F.S. § 215.425(3), as amended, the charter, and other applicable laws. The governing body of the JEA shall establish rules, procedures, and standards regarding such bonus program. Additionally, JEA shall include a budget line item and specific detailed plan regarding such bonus program as an exhibit to its annual budget submission to council. JEA shall also provide the council auditor with an annual end of fiscal year written report on or before December 31<sup>st</sup> of each fiscal year regarding the disbursements related to the bonus program. JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.

**WHEREAS**, the JEA Board of Directors approved the FY2021 Pay for Performance Program goals and metrics at the September 22, 2020 Board meeting, and the company has tracked and communicated the results of these goals throughout the year, attached as **Exhibit 1**:

Unbeatable Team: Safety – Recordable Injury Rate (RIR)

Customer Loyalty: Residential Customer Satisfaction and Business/Commercial Customer Satisfaction, and

Business Excellence: Cost per unit delivered of Electricity (Mwh), and Water/Wastewater (Kgal)

**WHEREAS**, the JEA Board of Directors approved the total estimated cost of the FY2021 Pay for Performance Program not to exceed \$8,896,748.



BE IT RESOLVED by the JEA Board of Directors that:

1. In accordance with JEA section 21.08(f), City of Jacksonville Charter, and Florida Statutes §215.425(3), the JEA Board approves the payout for the FY2021 Pay for Performance Program at an estimated cost of \$5,506,241.
2. This Resolution shall be effective immediately upon passage by the Board of Directors and the FY2021 Pay for Performance Program shall be paid out as administratively feasible.

Dated this 26<sup>TH</sup> day of October 2021.

\_\_\_\_\_  
JEA Board Chair

\_\_\_\_\_  
JEA Board Secretary

Form Approved by

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**Exhibit**

**FY 2021 Pay for Performance Program  
Summary of Corporate Performance Results**

**Safety - OSHA Recordable Incident Rate (RIR)**

FY17 Results: 2.01 RIR  
 FY18 Results: 1.48 RIR  
 FY19 Results: 1.51 RIR  
 FY20 Results: .96 RIR  
 FY21 Results: .95 RIR

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	RIR > 1.4	RIR ≤ 1.4 - 1.2	RIR < 1.2
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Customer Satisfaction**

JD Power Residential and Commercial/ Business Electric Industry Customer Satisfaction Surveys: National

**Customer Satisfaction - Residential Electric**

FY17 Results: 1st Quartile Nationally; Position 21  
 FY18 Results: 2nd Quartile Nationally; Score 737; Position 44  
 FY19 Results: 1st Quartile Nationally  
 FY20 Results: 3rd Quartile  
 FY21 Results: 3rd Quartile

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	≤ 2nd Quartile	>2nd Quartile < 50th %tile 1st Quartile	≥ 50th %tile 1st Quartile
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Customer Satisfaction - Commercial Electric**

FY17 Results: #12  
 FY18 Results: #4 Nationally; #1 South Midsize  
 FY 19 Results: 2nd Quartile  
 FY20 Results: 2nd Quartile  
 FY21 Results: 4th Quartile

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	< Top 10 Nationally	Top 10 Nationally	#1 Nationally
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Cost Control: Electric Cost per Mwh**

FY17 Results: \$52.50  
 FY18 Results: \$55.34  
 FY19 Results: Was not a metric  
 FY20 Results: No Plan  
 FY21 Results: \$45.58

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	Cost > \$53.51	Cost ≤ 53.51	Cost ≤ 52.75
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Cost Control: Water Cost per Kgal**

FY17 Results: \$4.57

FY18 Results: \$4.65

FY19 Results: Was not a metric

FY20 Results: No Plan

**FY21 Results: \$4.38**

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	Cost > \$5.31	Cost ≤ \$5.31	Cost < \$5.20
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Cost Control: Wastewater Cost per Kgal**

FY17 Results: \$9.20

FY18 Results: \$10.07

FY19 Results: Was not a metric

FY20 Results: No Plan

**FY21 Results: \$8.05**

	Does Not Meet	Meets	Exceeds
<b>Goal</b>	Cost > \$10.24	Cost ≤ \$10.24	Cost < \$9.95
<b>Achievement Value</b>	0.00%	0.50%	0.83%

**Estimated Payout for FY 2021 Pay for Performance Program - 3.32% of Salaries**

	No. Emp.	Total Amount
<b>Leadership Team</b>	4	\$ 22,316.54
<b>Appointed</b>	409	\$ 1,446,124.60
<b>Non-Appointed</b>	1521	\$ 4,037,799.90
<b>TOTAL</b>	1934	\$ 5,506,241.04

NOTE: All performance payouts are subject to JEA's ability to pay as determined by JEA's Board of Directors with input from JEA's Finance group, and minimum individual employee performance criteria

~~August 2019~~ October 2021

## Pricing Policy

### I. Scope

This Pricing Policy is intended to provide broad guidance and to facilitate the management, control and oversight of JEA's pricing structure. Its primary goal is to establish revenue requirements to fully recover the costs necessary to operate and maintain the utility, consistent with its mission, through fair and equitable pricing. This includes sufficient revenue for required transfers to the City, depreciation expense, and balance sheet liquidity. The total revenue requirement of each system must be sufficient to ensure the financial integrity of the utility, including recovery of debt service, sufficient revenue to meet renewal and replacement fund requirements, and maintenance of key financial metrics. It recognizes the operational challenges of managing dynamic businesses with major cost drivers such as significant regulatory reform, as well as fuel and debt service, which are dependent on global market conditions. The Pricing Policy contains the guiding parameters that JEA utilizes to develop its financial reporting, ratemaking, budget, and financial projections.

The Board is JEA's independent body responsible for setting rates. As part of this responsibility, the Board acknowledges that the rate setting policy and practices utilized will govern JEA's accounting under current generally accepted accounting principles, meaning that rate actions by the Board will impact when certain costs and revenues are recognized for financial statement purposes. This policy formalizes the rate philosophy utilized in prior years and codifies policy changes required for the implementation of regulatory accounting beginning with FY2015, including the change in rate setting methodology from Cash Basis to Utility Basis.

### II. Goal and Objectives

JEA's pricing shall be managed with an overall philosophy to provide advantages of a community-owned utility by delivering high quality, reliable and exceptional service at fair and competitive rates. JEA will exhaust all other net revenue improvement opportunities before recommending any price increases. JEA will develop a price structure that is based on cost of service and allocates costs to appropriate customer classes based on the cost to serve each class. Pricing shall be sufficient, predictable, consistent, understandable, fair, equitable, non-discriminatory and relatively easy to administer. A comprehensive cost of service study will be performed at a minimum of every five years to support that the rates charged by class are based on cost.

### III. Responsibility for Pricing Policy

The overall Pricing Policy is approved by the JEA Board of Directors and implemented by the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and staff. Annually, during the development of the Five Year Financial Projection that is provided to the credit rating agencies, the CEO, Chief Operating Officer (COO), CFO, Chief Customer Officer (CCO), Vice President/General Manager Water Wastewater Systems, and Vice President/General Manager Electric

~~August 2019~~ October 2021

Systems will meet to develop strategy and review pricing and financial performance. JEA's Financial Planning and Rates department will develop and manage processes to implement and administer this Policy. Based on this review, any changes to pricing such that JEA continues to have rates based on cost of service and sufficient to maintain each System's financial integrity will be recommended to the Board for approval.

#### **IV. Authorization**

The JEA Board of Directors is independent from JEA management and has the power to fix, pledge to establish or establish, levy, regulate, impose and collect rates, assessments, fees and charges for the use or benefit of the utilities system and to alter and amend the same from time to time.

Although JEA is a non-jurisdictional entity, Tariffs approved by the Board of Directors are filed with the Public Service Commission for information and review. The Florida Public Service Commission (FPSC) does not regulate the revenue requirement of municipal utilities, yet pursuant to Section 366.04 (2), Florida Statutes, the FPSC has jurisdiction to review a rate structure for municipal utilities.

#### **V. Electric System**

Revenue requirements and rate design for the Electric System shall be constructed in three major categories: Base Rate, Fuel Charge, and Environmental Charge.

##### **Base Rate**

###### Structure

The Base Rate will be structured with two major components: a fixed monthly charge and consumption charges. The fixed charge is billed as a "Basic Monthly Charge" and the consumption charges are billed as "Energy Charge," "Residential Conservation Charge," "*Demand Charge*," and "*Excess kVar Charge*." (Italicized charges apply to commercial or industrial customers only, and do not appear on typical residential bills.) Revenue requirements and rates will be set using depreciation expense as the capital recovery estimate but must also ensure the financial integrity of the Electric System by achieving the following objectives:

- A minimum annual total debt service coverage ratio of 2.2x, (with a long-term goal of consistently achieving a minimum annual total debt service coverage ratio of 2.5x)
- A minimum of 150 to 250 days of liquidity
- Continue to move towards a maximum debt to asset ratio of 60%
- Maintain stabilization funds as detailed in the "Stabilization Funds" section

Staff plans to phase in higher fixed components of base rates over time, utilizing widely accepted principles and practices to better reflect the fixed components of JEA's electric system cost structure.

###### Pricing

The Base Rate will recover expenditures necessary to operate and maintain the system, depreciation expense, capital required to maintain the system, the

~~August 2019~~ October 2021

necessary contribution to the City, any special charges for programs adopted by JEA and approved by the Board, and additional revenues required to maintain the financial integrity of the System.

Staff will review with the Board of Directors the Base revenue and capital funding plans during both the annual budget cycle and the discussion of the Five Year Projection (as outlined in the “Five Year Projection” section). Recurring capital will be recovered from revenues each year. Non-recurring or unanticipated (i.e., storm damage or major equipment failure) costs will be evaluated by management to determine the best source of capital funding. This can include absorbing the cost in the current year budget or the inclusion of cost in future rates over a period of time with funding of the cost from debt or reserves. Authorization from the Board to recover non-recurring capital over a future period of time may constitute an asset on JEA’s balance sheet.

The Base Rate will additionally include a policy-directed allocation of current year base electric revenues to Customer Benefit programs to be collected in addition to the Residential Conservation Charge. Staff will develop specific programs such as electrification, direct load control, demand side management, residential low income efficiency programs, and customer utility optimization education programs, set program objectives and periodically report the status of the programs. Each year, the Customer Benefit budget will include an allocation for customer education initiatives at least equal to revenues generated from the Residential Conservation Charge (initially set at \$0.01 per kWh for monthly residential consumption in excess of 2,750 kWh) collected from customers in the prior year. The budgeted carve-out from the Base Rate will be set each year based on funding required to meet the targets determined by staff, at least equal to the Residential Conservation Charge and not to exceed \$0.50 per 1,000 kWh. Any amounts collected in excess of current and future anticipated need will be used for future costs or refunded to customers. The Customer Benefit programs do not function as special charge, but are a component of JEA’s cost of service in determination of the Base Rate each year.

Gains realized from coordinated dispatch agreements will be allocated to base revenue, unless otherwise directed by the Board.

## **Fuel Charge**

### Structure

The Fuel Charge will be structured for full recovery of actual energy expenditures including direct fuel expenses, fuel procurement, fuel handling, residual disposal expense, less any proceeds from the sale of residuals, byproduct expenses directly utilized in managing the facilities used to prepare the byproduct for its final disposition, fuel hedging activities including gains and losses on settlement of fuel hedges, power purchase energy charges such as fuel, and renewable energy that is not considered generation available for JEA’s current capacity plans.

The Fuel Charge structure shall also include recovery of prior positive or negative variances.

### Pricing

~~August 2019~~October 2021

The Fuel Charge will be set monthly. The Charge is based on the energy cost projection for the billing month to fully recover all expected fuel-related costs. Any variance will be trued-up in the subsequent billing month. Should forecasted energy costs result in a Fuel Charge adjustment of greater than 20%, recovery of the true-up may be extended over a period of time as determined by the CEO/Managing Director or designee.

Fuel and energy expenses not recovered by revenue within the month will be paid from unrestricted funds. Each month, management shall report the total fuel revenues, expenses and the resulting surplus or deficit. All authorized fuel-related costs shall be recovered through the Fuel Charge and funds collected in excess of authorized fuel-related costs shall be used to fund future fuel expenses or be refunded to customers.

Should funds be available in the legacy Fuel Stabilization Fund during the transition from an annual Fuel Charge adjustment to a monthly Fuel Charge adjustment, the funds will be utilized to mitigate Fuel Charge increases to the customer until the fund is depleted.

#### Structure

~~The Fuel Charge is designed to recover fuel and energy costs and will be structured with three potential components, the Variable Fuel Rate, the Fuel Stabilization Charge and the Fuel Recovery Charge.~~

~~The Variable Fuel Rate will be structured for full recovery of actual energy expenditures including direct fuel expenses, fuel procurement, fuel handling, residual disposal expense, less any proceeds from the sale of residuals, byproduct expenses directly utilized in managing the facilities used to prepare the byproduct for its final disposition, fuel hedging activities including gains and losses on settlement of fuel hedges, purchase power energy charges such as fuel, and renewable energy that is not considered generation available for JEA's current capacity plans. This charge can be adjusted up or down based upon energy costs. The Fuel Charge structure shall also include a charge for Fuel Stabilization to fund potential negative variances between projected and actual energy costs, when projections at the time of the rate setting indicate this fund balance will be below the target balance during the rate period. A Fuel Recovery Charge may also be included as part of the Fuel Charge if needed to recover a cumulative fuel fund deficit over a set number of years.~~

#### Pricing

~~The Fuel Charge will be set annually during the budget process to be effective October 1 of the upcoming fiscal year. The Charge is based on the forward twelve-month energy cost projection and will be structured to fully recover all expected fuel-related costs and any amounts for Fuel Stabilization Fund, discussed below, over the coming fiscal year. Provided the actual plus forecasted energy costs remain within 10% of projected energy cost, any variance will be "trued-up" annually and recovered in the subsequent twelve month period. Should actual plus forecasted energy costs exceed the 10% range of projected energy costs during the twelve month period, rates may be adjusted to reflect current market conditions. For example, a Variable Fuel Rate charge of \$50.00/1,000 kWh may be adjusted when the twelve month projection for total energy cost is less than~~

~~August 2019~~ October 2021

~~\$45.00/1,000 kWh or greater than \$55.00/1,000 kWh. Absent a rate change, Fuel Charges collected in excess of fuel expenses are deposited in the Fuel Stabilization Fund, and under collected amounts are funded through Fuel Stabilization Fund withdrawals until rates can be adjusted.~~

~~The Fuel Charge may include an amount for a Fuel Stabilization Charge to fund potential short-term negative variances between projected and actual energy costs. The target balance in the Fuel Stabilization Fund is equal to 15% of the greater of (i) the maximum fiscal year fuel cost in the preceding five fiscal years or (ii) the projected fiscal year fuel cost. Should the Fuel Stabilization Fund balance reach the 15% level at any point during the twelve-month variable fuel rate cycle, the CEO, CFO, CCO, and staff will evaluate the Fuel Stabilization Fund balance, projection through year-end, and current market prices and volatility, and will recommend to the Board to either continue funding with no change, credit customers with the overfunded amount, or modify the Fuel Charge. Absent any specific change, the Fuel Charge will continue to be collected until the end of the cycle. An objective of the Fuel Stabilization Charge is to establish the most transparent mechanism to communicate the amount of the Fuel Charge which is being collected to fund the Fuel Stabilization Fund, and thus should be utilized in the communication with stakeholders. Allowable uses of the Fuel Stabilization Fund shall include cash deposits supporting any fuel fund deficits, energy risk management activities, and inter-fund loans.~~

~~The Fuel Charge may also include a Fuel Recovery Charge to recover any cumulative fuel fund deficit. Allowable uses shall include debt reduction, repayment of inter-fund loans, new inter-fund loans, and fund activities employed during the time the fuel deficit accumulated that were used to fund the deficit.~~

~~Each month management shall report the total fuel revenues, expenses and the resulting surplus or deficit. All authorized fuel-related costs shall be recovered through the Fuel Charge, and funds collected in excess of authorized fuel-related expenses (including Fuel Stabilization Fund deposits, when required) shall be used to fund future expenses or be refunded to customers.~~

## **Environmental Charge**

### Structure

The Environmental Charge is applied to all kWh consumption and structured to provide funding for major specific environmental and regulatory program needs.

### Pricing

The Environmental Charge is designed to recover from customers costs of environmental remediation, environmental projects and compliance with new and existing environmental regulations, excluding the amount already collected in the Environmental Liability Reserve. Applicable use of funds is described in the "Stabilization Funds" section.

Annually the Board will review and approve the operating, maintenance and capital costs of projects to be included in determining the Environmental Charge for that year. For capital projects funded from sources other than the environmental charge revenues, the Board will determine an appropriate method including recovery period for including these costs in the determination of the Environmental Charge.



~~August 2019~~ October 2021

The revenues collected will be used to reimburse the fund that provided the original funding. Methods used for recovery can include amortization over a relatively short period of time, depreciation expense and related carrying charge of the related asset or other reasonable methods.

Any revenues collected in excess of costs in any period will be used to fund operating and capital costs of approved projects in the future.

The amounts collected from the Environmental Charge will be accounted for in the Electric System Environmental Stabilization Fund. Amounts collected for future environmental capital projects are transferred from the Electric System Environmental Rate Stabilization Fund to the Environmental Capital Fund.

## **VI. Water and Sewer System**

Revenue requirements and rate design for the Water and Sewer System shall be constructed in two major categories: Base Rate and Environmental Charge.

### **Base Rate**

#### Structure

Revenue and rate design for the Water and Sewer System shall be constructed in two major categories: monthly charges and initial charges, including capacity and main extension fees. Standard monthly charges will include two primary components: A fixed monthly charge and volume charges based on customer usage. The fixed charge is billed as a “Basic Monthly Charge” and the volume charges are billed as “Water Consumption Charges” and “Sewer Usage Charges”.

Revenue requirements and rates will be set using depreciation expense as the capital recovery estimate but must also ensure the financial integrity of the Water and Sewer System by achieving the following objectives:

- A minimum annual total debt service coverage ratio of 1.8x, with a long-term goal of consistently achieving a minimum annual total debt service coverage ratio of 2.0x
- A minimum of 100 days of liquidity
- A long-term objective of a maximum debt to asset ratio of 50%
- Maintain stabilization funds in the “Stabilization Funds” section

#### Pricing

The Base Rate will recover expenditures necessary to operate and maintain the system, depreciation expense, capital required to maintain the system, the necessary contribution to the City, any special charges for programs adopted by JEA and approved by the Board, and additional revenues required to maintain the financial integrity of the System.

Staff will review with the Board of Directors the Base revenue and capital funding plans during both the annual budget cycle and the discussion of the Five Year Projection (as outlined in the “Five Year Projection” section). Recurring capital not recovered via the Environmental Charge will be recovered from revenues each year. Non-recurring or unanticipated (i.e., storm damage or major equipment failure) costs will be evaluated by management to determine the best source of

~~August 2019~~ October 2021

capital funding. This can include absorbing the cost in the current year budget or the inclusion of cost in future rates over a period of time with funding of the cost from debt or reserves. Authorization from the Board to recover non-recurring capital over a future period of time may constitute an asset on JEA's balance sheet. The annual principal repayment requirements and contributions to the Renewal and Replacement Fund will be added to the non-capacity capital expenditure amount with the amount in excess of the annual depreciation expense included as an additional cost in setting rates. Capacity fee revenue will be used as an additional source of revenue in determining annual revenue requirements.

Capacity fees to recover water, sewer and reclaimed water treatment facilities investment are established to recover 100% of the cost, including materials, of performing these services. These fees will be reviewed and if necessary, adjusted at least every three years. Capacity fees to recover the cost of off-site water and sewer line extensions shall be established to recover:

- 75% master plan main extension attributed to general system growth, assessed on a per connection basis; and
- 100% main extension attributed to specific development, assessed to the developer in accordance with JEA's development policy.

On-site line extensions have been and will remain the financial responsibility of the developer, builder, homeowner or business and shall be contributed to JEA at no charge to own, operate and maintain.

Tap and meter fees will be established to recover 100% of the cost, including materials, of performing tap and meter services. These fees will be reviewed and, if necessary, adjusted at least every three years.

Staff will review with the Board of Directors the revenue and capital funding plans during both the annual budget cycle and the Five Year Projection/Rating Agency cycle.

## **Environmental Charge**

### Structure

The Environmental Charge is applied to all kgal sales and structured to provide funding for major specific environmental and regulatory program needs.

### Pricing

The Environmental Charge is designed to recover from customers costs of environmental remediation, environmental projects and compliance with new and existing environmental regulations. Applicable use of funds is described in the "Stabilization Funds" section.

Annually the Board will review and approve the operating, maintenance and capital costs of projects to be included in determining the Environmental Charge for that year. For capital projects funded from sources other than the environmental charge revenues, the Board will determine an appropriate method including recovery period for including these costs in the determination of the Environmental Charge. The revenues collected will be used to reimburse the fund that provided the original funding. Methods used for recovery can include amortization over a relatively short

~~August 2019~~ October 2021

period of time, depreciation expense and related carrying charge of the related asset or other reasonable methods.

Any revenues collected in excess of costs in any period will be used to fund operating and capital costs of approved projects in the future.

The amounts collected from the Environmental Charge will be accounted for in the Water and Sewer System Environmental Stabilization Fund. Amounts collected for future environmental capital projects are transferred from the Water and Sewer System Environmental Rate Stabilization Fund to the Environmental Capital Fund.

## **VII. Five Year Projection**

Staff will prepare a Five Year Projection annually that will be presented to Board of Directors and Rating Agencies. The Five Year Projection will address the status of the current pricing and forecasted cost-based revenue requirements.

The annual budgeting process will be used to project the cost-based revenue requirements and suggested pricing for the next fiscal year. Thereafter, factors to be considered in the projections include:

- Required revenue and resulting rates
- The forecast of unit sales
- Projected fuel and purchased power costs
- Projected non-fuel purchased power costs
- Projected operating and maintenance costs
- Contribution to the City General Fund
- Renewal and Replacement Deposit
- Amortization of regulatory assets and liabilities including gains and losses on debt refinancing, debt issue costs and other items approved by the Board
- Desired level of operating capital outlay
- Projected depreciation expense
- Desired debt service coverage, liquidity, and debt to asset levels consistent with a highly rated electric and water and sewer utilities
- Analysis of costs and revenue of any special charges for programs adopted by JEA and approved by the Board

## **VIII. Stabilization Funds**

The Board authorizes the funding and utilization of certain Stabilization Funds within each of the Electric and Water and Sewer Systems. Deposits and withdrawals will be made into each of the funds as specifically described below, and are governed by both this Pricing Policy and JEA's Bond Resolutions. The Stabilization Funds described below have a specific funding source which is approved by the Board, and uses of funds which are also approved by the Board. Any excess amounts remaining after the funding target is met and expenses are paid are refunded back to customers.

### **Fuel Stabilization Fund**

Target Balance

~~August 2019~~ October 2021

~~The target balance in the Fuel Stabilization Fund is equal to 15% of the greater of (i) the maximum fiscal year fuel cost in the preceding five fiscal years or (ii) the projected fiscal year fuel cost.~~

#### Funding and Authorization

~~The Fuel Charge for each Fiscal Year is established to include the projected fuel-related expenditures for the upcoming fiscal year as well as deposits required into the Fuel Stabilization Fund to maintain the target balance in the Fund. These projections, including any Fuel Stabilization Fund projected deposit amounts, are approved by the Board in connection with the approval of the annual Budget. Deposits to the Fuel Stabilization Fund during the fiscal year are made for amounts representing the excess of the variable rate fuel revenues (not including the fuel stabilization revenues) recorded for the fiscal year over the amount of actual fuel and purchased power expense for the fiscal year.~~

#### Allowable Uses

~~Withdrawals from the Fuel Stabilization Fund for fuel stabilization are limited to the following purposes:~~

- ~~— to reduce the variable fuel rate charge to the customers for a determined period of time~~
- ~~a) to reduce the excess of the actual fuel and purchased power expense for the fiscal year over the variable fuel rate revenues~~
- ~~a) to pay for the costs associated with any energy risk management activities and/or~~
- ~~a) to be rebated back to the customers as a credit against the electric bill~~

~~The balance in the Fuel Stabilization Fund may also be borrowed by the Electric System operating fund through an interfund loan, which requires the approval of the CFO and the CEO with the amounts required to be repaid within a reasonable period of time.~~

#### Excess Funds

~~Funds collected in excess of authorized fuel related expenses (including Fuel Stabilization Fund deposits, when required) shall be used to fund future expenses or be refunded to customers.~~

## **Customer Benefit Stabilization Fund**

#### Funding and Authorization

Deposits to the Customer Benefit Stabilization Fund are made for amounts representing the Residential Conservation Charge to the customer (\$0.01 per kWh over 2,750 kWh) and the Customer Benefit Revenue Allocation (up to \$0.50 per 1,000 kWh) during the course of the fiscal year. The Residential Conservation Charge revenues are direct collections from customers based on sales. The Customer Benefit Revenue Allocation is approved by the Board in connection with the annual Budget process.

#### Allowable Uses

Withdrawals from the Customer Benefit Stabilization Fund are limited to amounts representing charges to the applicable "Customer Benefit" expense types, which represent Customer Benefit programs approved annually by the Board. Amounts

9

~~August 2019~~ October 2021

withdrawn from the Customer Benefit Stabilization Fund will first be funded by the Residential Conservation Charge (\$0.01 per kWh over 2,750 kWh) and the remaining funded by the Customer Benefit Revenue Allocation (up to \$0.50 per 1,000 kWh). Any costs not recovered in the current year will be collected in future years through the Residential Conservation Charge and the Customer Benefit Revenue Allocation.

#### Excess Funds

Funds collected in excess of the approved Customer Benefit programs shall be used to fund future program expenses or be refunded to customers.

### **Electric System Environmental Stabilization Fund**

#### Funding and Authorization

Deposits to the Electric System Environmental Stabilization Fund are made for amounts collected from the Environmental Charge to the customer. The Environmental Charge will be set each year to recover the costs of approved projects. Any shortfalls will be included as a cost in determining the Environmental Charge.

#### Allowable Uses

Withdrawals from the Electric System Environmental Stabilization Fund are limited to potential environmental expenditures approved by the Board, and may include initiatives such as the cost of acquisition of renewable energy capacity. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source.

#### Excess Funds

Funds collected in excess shall be used to fund future environmental expenses or be refunded to customers.

### **Water and Sewer System Environmental Stabilization Fund**

#### Funding and Authorization

Deposits to the Water and Sewer System Environmental Stabilization Fund are made for amounts collected from the Environmental Charge to the customer. The Environmental Charge will be set each year to recover the costs of approved projects. Any shortfalls will be included as a cost in determining the Environmental Charge.

#### Allowable Uses

Withdrawals from the Water and Sewer System Environmental Stabilization Fund are limited to major environmental and regulatory program needs. Capital costs include those costs associated with specific environmental or regulatory requirements. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source. The Environmental Charge revenue may also be used for JEA's cost participation with the City of Jacksonville septic tank phase-out program, including a waiver of sewer and main extension fees, or for well mitigation. Additionally, the Environmental Charge revenue may be used for Customer Benefit programs

~~August 2019~~ October 2021

supporting the Consumptive Use Permit objective to reduce JEA's demand on the Florida Aquifer.

#### Excess Funds

Funds collected in excess shall be used to fund future environmental expenses or be refunded to customers.

### **Non-Fuel Purchased Power (NFPP) Stabilization Fund**

#### Target Balance

Initially, the total projected principal payments incurred by MEAG for the Vogtle Units 3 and 4 Purchased Power Agreement prior to the operating date of each unit.

#### Funding and Authorization

Deposits to the NFPP Stabilization Fund are for amounts associated with any non-fuel purchased power. The Board will determine as part of the Budget approval process or periodically throughout the year the amount to include in rates that will be deposited into the NFPP Stabilization Fund.

#### Allowable Uses

Withdrawals from the NFPP Stabilization Fund are to reimburse non-fuel purchased power expenses associated with Plant.

#### Excess Funds

Funds collected in excess shall be used to fund future non-fuel purchased power expenses or be refunded to customers.

### **Health Self-Insurance Reserve**

#### Target Balance

The target size of this reserve is based on regulatory requirements, market conditions and risk management experience, along with input from the Department of Insurance, the regulatory body responsible for oversight of all self-insurance health and medical plans.

The objective is to maintain appropriate reserves and to ensure the long-term viability of the organization and the sustainability of the self-insurance health programs. Rule 69O-149.053, Florida Administrative Code requires that JEA maintain a minimum surplus reserve of 60 days over and above the amount needed for the Plan's claim liability to cover costs associated with unexpected claims.

#### Funding and Authorization

JEA has established, from operating revenues, an internally designated "Health Self-Insurance Fund" to cover reserve requirements for its self-insurance health program. Reserve requirements will be reviewed and approved by the Board annually. The Board, as part of the Budget approval process, will approve amounts to be collected in rates that include both the current anticipated cost less amounts approved to be contributed by employees as well as amounts to maintain an adequate reserve for future costs.

~~August 2019~~October 2021

Allowable Uses:

The amounts approved for recovery from the employees will be used to reduce the annual cost. Any costs in excess of revenues collected will be included in rates at the direction of the Board in a future period.

Excess Funds

Any amount over the required reserve requirement will be used to reduce future costs included in rates or will be refunded to the employee through premium holidays as approved by the Board.

**IX. Policy Exceptions**

Any pricing activity determined to be in conflict with this Policy will be brought to the Board of Directors for review and approval prior to adoption, and resulting metrics will be reported on an annual basis within the Five Year Projection.

**X. Effective Date**

This Pricing Policy became effective October 1, 2005 (originally called "Pricing Philosophy"). This revision will become effective on the date on which it is adopted by the full Board effective ~~October 1, 2019~~November 1, 2021.

October 2021

## Pricing Policy

### I. Scope

This Pricing Policy is intended to provide broad guidance and to facilitate the management, control and oversight of JEA's pricing structure. Its primary goal is to establish revenue requirements to fully recover the costs necessary to operate and maintain the utility, consistent with its mission, through fair and equitable pricing. This includes sufficient revenue for required transfers to the City, depreciation expense, and balance sheet liquidity. The total revenue requirement of each system must be sufficient to ensure the financial integrity of the utility, including recovery of debt service, sufficient revenue to meet renewal and replacement fund requirements, and maintenance of key financial metrics. It recognizes the operational challenges of managing dynamic businesses with major cost drivers such as significant regulatory reform, as well as fuel and debt service, which are dependent on global market conditions. The Pricing Policy contains the guiding parameters that JEA utilizes to develop its financial reporting, ratemaking, budget, and financial projections.

The Board is JEA's independent body responsible for setting rates. As part of this responsibility, the Board acknowledges that the rate setting policy and practices utilized will govern JEA's accounting under current generally accepted accounting principles, meaning that rate actions by the Board will impact when certain costs and revenues are recognized for financial statement purposes. This policy formalizes the rate philosophy utilized in prior years and codifies policy changes required for the implementation of regulatory accounting beginning with FY2015, including the change in rate setting methodology from Cash Basis to Utility Basis.

### II. Goal and Objectives

JEA's pricing shall be managed with an overall philosophy to provide advantages of a community-owned utility by delivering high quality, reliable and exceptional service at fair and competitive rates. JEA will exhaust all other net revenue improvement opportunities before recommending any price increases. JEA will develop a price structure that is based on cost of service and allocates costs to appropriate customer classes based on the cost to serve each class. Pricing shall be sufficient, predictable, consistent, understandable, fair, equitable, non-discriminatory and relatively easy to administer. A comprehensive cost of service study will be performed at a minimum of every five years to support that the rates charged by class are based on cost.

### III. Responsibility for Pricing Policy

The overall Pricing Policy is approved by the JEA Board of Directors and implemented by the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and staff. Annually, during the development of the Five Year Financial Projection that is provided to the credit rating agencies, the CEO, Chief Operating Officer (COO), CFO, Chief Customer Officer (CCO), Vice President/General Manager Water Wastewater Systems, and Vice President/General Manager Electric



October 2021

Systems will meet to develop strategy and review pricing and financial performance. JEA's Financial Planning and Rates department will develop and manage processes to implement and administer this Policy. Based on this review, any changes to pricing such that JEA continues to have rates based on cost of service and sufficient to maintain each System's financial integrity will be recommended to the Board for approval.

#### **IV. Authorization**

The JEA Board of Directors is independent from JEA management and has the power to fix, pledge to establish or establish, levy, regulate, impose and collect rates, assessments, fees and charges for the use or benefit of the utilities system and to alter and amend the same from time to time.

Although JEA is a non-jurisdictional entity, Tariffs approved by the Board of Directors are filed with the Public Service Commission for information and review. The Florida Public Service Commission (FPSC) does not regulate the revenue requirement of municipal utilities, yet pursuant to Section 366.04 (2), Florida Statutes, the FPSC has jurisdiction to review a rate structure for municipal utilities.

#### **V. Electric System**

Revenue requirements and rate design for the Electric System shall be constructed in three major categories: Base Rate, Fuel Charge, and Environmental Charge.

##### **Base Rate**

###### Structure

The Base Rate will be structured with two major components: a fixed monthly charge and consumption charges. The fixed charge is billed as a "Basic Monthly Charge" and the consumption charges are billed as "Energy Charge," "Residential Conservation Charge," "*Demand Charge*," and "*Excess kVar Charge*." (Italicized charges apply to commercial or industrial customers only, and do not appear on typical residential bills.) Revenue requirements and rates will be set using depreciation expense as the capital recovery estimate but must also ensure the financial integrity of the Electric System by achieving the following objectives:

- A minimum annual total debt service coverage ratio of 2.2x, (with a long-term goal of consistently achieving a minimum annual total debt service coverage ratio of 2.5x)
- A minimum of 150 to 250 days of liquidity
- Continue to move towards a maximum debt to asset ratio of 60%
- Maintain stabilization funds as detailed in the "Stabilization Funds" section

Staff plans to phase in higher fixed components of base rates over time, utilizing widely accepted principles and practices to better reflect the fixed components of JEA's electric system cost structure.

###### Pricing

The Base Rate will recover expenditures necessary to operate and maintain the system, depreciation expense, capital required to maintain the system, the

October 2021

necessary contribution to the City, any special charges for programs adopted by JEA and approved by the Board, and additional revenues required to maintain the financial integrity of the System.

Staff will review with the Board of Directors the Base revenue and capital funding plans during both the annual budget cycle and the discussion of the Five Year Projection (as outlined in the "Five Year Projection" section). Recurring capital will be recovered from revenues each year. Non-recurring or unanticipated (i.e., storm damage or major equipment failure) costs will be evaluated by management to determine the best source of capital funding. This can include absorbing the cost in the current year budget or the inclusion of cost in future rates over a period of time with funding of the cost from debt or reserves. Authorization from the Board to recover non-recurring capital over a future period of time may constitute an asset on JEA's balance sheet.

The Base Rate will additionally include a policy-directed allocation of current year base electric revenues to Customer Benefit programs to be collected in addition to the Residential Conservation Charge. Staff will develop specific programs such as electrification, direct load control, demand side management, residential low income efficiency programs, and customer utility optimization education programs, set program objectives and periodically report the status of the programs. Each year, the Customer Benefit budget will include an allocation for customer education initiatives at least equal to revenues generated from the Residential Conservation Charge (initially set at \$0.01 per kWh for monthly residential consumption in excess of 2,750 kWh) collected from customers in the prior year. The budgeted carve-out from the Base Rate will be set each year based on funding required to meet the targets determined by staff, at least equal to the Residential Conservation Charge and not to exceed \$0.50 per 1,000 kWh. Any amounts collected in excess of current and future anticipated need will be used for future costs or refunded to customers. The Customer Benefit programs do not function as special charge, but are a component of JEA's cost of service in determination of the Base Rate each year.

Gains realized from coordinated dispatch agreements will be allocated to base revenue, unless otherwise directed by the Board.

## **Fuel Charge**

### Structure

The Fuel Charge will be structured for full recovery of actual energy expenditures including direct fuel expenses, fuel procurement, fuel handling, residual disposal expense, less any proceeds from the sale of residuals, byproduct expenses directly utilized in managing the facilities used to prepare the byproduct for its final disposition, fuel hedging activities including gains and losses on settlement of fuel hedges, power purchase energy charges such as fuel, and renewable energy that is not considered generation available for JEA's current capacity plans.

The Fuel Charge structure shall also include recovery of prior positive or negative variances.

### Pricing

October 2021

The Fuel Charge will be set monthly. The Charge is based on the energy cost projection for the billing month to fully recover all expected fuel-related costs. Any variance will be true-up in the subsequent billing month. Should forecasted energy costs result in a Fuel Charge adjustment of greater than 20%, recovery of the true-up may be extended over a period of time as determined by the CEO/Managing Director or designee.

Fuel and energy expenses not recovered by revenue within the month will be paid from unrestricted funds. Each month, management shall report the total fuel revenues, expenses and the resulting surplus or deficit. All authorized fuel-related costs shall be recovered through the Fuel Charge and funds collected in excess of authorized fuel-related costs shall be used to fund future fuel expenses or be refunded to customers.

Should funds be available in the legacy Fuel Stabilization Fund during the transition from an annual Fuel Charge adjustment to a monthly Fuel Charge adjustment, the funds will be utilized to mitigate Fuel Charge increases to the customer until the fund is depleted.

## **Environmental Charge**

### Structure

The Environmental Charge is applied to all kWh consumption and structured to provide funding for major specific environmental and regulatory program needs.

### Pricing

The Environmental Charge is designed to recover from customers costs of environmental remediation, environmental projects and compliance with new and existing environmental regulations, excluding the amount already collected in the Environmental Liability Reserve. Applicable use of funds is described in the "Stabilization Funds" section.

Annually the Board will review and approve the operating, maintenance and capital costs of projects to be included in determining the Environmental Charge for that year. For capital projects funded from sources other than the environmental charge revenues, the Board will determine an appropriate method including recovery period for including these costs in the determination of the Environmental Charge. The revenues collected will be used to reimburse the fund that provided the original funding. Methods used for recovery can include amortization over a relatively short period of time, depreciation expense and related carrying charge of the related asset or other reasonable methods.

Any revenues collected in excess of costs in any period will be used to fund operating and capital costs of approved projects in the future.

The amounts collected from the Environmental Charge will be accounted for in the Electric System Environmental Stabilization Fund. Amounts collected for future environmental capital projects are transferred from the Electric System Environmental Rate Stabilization Fund to the Environmental Capital Fund.

## **VI. Water and Sewer System**

October 2021

Revenue requirements and rate design for the Water and Sewer System shall be constructed in two major categories: Base Rate and Environmental Charge.

## **Base Rate**

### Structure

Revenue and rate design for the Water and Sewer System shall be constructed in two major categories: monthly charges and initial charges, including capacity and main extension fees. Standard monthly charges will include two primary components: A fixed monthly charge and volume charges based on customer usage. The fixed charge is billed as a “Basic Monthly Charge” and the volume charges are billed as “Water Consumption Charges” and “Sewer Usage Charges”.

Revenue requirements and rates will be set using depreciation expense as the capital recovery estimate but must also ensure the financial integrity of the Water and Sewer System by achieving the following objectives:

- A minimum annual total debt service coverage ratio of 1.8x, with a long-term goal of consistently achieving a minimum annual total debt service coverage ratio of 2.0x
- A minimum of 100 days of liquidity
- A long-term objective of a maximum debt to asset ratio of 50%
- Maintain stabilization funds in the “Stabilization Funds” section

### Pricing

The Base Rate will recover expenditures necessary to operate and maintain the system, depreciation expense, capital required to maintain the system, the necessary contribution to the City, any special charges for programs adopted by JEA and approved by the Board, and additional revenues required to maintain the financial integrity of the System.

Staff will review with the Board of Directors the Base revenue and capital funding plans during both the annual budget cycle and the discussion of the Five Year Projection (as outlined in the “Five Year Projection” section). Recurring capital not recovered via the Environmental Charge will be recovered from revenues each year. Non-recurring or unanticipated (i.e., storm damage or major equipment failure) costs will be evaluated by management to determine the best source of capital funding. This can include absorbing the cost in the current year budget or the inclusion of cost in future rates over a period of time with funding of the cost from debt or reserves. Authorization from the Board to recover non-recurring capital over a future period of time may constitute an asset on JEA’s balance sheet. The annual principal repayment requirements and contributions to the Renewal and Replacement Fund will be added to the non-capacity capital expenditure amount with the amount in excess of the annual depreciation expense included as an additional cost in setting rates. Capacity fee revenue will be used as an additional source of revenue in determining annual revenue requirements.

Capacity fees to recover water, sewer and reclaimed water treatment facilities investment are established to recover 100% of the cost, including materials, of performing these services. These fees will be reviewed and if necessary, adjusted at least every three years. Capacity fees to recover the cost of off-site water and sewer line extensions shall be established to recover:

5

October 2021

- 75% master plan main extension attributed to general system growth, assessed on a per connection basis; and
- 100% main extension attributed to specific development, assessed to the developer in accordance with JEA's development policy.

On-site line extensions have been and will remain the financial responsibility of the developer, builder, homeowner or business and shall be contributed to JEA at no charge to own, operate and maintain.

Tap and meter fees will be established to recover 100% of the cost, including materials, of performing tap and meter services. These fees will be reviewed and, if necessary, adjusted at least every three years.

Staff will review with the Board of Directors the revenue and capital funding plans during both the annual budget cycle and the Five Year Projection/Rating Agency cycle.

## **Environmental Charge**

### Structure

The Environmental Charge is applied to all kgal sales and structured to provide funding for major specific environmental and regulatory program needs.

### Pricing

The Environmental Charge is designed to recover from customers costs of environmental remediation, environmental projects and compliance with new and existing environmental regulations. Applicable use of funds is described in the "Stabilization Funds" section.

Annually the Board will review and approve the operating, maintenance and capital costs of projects to be included in determining the Environmental Charge for that year. For capital projects funded from sources other than the environmental charge revenues, the Board will determine an appropriate method including recovery period for including these costs in the determination of the Environmental Charge. The revenues collected will be used to reimburse the fund that provided the original funding. Methods used for recovery can include amortization over a relatively short period of time, depreciation expense and related carrying charge of the related asset or other reasonable methods.

Any revenues collected in excess of costs in any period will be used to fund operating and capital costs of approved projects in the future.

The amounts collected from the Environmental Charge will be accounted for in the Water and Sewer System Environmental Stabilization Fund. Amounts collected for future environmental capital projects are transferred from the Water and Sewer System Environmental Rate Stabilization Fund to the Environmental Capital Fund.

## **VII. Five Year Projection**

Staff will prepare a Five Year Projection annually that will be presented to Board of Directors and Rating Agencies. The Five Year Projection will address the status of the current pricing and forecasted cost-based revenue requirements.

October 2021

The annual budgeting process will be used to project the cost-based revenue requirements and suggested pricing for the next fiscal year. Thereafter, factors to be considered in the projections include:

- Required revenue and resulting rates
- The forecast of unit sales
- Projected fuel and purchased power costs
- Projected non-fuel purchased power costs
- Projected operating and maintenance costs
- Contribution to the City General Fund
- Renewal and Replacement Deposit
- Amortization of regulatory assets and liabilities including gains and losses on debt refinancing, debt issue costs and other items approved by the Board
- Desired level of operating capital outlay
- Projected depreciation expense
- Desired debt service coverage, liquidity, and debt to asset levels consistent with a highly rated electric and water and sewer utilities
- Analysis of costs and revenue of any special charges for programs adopted by JEA and approved by the Board

### **VIII. Stabilization Funds**

The Board authorizes the funding and utilization of certain Stabilization Funds within each of the Electric and Water and Sewer Systems. Deposits and withdrawals will be made into each of the funds as specifically described below, and are governed by both this Pricing Policy and JEA's Bond Resolutions. The Stabilization Funds described below have a specific funding source which is approved by the Board, and uses of funds which are also approved by the Board. Any excess amounts remaining after the funding target is met and expenses are paid are refunded back to customers.

#### **Customer Benefit Stabilization Fund**

##### Funding and Authorization

Deposits to the Customer Benefit Stabilization Fund are made for amounts representing the Residential Conservation Charge to the customer (\$0.01 per kWh over 2,750 kWh) and the Customer Benefit Revenue Allocation (up to \$0.50 per 1,000 kWh) during the course of the fiscal year. The Residential Conservation Charge revenues are direct collections from customers based on sales. The Customer Benefit Revenue Allocation is approved by the Board in connection with the annual Budget process.

##### Allowable Uses

Withdrawals from the Customer Benefit Stabilization Fund are limited to amounts representing charges to the applicable "Customer Benefit" expense types, which represent Customer Benefit programs approved annually by the Board. Amounts withdrawn from the Customer Benefit Stabilization Fund will first be funded by the Residential Conservation Charge (\$0.01 per kWh over 2,750 kWh) and the remaining funded by the Customer Benefit Revenue Allocation (up to \$0.50 per 1,000 kWh). Any costs not recovered in the current year will be collected in future

October 2021

years through the Residential Conservation Charge and the Customer Benefit Revenue Allocation.

#### Excess Funds

Funds collected in excess of the approved Customer Benefit programs shall be used to fund future program expenses or be refunded to customers.

### **Electric System Environmental Stabilization Fund**

#### Funding and Authorization

Deposits to the Electric System Environmental Stabilization Fund are made for amounts collected from the Environmental Charge to the customer. The Environmental Charge will be set each year to recover the costs of approved projects. Any shortfalls will be included as a cost in determining the Environmental Charge.

#### Allowable Uses

Withdrawals from the Electric System Environmental Stabilization Fund are limited to potential environmental expenditures approved by the Board, and may include initiatives such as the cost of acquisition of renewable energy capacity. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source.

#### Excess Funds

Funds collected in excess shall be used to fund future environmental expenses or be refunded to customers.

### **Water and Sewer System Environmental Stabilization Fund**

#### Funding and Authorization

Deposits to the Water and Sewer System Environmental Stabilization Fund are made for amounts collected from the Environmental Charge to the customer. The Environmental Charge will be set each year to recover the costs of approved projects. Any shortfalls will be included as a cost in determining the Environmental Charge.

#### Allowable Uses

Withdrawals from the Water and Sewer System Environmental Stabilization Fund are limited to major environmental and regulatory program needs. Capital costs include those costs associated with specific environmental or regulatory requirements. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source. The Environmental Charge revenue may also be used for JEA's cost participation with the City of Jacksonville septic tank phase-out program, including a waiver of sewer and main extension fees, or for well mitigation. Additionally, the Environmental Charge revenue may be used for Customer Benefit programs supporting the Consumptive Use Permit objective to reduce JEA's demand on the Florida Aquifer.

October 2021

### Excess Funds

Funds collected in excess shall be used to fund future environmental expenses or be refunded to customers.

## **Non-Fuel Purchased Power (NFPP) Stabilization Fund**

### Target Balance

Initially, the total projected principal payments incurred by MEAG for the Vogtle Units 3 and 4 Purchased Power Agreement prior to the operating date of each unit.

### Funding and Authorization

Deposits to the NFPP Stabilization Fund are for amounts associated with any non-fuel purchased power. The Board will determine as part of the Budget approval process or periodically throughout the year the amount to include in rates that will be deposited into the NFPP Stabilization Fund.

### Allowable Uses

Withdrawals from the NFPP Stabilization Fund are to reimburse non-fuel purchased power expenses associated with Plant.

### Excess Funds

Funds collected in excess shall be used to fund future non-fuel purchased power expenses or be refunded to customers.

## **Health Self-Insurance Reserve**

### Target Balance

The target size of this reserve is based on regulatory requirements, market conditions and risk management experience, along with input from the Department of Insurance, the regulatory body responsible for oversight of all self-insurance health and medical plans.

The objective is to maintain appropriate reserves and to ensure the long-term viability of the organization and the sustainability of the self-insurance health programs. Rule 69O-149.053, Florida Administrative Code requires that JEA maintain a minimum surplus reserve of 60 days over and above the amount needed for the Plan's claim liability to cover costs associated with unexpected claims.

### Funding and Authorization

JEA has established, from operating revenues, an internally designated "Health Self-Insurance Fund" to cover reserve requirements for its self-insurance health program. Reserve requirements will be reviewed and approved by the Board annually. The Board, as part of the Budget approval process, will approve amounts to be collected in rates that include both the current anticipated cost less amounts approved to be contributed by employees as well as amounts to maintain an adequate reserve for future costs.

### Allowable Uses:



October 2021

The amounts approved for recovery from the employees will be used to reduce the annual cost. Any costs in excess of revenues collected will be included in rates at the direction of the Board in a future period.

Excess Funds

Any amount over the required reserve requirement will be used to reduce future costs included in rates or will be refunded to the employee through premium holidays as approved by the Board.

**IX. Policy Exceptions**

Any pricing activity determined to be in conflict with this Policy will be brought to the Board of Directors for review and approval prior to adoption, and resulting metrics will be reported on an annual basis within the Five Year Projection.

**X. Effective Date**

This Pricing Policy became effective October 1, 2005 (originally called "Pricing Philosophy"). This revision will become effective on the date on which it is adopted by the full Board effective November 1, 2021.



Vogtle Units 3 and 4 northeast side

## **Plant Vogtle**

### **Units 3 & 4**

**Jody Brooks**  
*Chief Administrative Officer*

**Joe Orfano**  
*Vice President, Financial Services*



## Plant Vogtle - Units 3 & 4



The importance of nuclear energy to be added to JEA energy mix in 2008

Construction begins under a fixed price Engineering, Procurement, Construction (EPC) contract with Westinghouse / Shaw, Stone & Webster

Owners and Public Service Commission vote to continue the project after Westinghouse filed bankruptcy and substantial construction delays and cost overruns

MEAG and JEA lawsuits, Federal Energy Regulatory Commission (FERC) petition and settlement

### JEA's entry into nuclear energy and current status

## Why JEA Considered Adding Nuclear to its Mix | 2008



### Nuclear Power

104 nuclear power plants operating in 31 states

20% of electric power generated in U.S.

Consolidation of ownership to small number of effective nuclear operators (e.g., Southern, Duke, Exelon, Entergy, Dominion, FPL, Progress, Constellation)

High capacity factors – 90-95%

Low operating cost

Public perception has changed & supportive administrations (last 10 years)

Streamlined regulatory process with an established safety record

License applications (COLAs) submitted for 28 new nuclear power plants at 18 sites

JEA expected to need additional capacity to meet projected growth

Natural gas prices were higher than what we've seen over the last decade and weren't expected to decrease in the foreseeable future

Need for replacement baseload capacity amid climate change/carbon (CO<sub>2</sub>) concerns

Total nuclear power cost competitive to other projects/technology

## Decision Factors for JEA | 2008



### MEAG Purchased Power Agreement (PPA)

#### Plant Vogtle Units 3 & 4

NuStart reference plant for AP1000 technology (9 nuclear utilities)

#1 ranked new nuclear project in the United States by DOE

Expansion of successful existing nuclear facility

Several regulatory milestones had been achieved

- Georgia needs certificate issued
- First Construction Work in Progress (CWIP) report accepted
- Early Site Permit issued with Limited Work Authorization
- COLA filed, accepted and scheduled

#### **Plant Vogtle / MEAG Power Purchase Agreement (“PPA”) Decision Factors**

Growth Rate and Expected Need

Natural Gas Prices

Carbon Dioxide Legislation

Nuclear Industry

Partners and Contractors

#### New Technology and EPC contract

Technology is close to certification and under construction in China

Favorable EPC contract with 85% of the EPC costs locked in; remaining variable costs relate to labor hourly rate

Favorable EPC cost risk allocation

# Nuclear in the JEA Portfolio | 2008



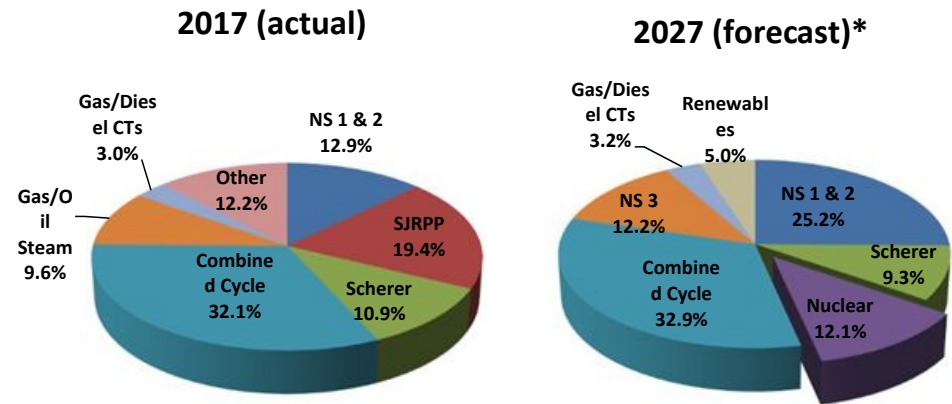
Municipal Electric Authority of Georgia (MEAG) offered a 206 MW PPA from Vogtle Nuclear Expansion Project (Units 3 & 4) for first 20 years of production

JEA Board approved a PPA with the MEAG for 206 MW of capacity and energy from the Vogtle Nuclear Expansion Project (Units 3 and 4)

MEAG PPA was executed in 2008, amended and restated in 2014

Would represent approximately 12 percent of JEA's energy mix

## Energy Mix (MWh)



\* 2017 Ten Year Site Plan, with 5x50 MW Solar contribution

Nuclear forecasted to be 12% of energy mix

# HISTORICAL DEAL STRUCTURE



## Structure of Plant Vogtle Units 3 & 4 Ownership

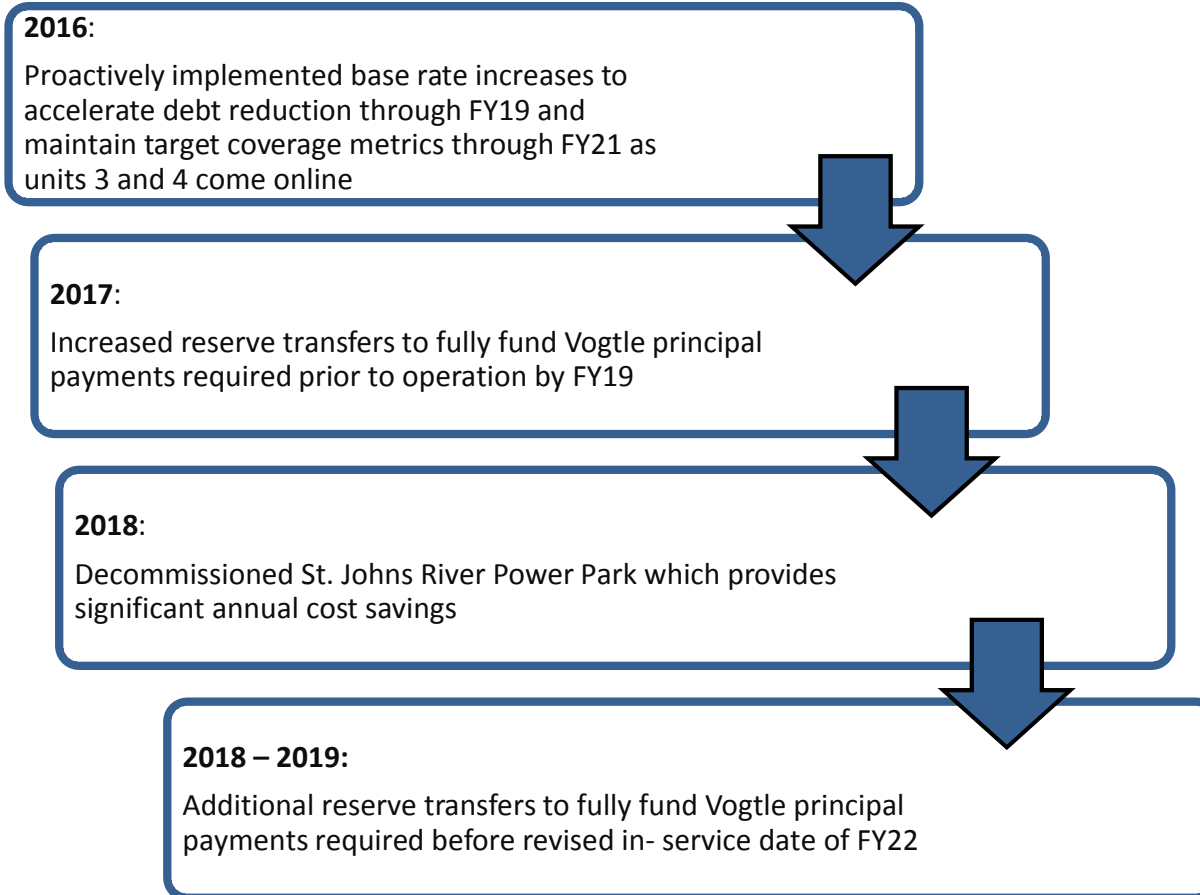
Plant Vogtle is located near Waynesboro in eastern Georgia near the South Carolina border and is jointly owned by:

<b>Georgia Power (GPC) (45.7%)</b>	<b>Oglethorpe Power Corporation (30%)</b>
<b>MEAG (22.7%)</b>	<b>Dalton Utilities (1.6%)</b>



The MEAG Participants include 49 municipalities in Georgia: Acworth, Adel, Albany, Barnesville, Blakely, Brinson, Buford, Cairo, Calhoun, Camilla, Cartersville, College Park, Commerce, Covington, Doerun, Douglas, East Point, Elberton, Ellaville, Fairburn, Fitzgerald, Forsyth, Fort Valley, Grantville, Griffin, Hogansville, Jackson, LaFayette, LaGrange, Lawrenceville, Mansfield, Marietta, Monroe, Monticello, Moultrie, Newnan, Norcross, Oxford, Palmetto, Quitman, Sandersville, Sylvania, Sylvester, Thomaston, Thomasville, Washington, West Point and Whigham; 39 of the 49 municipalities have a PPA with MEAG for the second 20 years of production.

# Comprehensive Financial Plan Execution

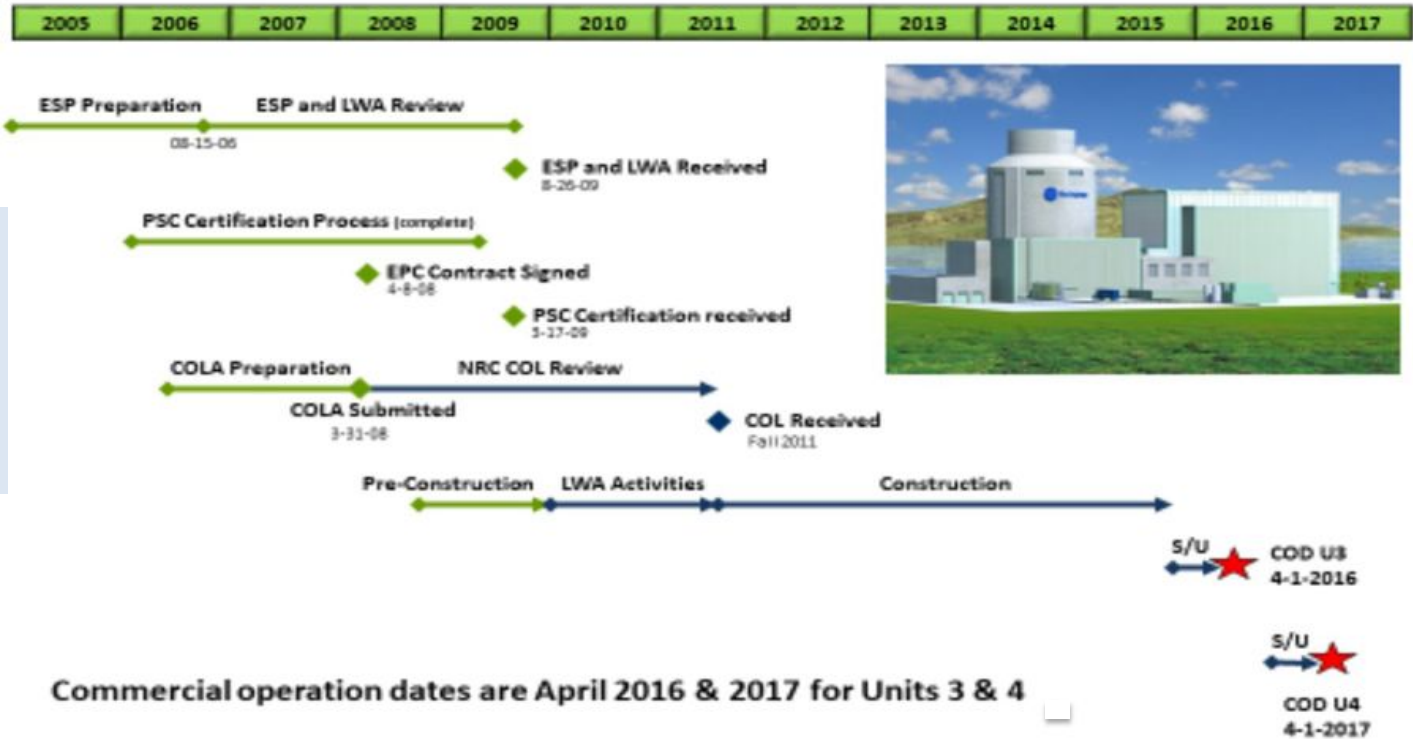




# Original Schedule Overview



## MEAG PPA – Vogtle 3 & 4 Schedule Overview



The project was originally scheduled to begin operating in April 2016 for Unit 3 and April 2017 for Unit 4, and initial construction was estimated at approximately \$15 Billion

Commercial operation dates are April 2016 & 2017 for Units 3 & 4

## Problems At Plant Vogtle (Units 3 &4)



Westinghouse bankruptcy filing

Construction cost overruns – In excess of \$12 Billion for total project

Construction delays

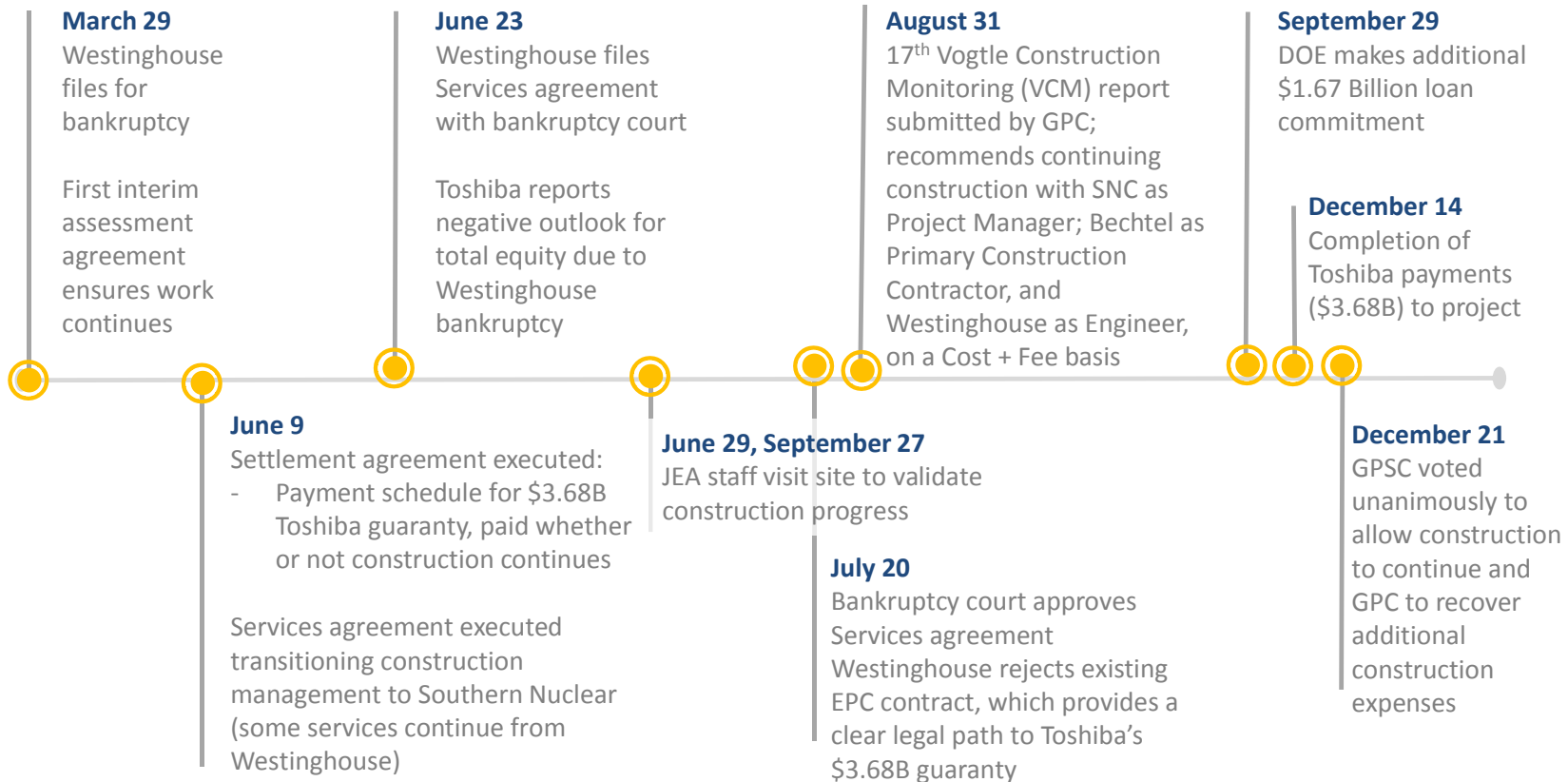
**Change in contractor & contract terms – No longer fixed price EPC contract**

Southern Nuclear (SNC), a subsidiary of Georgia Power, is substituted in for Westinghouse and the construction contract becomes a ***Cost Plus contract with no cap on construction costs***

Southern Nuclear has never built a nuclear power plant – Because JEA is not an owner of Vogtle, we had no say in the substitution of Westinghouse or in the continuation of the project

Project continues with Southern Nuclear as project manager, under time and materials contract with Bechtel as construction manager

## 2017 – “Go” or “No Go” Decision



**Owners and Public Service Commission make decision to continue with the project**

## Navigant Study | 2017



Navigant evaluated the economics from JEA's perspective of construction activities at Vogtle Units 3 and 4 being terminated on January 1, 2018 relative to completion of the project using the latest cost-to complete estimate

Based on this evaluation, cancellation of the project is less costly to JEA than completing Units 3 and 4

The No Go scenario is 15% to 32% less expensive in terms of JEA's cost per MWh (based on levelized nominal costs over 20 years) according to Navigant's analysis

Total Completion Level – 67%\*  
Construction Completion – 51%\*



## Challenges in Georgia and Florida



**MEAG in Georgia Court – September 11, 2018**, MEAG filed suit against JEA in the Northern District of Georgia alleging claims for (i) a declaratory judgment that the Additional Vogtle Units PPA is enforceable against JEA (ii) breach of contract for JEA's alleged failure to adhere to the Additional Vogtle Units PPA's cooperation clause and (iii) specific performance requiring JEA to continue to comply with the Additional Vogtle Units PPA. On April 9, 2019, the district court for the Northern District of Georgia entered an order granting JEA's motion to dismiss and dismissing MEAG's complaint. The court gave several reasons for dismissing MEAG's complaint, including because MEAG lacks standing due to failing to allege a definite threat of future injury and because its claim for breach of the cooperation clause is not actionable absent allegations that JEA had breached another provision of the Additional Vogtle Units PPA.

**JEA/City in Florida Court – September 11, 2018**, JEA and the City filed suit against MEAG in the Fourth Judicial Circuit Court of Florida, seeking a declaratory judgment that the Additional Vogtle Units PPA is invalid and unenforceable against JEA. MEAG removed JEA's and the City's suit to the Middle District of Florida. MEAG filed a notice of appeal of the dismissal to the Eleventh Circuit Court of Appeals.

**Two lawsuits filed the same day**

## FERC Regulatory Proceeding



**September 17, 2018** - JEA filed a petition with the Federal Energy Regulatory Commission ("FERC") seeking a determination that FERC has exclusive jurisdiction pursuant to the Federal Power Act over the Additional Vogtle Units PPA (the "FERC Petition"). Numerous entities, including MEAG, public utilities, municipalities, and trade groups, filed comments with FERC challenging the theories of law and arguments raised in the FERC Petition.

**February 21, 2019**, FERC issued an order denying the FERC Petition and disclaimed jurisdiction over the Additional Vogtle Units PPA. JEA did not seek FERC's reconsideration of the order.



**No Regulatory Oversight of Power Purchase Agreement**

## Settlement



**July 30, 2020** - JEA and MEAG filed a voluntary notice and announced a settlement of all disputed issues relating to the Additional Vogtle Units PPA.

**August 12, 2020** - JEA, the City and MEAG dismissed the litigation among the parties in both the United States District Court for the Northern District of Georgia and the United States Court of Appeals for the Eleventh Circuit. As part of the settlement, the parties agreed to accept without challenge or appeal the June 17, 2020 order of the district court determining that the Additional Vogtle Units PPA is valid and enforceable.

Settlement terms agreed to by MEAG and JEA:

- An increase in the "Additional Compensation Obligation" payable by JEA to MEAG of \$0.75 per MWh of energy delivered to JEA
- Subject to the rights granted to other Project J participants in their power sales contracts, a right of first refusal for JEA to purchase all or any portion of the entitlement share of a Project J participant to the output and services of Project J in the event that any Project J participant requests MEAG to effectuate a sale of such entitlement share pursuant to such participant's power sales contract. Applicable during the period commencing ten (10) years following the commercial operation date of the first of Vogtle Unit 3 or Vogtle Unit 4 to achieve commercial operation and continuing until the expiration of twenty (20) years following such commercial operation date. To exercise its right of first refusal, JEA will be required to pay the price offered by a third-party purchaser or the fully embedded costs as provided for in the Project J power sales contract, whichever is greater.

## Recent Project Milestones



- 1. Completion of Hot Functional Testing for Unit 3** – Marks a significant step towards commercial operations. During hot functional testing, plant systems achieved normal operating pressure and temperature, without nuclear fuel, to verify the successful operation of reactor components and systems together.
- 2. Initial Energization for Unit 4** – Plant equipment for Unit 4 is energized, or permanently powered, which is needed to perform all subsequent testing for the unit.
- 3. Final Module Placed** – All modules for Georgia Power's Vogtle 3 & 4 project have now been set as a massive water tank, known as CB20, has been lifted into place atop the Unit 4 containment vessel and shield building roof.
- 4. Unit 4 Starting Integrated Flush** – This test pushes water through the permanent plant system piping that feeds into the reactor vessel and reactor coolant loops. Integrated flush represents a critical step as the process is key to helping ensure the safe startup of Unit 4 and marks the start of extensive testing ahead for the unit's systems.





## Revised Schedule




As reported to the JEA Board earlier this year by Roland Berger and Modus, there was little confidence in the latest estimate at completion as forecasted by Georgia Power (VCM24) and recently confirmed by Georgia Power announcement (July 29, 2021) of a revised schedule resulting from productivity challenges and additional time for testing and quality assurance.

The latest “revised” schedule:

**Unit 3** – Estimated in-service date in the second quarter of 2022 (April 2022 to June 2022)

**Unit 4** – Estimated in-service date in first quarter of 2023 (January 2023 to March 2023)

**“With the completion of Unit 3 Hot Functional Testing, Unit 3 direct construction is now 99% complete, with the total Vogtle 3 & 4 expansion project approximately 93% complete. The completion of hot functional testing marks a significant step towards commercial operations.”**



### Impact to JEA Customers

The total Project J cost has more than doubled since the JEA Board approved the MEAG Power Purchase Agreement in May 2008

JEA’s efforts to mitigate these additional costs has lessened the impact – increasing the estimated cost per MWh by at least 40%

## JEA Site Visit | September 2021



JEA visited the site on September 23, 2021

- Tour of Unit 3
- Discussion with MEAG and Georgia Power representatives

JEA is scheduled to visit the site again during week of October 25<sup>th</sup>



JEA is not an owner, but has a 20-year PPA with MEAG and should continue to work collectively with MEAG to ensure the project stays on course with the most recently set schedule and do everything necessary to keep the costs of the project down for the benefit of JEA's customers.



## **2008 Nuclear Added to JEA's Energy Mix**



# Nuclear Power | 2008



## Past

First nuclear power plant 1957 Shippingport, PA

Same basic technology – Light Water Reactors (“LWRs”)

Evolving designs; little standardization (each plant unique)

Nascent regulator (Atomic Energy Commission (“AEC”)/ Nuclear Regulatory Commission (“NRC”))

2-step hearing process

Evolving technical and safety requirements

Skeptical environmental community

Low capacity factors – 45-50%

Demand decrease during construction

High interest rates

## 2008

104 nuclear power plants operating in 31 states

20% of electric power generated in U.S.

Consolidation of ownership to small number of effective nuclear operators (e.g., Southern, Duke, Exelon, Entergy, Dominion, FPL, Progress, Constellation)

Mature regulator

Established safety record

High capacity factors – 90-95%

Low operating cost

## Future

Need for replacement baseload capacity

Climate change/carbon concerns (CO<sub>2</sub>)

Coal out of favor (for many reasons)

Public perception has changed

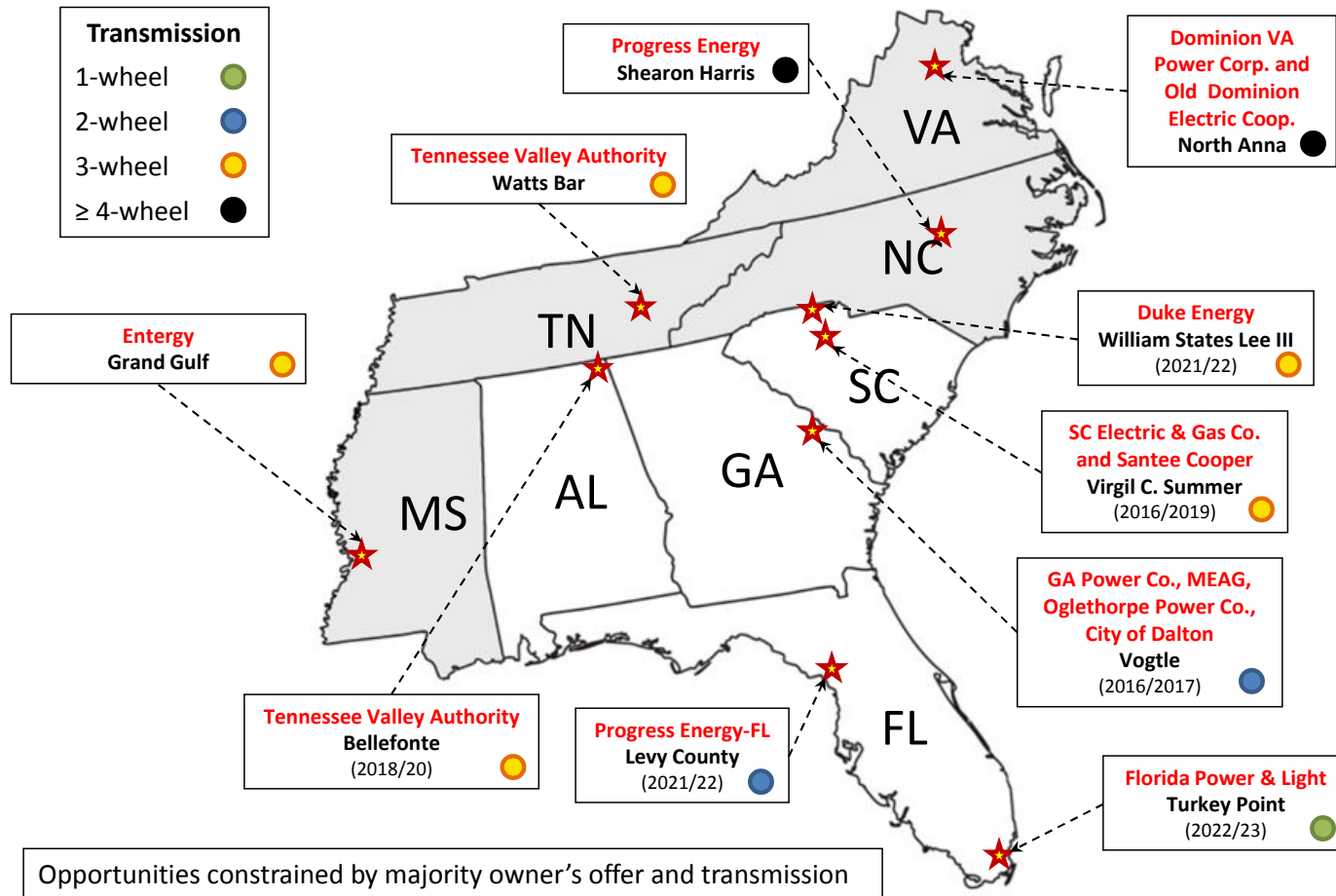
Supportive administrations (last 10 years)

Streamlined regulatory process

License applications (COLAs) submitted for 28 new nuclear power plants at 18 sites

Most clustered in southeastern U.S.

# Proposed Nuclear Units in Southeast | 2008



## Opportunities for Municipals | 2008



Long history of municipals and cooperatives being involved in nuclear power plants in U.S.

Municipals become non-operating owners

Receive pro-rata share of energy and capacity from plant in return for pro-rata share of construction and operating costs

Municipals highly sought by investor-owned utilities (IOU) as partners for new nuclear plants (IOUs cannot go it alone)

Spreads cost and financial obligations

Diversity of revenue recovery

Improves perception by state regulators and legislators

Allows municipals to leverage experience and capability of proven nuclear power plant owner and operator

## Opportunities for JEA | 2008



JEA is particularly well suited to participate in new nuclear power projects

High credit rating coveted by IOUs developing new plants

Sufficient size to have a real impact on plant financing

Established nuclear power bona fides with Vogtle participation and MEAG bond financing

Right geographic location with access to several opportunities

### Opportunities for JEA to Seek:

Established and successful nuclear plant owner/operator

Demonstration of commitment to new plant

Friendly state regulator for cost recovery

Positive public perception (nuclear power and operator)

Existing or previously-licensed site

Adequate water and good site stability

Reasonable choice for new technology

Transmission system capacity and wheels

Alignment with new owner's views on schedule

### Plant Vogtle / MEAG PPA

#### Decision Factors:

Growth Rate and Expected Need

Natural Gas Prices

Carbon Dioxide Legislation

Nuclear Industry

Partners and Contractors

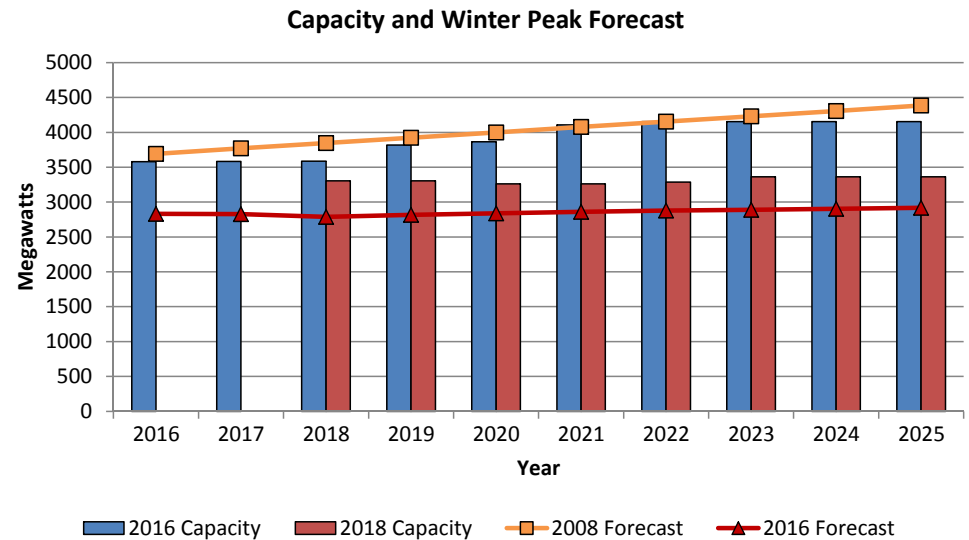
# JEA Projected Growth & Expected Need



Following the economic downturn of 2010-2012, JEA's actual 2016 peaks were 20-28 percent lower than forecasted in 2008. Total net energy in 2016 was similarly 30 percent short of the 2008 projection, as seen in the table below:

	2008	2016
Average Annual Growth Rate - Peak	2%	0.8%
Average Annual Growth Rate - Energy	2%	0.8%
2016 Peak	<u>Projected</u> 3,700 (winter) 3,500 (summer)	<u>Actual</u> 2,700 (winter) 2,800 (summer)
2016 Energy	<u>Projected</u> 17,500 GWh	<u>Actual</u> 12,900 GWh

The chart below shows the 2008 peak forecast (gold line), and how the generating fleet would have met that peak. The red line shows the 2016 forecast, and the excess generation that was in place (blue bars), and the now right-sized fleet (red bars).





## Natural Gas Prices | Projections in 2008



The gold colored curve represents the forecasted natural gas prices in 2008, which were over \$10/MMBtu and expected to stay above \$8/MMBtu for the foreseeable future.

Then, as a result of the implementation of shale gas recovery technologies, natural gas prices fell dramatically as represented in the 2017 natural gas price forward curve in green. Prices continued to remain low until April 2021 where they have steadily increased due to increased global demand and flat production shown in the 2021 curve.



# Generation Cost Comparison | 2008



## December 2008 Presentation – Electric System: Nuclear PPA, MEAG Plant Vogtle Generation Cost Comparison

Cost: \$ per MWh	Actual FY 2008				2018 Projected	
	SJRPP Coal	Projected Coal	Combined Cycle	Purchased Power	PPA – 20yr 5%	PPA – 20yr 6%
<b>Debt Service</b>	\$ 17	\$ 17	\$ 12	\$ -	\$ 51	\$ 62
<b>Fuel</b>	25	50	75	41	13	13
<b>Capacity</b>	-	-	-	17	-	-
<b>O&amp;M</b>	5	5	4		15	15
<b>R&amp;R</b>	1	1			1	1
<b>Decommissioning</b>	-	-	-	-	2	2
<b>Purchased Power</b>	-	-	-	-	1	1
<b>Total</b>	\$ 48	\$ 73	\$ 91	\$ 58	\$ 83	\$ 94
			GEC: \$101			
<b>CO<sub>2</sub> @ \$10 per ton</b>	\$ 58	\$ 83	\$ 97	\$ 68	\$ 83	\$ 94
<b>CO<sub>2</sub> @ \$20 per ton</b>	\$ 68	\$ 93	\$103	\$ 78	\$ 83	\$ 94
<b>CO<sub>2</sub> @ \$30 per ton</b>	\$ 78	\$103	\$109	\$ 88	\$ 83	\$ 94
<b>CO<sub>2</sub> @ \$40 per ton</b>	\$ 88	\$113	\$115	\$ 98	\$ 83	\$ 94

Debt Service	5%	6%
Overnight Costs	\$ 29	\$ 33
Index adjust	8	9
Interest during const.	10	14
Reserves	4	6
<b>Total</b>	<b>\$ 51</b>	<b>\$ 62</b>

Existing base load coal units at today's contracted coal costs, as well as at current market costs will continue to be economic against natural gas until such time CO<sub>2</sub> reaches the \$30-\$40 per ton range.

New nuclear will be economic against natural gas under the most conservative carbon regime.

# 2020 Nuclear v. Combined Cycle Natural Gas Analysis



2008 Comparison: Nuclear generation maintains its competitive advantage to combined cycle in 2020

## Summary

### 200 MW of GEC CC\* vs Nuclear - 2010 PWRR\*\* 1000\$ for Total System Production Costs

All costs include fuel, O&M, Emissions, Start Costs, and Debt Service/Capacity Charge

Description	(\$000)			All In Cost (\$/MWh in 2039)		Breakdown of Savings (Savings) with Nuclear		
	GEC CC in 2020	Nuclear in 2020	(Savings) with Nuclear	GEC CC	Nuclear	Annual	D/S	Operating Costs
<b>Base Case Assumptions</b>	9,790,535	9,481,646	(308,889)	49.22	14.39	(308,889)	222,629	(531,518)
<b>Base Case Assumptions - 2.5% Discount</b>	16,161,752	15,629,537	(532,215)	106.07	31.01	(532,215)	363,328	(895,543)
<b>Low Gas Price</b>	8,141,300	8,054,586	(86,714)	27.06	14.39	(86,714)	222,629	(309,343)
<b>Base Gas Price with CO2 Allowance Cost</b>	22,417,618	21,111,548	(1,306,071)	41.26	14.39	(1,306,071)	222,629	(1,528,700)
<b>Low Gas Price with CO2 Allowance Cost</b>	19,181,589	18,866,582	(315,007)	21.20	14.39	(315,007)	222,629	(537,637)

**Notes**

1. Load Growth held constant starting in 2020 through 2039.
2. Discount rate is 5.25% unless otherwise stated.
3. Nuclear cost \$6000/kw (overnight cost) plus transmission of \$3.53/kw-mo in 2010\$. Assumes 2 transmission wheels.
4. No CO2 costs included unless otherwise stated.
5. GEC CC expected to be financed over 25 year term.
6. Nuclear expected to be financed over a 40 year term.
7. All fuel and allowance prices after 2030 are escalated at their 2021-2030 AAGR.

\* General Electric Company Combined Cycle Generating Facility

\*\* PWRR: Present Worth Revenue Requirement

## **MEAG Purchase Power Agreement | Project J**



### **JEA PPA with MEAG**

Nuclear PPA with MEAG represents small amount of resource mix for JEA (12% of energy/5% of capacity)

Total nuclear power cost competitive to other projects/technology

Strong partners with MEAG and Southern Company

Transmission rights already acquired

85% of financing cost locked in at low favorable interest rates; remaining 15% available in the Department of Energy (DOE) loan guaranty program

### **Risk Mitigation**

Fuel diversity and hedging strategy

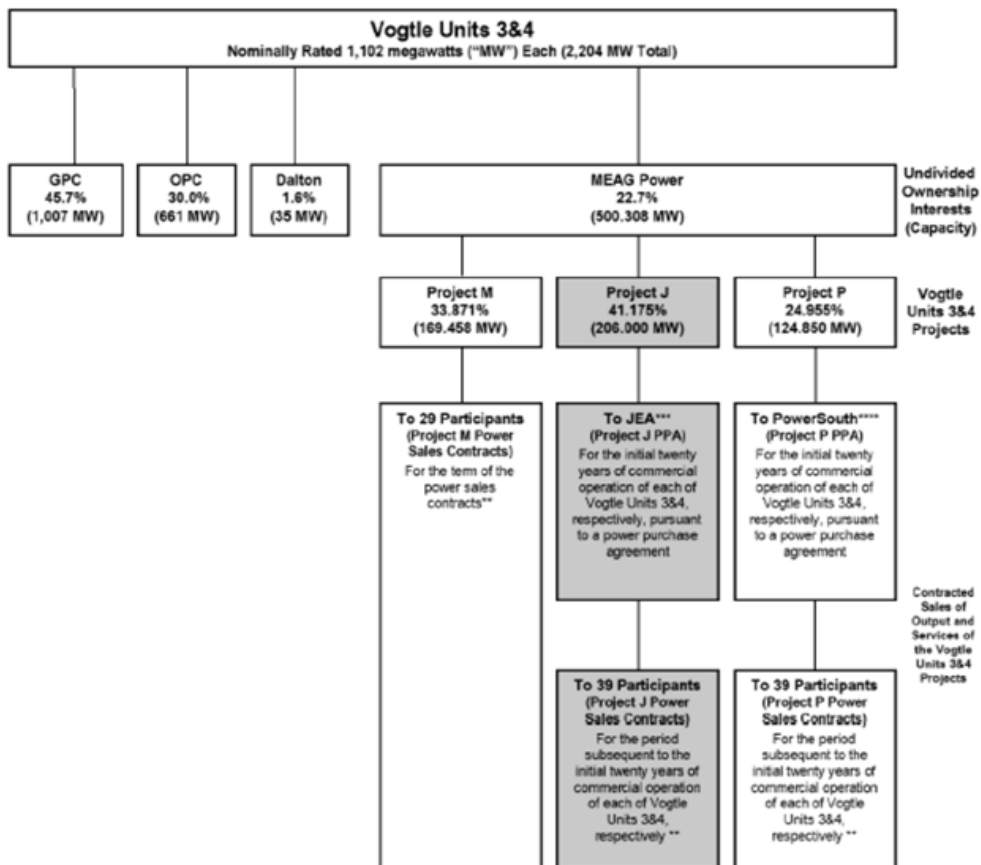
CO<sub>2</sub> mitigation; potential mitigation for renewable energy standards



## **MEAG - POWER PURCHASE AGREEMENT**



# HISTORICAL DEAL STRUCTURE

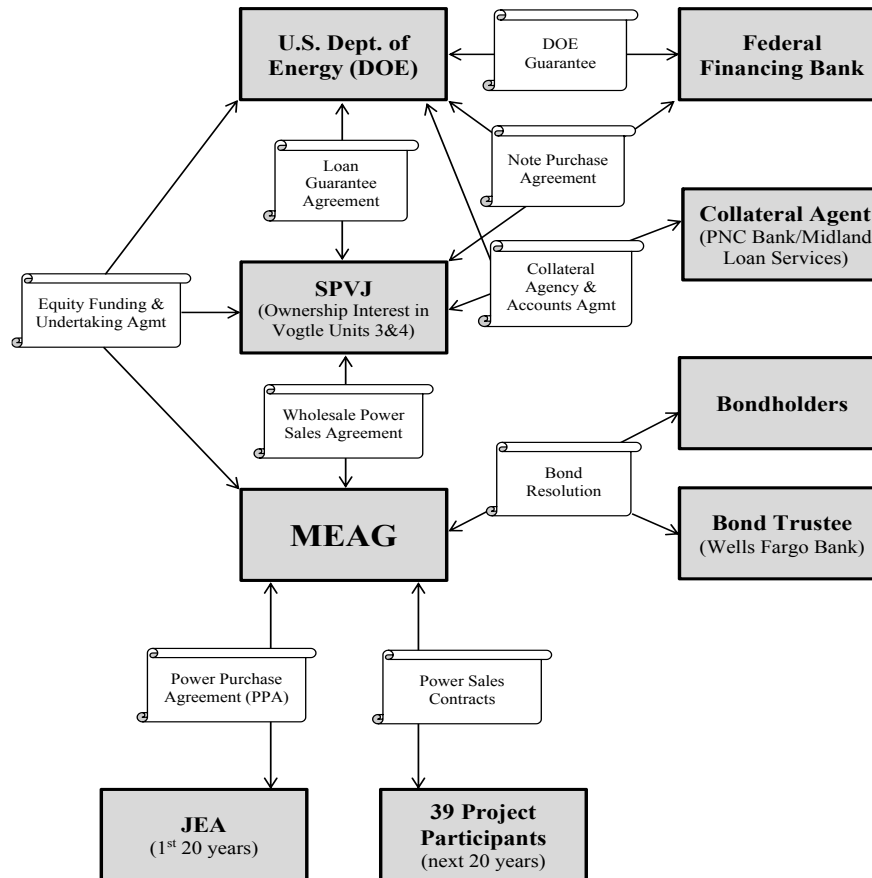


# LEGAL RELATIONSHIP STRUCTURE



## Financing Structure (Project J)

### Legal Relationships



## MEAG Power Purchase Agreement Overview



### **Initial PPA executed in 2008 and amended in 2014 to account for DOE financing**

MEAG agreed to purchase the output from an affiliated SPE (MEAG Power SPVJ LLC) via its own power purchase agreement, and then resell that output to JEA via a back-to-back sale mechanism using the PPA

### **JEA's principal obligations under the PPA**

Take all the electricity generated by Project J for 20 years starting on the commercial operation date of each unit of Vogtle Units 3 & 4. (PPA § 201)

Pay the debt service on the bonds and DOE loans for 20 years, with some shorter timeframes for refunding bonds and capital improvement bonds issued after the placed-in-service dates. (PPA § 204)

These amounts are pledged to the payment of the bonds and DOE loans and are payable whether or not Project J is completed or is operating or operable, and whether or not it is producing electricity and is considered as a "Contract Debt" under JEA's Electric System bond resolutions



# MEAG Power Purchase Agreement

## Restrictions to Consider



### § 1001 (Assignment)

Prohibits JEA from assigning the PPA without prior consent “or if any such assignment or transfer is prohibited under the PPA Project Bond Resolution or the DOE Loan Documents.”

DOE Loan Agreement § 7.14 precludes SPVJ from assigning any of the duties or obligations under the PPA

Allows JEA to sell the output to a third party subject to Sections 305 and 306 of PPA

### § 305 (Resale Covenant)

So long as MEAG has tax exempt PPA Bonds or Build America Bonds outstanding, JEA may not sell output to a non-exempt person in a manner that results in private business use.

“Non-exempt person” is any entity that is not a state, territory or possession of the United States, the District of Columbia or any political subdivision thereof

## Project J Debt – Redemption Provisions



### **2010A MEAG Project J Bonds (\$1.224 billion) – 6.637%**

Taxable “Build America Bonds”, annual subsidy of 35% of interest payable

Mature in 2057 – amortize annually starting in 2018

Optional Redemption: at any time upon 25 days’ notice

Redemption Price: greater of (a) 100% of principal amount, and (b) discounted value of all remaining debt service discounted @ blended Treasury index plus 0.35%, plus in either case accrued interest

### **2010B MEAG Project J Bonds (\$24 million) – 5.00%**

Tax-exempt bonds – mature in 2019, 2020 and 2040

Optional Redemption: 2040 maturity only, on and after April 1, 2020 @ 100%  
25 days’ notice

### **2015A MEAG Project J Bonds (\$185 million) – 5.00% & 5.50%**

Tax-exempt bonds – mature in 2060 – amortize annually starting in 2045

Optional Redemption: on and after July 1, 2025 @ 100%  
25 days’ notice

### **DOE Guaranteed Loans (\$687 million) – UST + 0.375%**

May not be prepaid during draw-down period without DOE consent unless remaining commitment cancelled

Must prepay pro-rata with Project J Bonds at DOE request

Prepayment Notice: 5 business days

Prepayment Price:

Calculated separately for each advance, then prorated or aggregated  
Equal to price that would produce a yield to a third-party purchaser on a security with similar terms at the interest rate that would be set on a loan from U.S. Treasury to Federal Financing Bank at that time

### **2019A MEAG Project J Bonds (\$571 million) – 5.00%**

Tax-exempt bonds – mature in 2059 – amortize annually starting in 2023

Optional Redemption: on and after July 1, 2028 @ 100%  
25 days’ notice

### **2021A MEAG Project J Bonds (\$150 million) – 5.00% & 4.00%**

Tax-exempt bonds – mature in 2062 – amortize annually starting in 2023

Optional Redemption: on and after January 1, 2030 @ 100%  
25 days’ notice



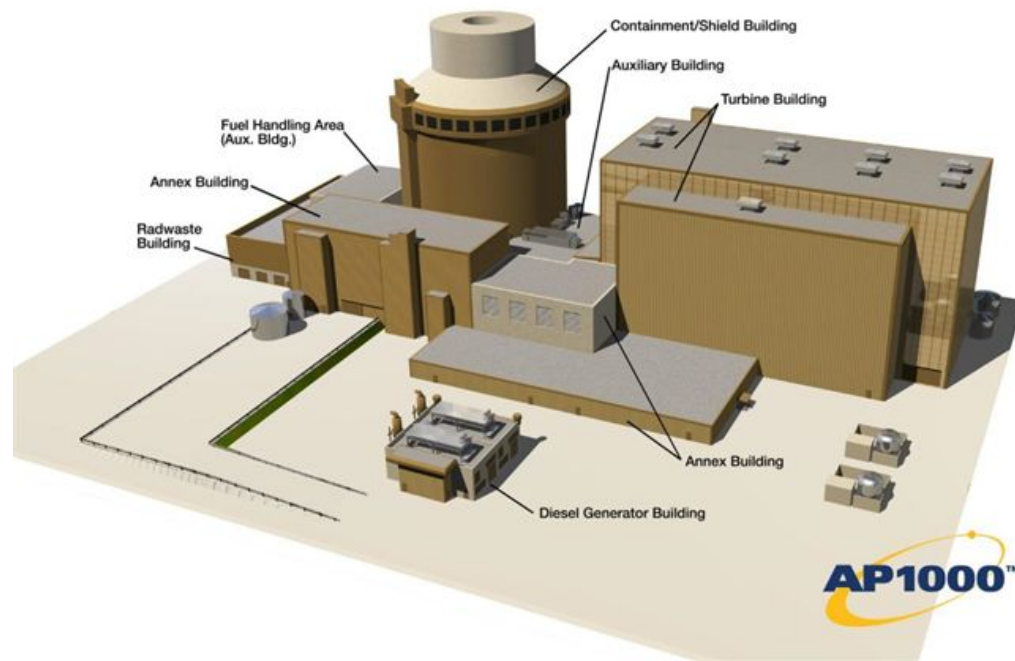
## **Construction Of Vogtle Units 3 & 4 Begins**



# AP1000 Construction Of Units 3 & 4



## The Westinghouse AP1000™



## 2011 Aerial



Aerial photograph of Vogtle site, with Vogtle 1 and 2 operating units to the left and Vogtle 3 and 4 construction site to the right. August 11, 2011 © 2011 Southern Company, Inc. All rights reserved.

# Excavations



Aerial photograph of Vogtle 3 and 4 construction site. Unit 3 is located at left and top of photo and Unit 4 to the right and bottom. Heavy lift derrick crane foundation in center. August 11, 2011 © 2011 Southern Company, Inc. All rights reserved.

## Modular Assembly Building



Inside the Plant Vogtle 3 and 4 module assembly building; two frames in place for use in assembling large structural modules. September 21, 2011

© 2011 Southern Company, Inc. All rights reserved.

## Containment Vessel Lower Head



Upper section of Vogtle Unit 3 containment vessel lower head fastened to assembly and welding stand.  
November 3, 2011 ©2011 Southern Company, Inc. All rights reserved.





## **2017 Go or No-Go Decision**



# Georgia Public Service Commission Hearing



Georgia PSC commissioners stick to Plant Vogtle decision

PSC decision on Georgia Power's Vogtle challenged in court

Stan Wise resigns from Georgia PSC, says unsure of new Plant Vogtle completion dates

PSC staff says cancel Vogtle if project remains 'uneconomic'



Public Interest Advocacy (PIA) staff recommended only \$44 million be verified and approved. PIA staff further stated that “the liens and pre-petition amounts owed to Westinghouse Electric Corporation (WEC) contractors of \$498 M” **should not fall upon the ratepayers.**

The Commission finds and concludes that the \$542 million invested by Georgia Power within the 17th Vogtle Construction Monitoring (VCM) of January 1, 2017 through June 30, 2017 reporting period **were reasonable and necessary**, and are hereby verified and approved.

*GA PSC Order on the 17<sup>th</sup> VCM, Docket 29849, 2017*

Atlanta Journal Constitution: December 4, 2017; February 2, 2018; February 13, 2018; February 20, 2018

Georgia Public Service Commission votes to continue project

## 2017-2018 JEA's Position and Actions



Due to significant changed circumstances from 2008, the project appears to no longer be cost effective for JEA

Navigant evaluation

Replacement power agreement

Fracking technologies – significantly lowering natural gas prices

Ability to store and distribute solar and wind-generated power

Change in political landscape as it relates to carbon rules and regulations

Failed attempts to renegotiate PPA with MEAG

Made direct pleas to the MEAG Board of Directors

Met with the DOE

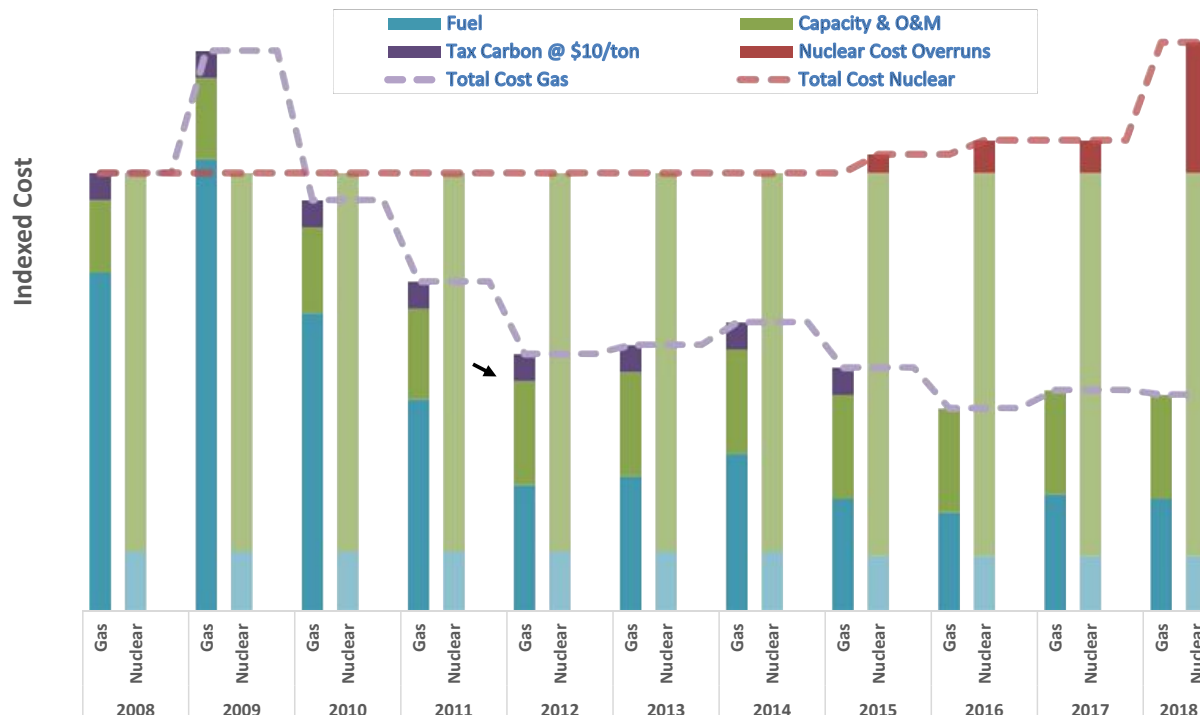
Met with FERC Commissioners and Staff

Made position known that, if JEA had a vote, JEA would be in favor of stopping project – “No Go” campaigning efforts

Evaluated various legal and procedural strategies

Engaged Holland and Knight as outside counsel

# Relative Costs of Gas and Nuclear



1. Market cost of natural gas decreased from \$8-\$9/mmbtu to \$3-\$4/mmbtu over 3 years and projected to stay low
2. Clean Power Plan put on hold in 2016
3. Current cost divergence: project overrun 40%; market price natural gas 60%



## Litigation Timeline



## Litigation Timeline



**July 12, 2019** - Florida court issued an order denying motions to remand the case to Florida state court and granted MEAG's motion to transfer the case to the Northern District of Georgia. On July 26, 2019, MEAG filed a counterclaim against JEA and the City seeking a declaratory judgment that the Additional Vogtle Units PPA is valid and enforceable, breach of contract for JEA's alleged failure to adhere to the Additional Vogtle Units PPA's cooperation clause, and specific performance requiring JEA to continue to comply with the Additional Vogtle Units PPA.

**August 16, 2019** - JEA filed defenses to MEAG's counterclaim and alternative counterclaims against MEAG for breach of fiduciary duty, failure to perform in good faith, and negligent performance of an undertaking, in the event the Additional Vogtle Units PPA is determined to be enforceable.

**September 6, 2019** - MEAG filed motions to strike JEA's defenses and to dismiss JEA's alternative counterclaims.

**November 1, 2019** - MEAG filed a motion for leave to file a motion for judgment on the pleadings to seek a ruling on its affirmative defenses.

**November 5, 2019** - JEA filed a motion for summary judgment seeking a declaration that the Additional Vogtle Units PPA is void and unenforceable.

**November 8, 2019** - JEA filed a memorandum opposing MEAG's that motion for judgment on the pleadings.

## Litigation Timeline (Continued)



**November 8, 2019** - the district court entered an order striking JEA's motion for summary judgment and setting a status conference with the parties. The same date, JEA filed a motion for leave to file a motion for summary judgment.

**November 15, 2019** - the district court conducted a status conference with the parties and subsequently entered an order staying all motions in the case pending submission of a revised scheduling order by December 15, 2019.

**November 25, 2019** - the court entered an order denying in whole MEAG's motion to strike certain of JEA's and the City of Jacksonville's affirmative defenses. The court also dismissed two of JEA's counterclaims against MEAG, but left intact JEA's claim against MEAG for breach of the PPA based on a negligent undertaking theory, which claim is contingent and brought only in the event of a finding that the PPA is enforceable.

**December 27, 2019** - MEAG filed a motion for summary judgment on the pleadings as to certain legal issues.

**June 17, 2020** - the district court issued an order granting MEAG's motion for summary judgment on the pleadings, specifically declaring that the Additional Vogtle Units PPA is valid and enforceable and that the Additional Vogtle Units PPA unconditionally requires JEA to pay MEAG for capacity and energy at the full cost of production of Project J, including debt service on the bonds and DOE-guaranteed loans.



## Current Status





## 2008 v. Today - Carbon Legislation



### 2008

2005 - Regional Greenhouse Gas Initiatives started

2007 - Governor Crist signed Florida Executive Order 07-127, setting limits on utilities carbon dioxide emissions

2009 - Waxman-Markey bill passed the House of Representatives that called for a cap and trade system for carbon dioxide emissions, and implemented renewable standards

It never passed the Senate, and its failure led to the EPA's Clean Power Plan administrative (rather than legislative) approach to carbon regulation

### 2021

Carbon legislation has been largely rejected at the national level

Low natural gas prices, however, have driven shifts from solid fuel to natural gas combined cycle power plants that have largely met or exceeded many of the goals of carbon dioxide legislation

Costs for wind and solar energy have dropped drastically, and adoption has further lowered the national carbon emissions.

No projected carbon penalties in the US

Closely watching national political environment

# JEA CO<sub>2</sub> Emissions – 2008 TO 2024

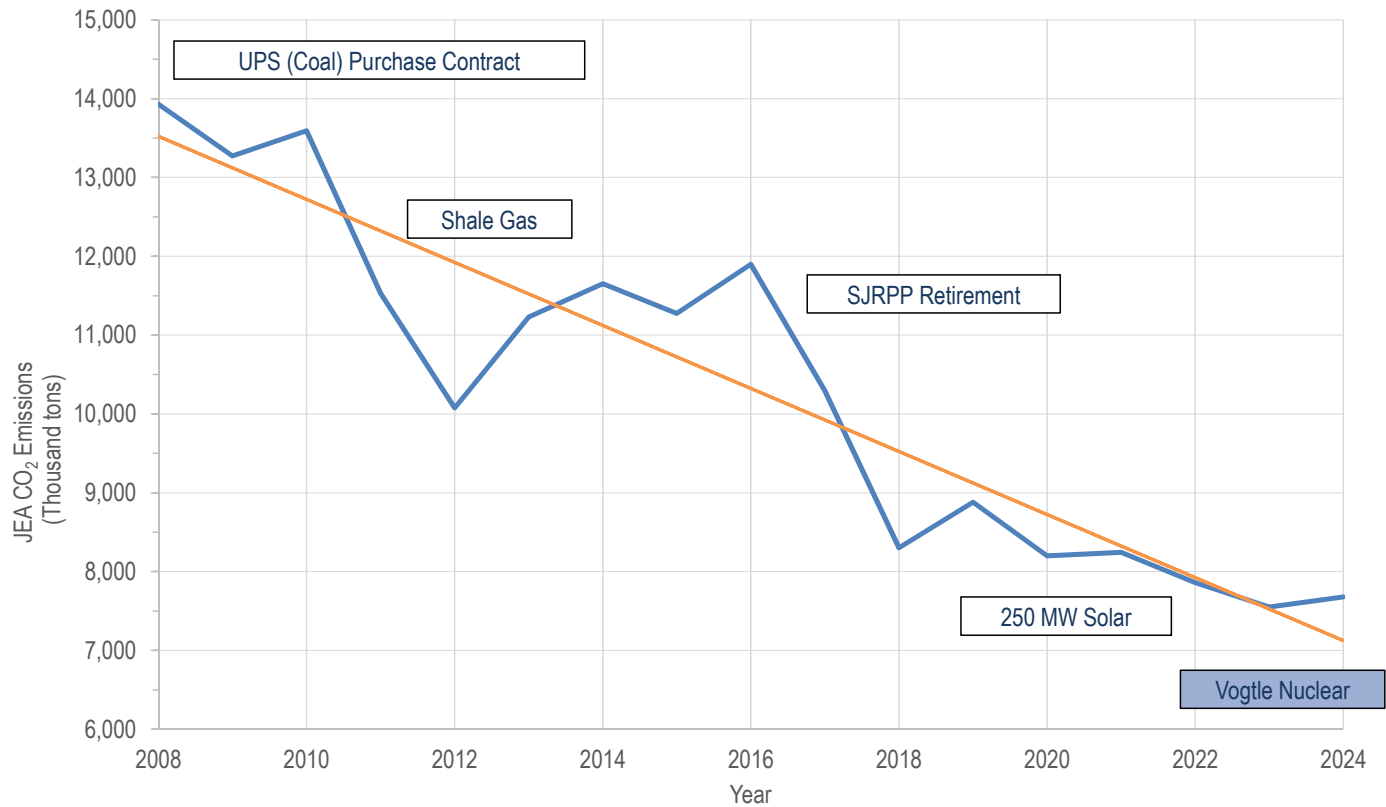


6.25M tons CO<sub>2</sub>/year decrease from 2008 to 2024 (45%)

Equivalent to removing 1.2M cars from the road

Retirement of SJRPP and the addition of 50MW solar is estimated to provide a 26% decrease from 2017 to 2018

Addition of 250MW Solar and Plant Vogtle (2020-2025) further reduce CO<sub>2</sub> by 5%



## Benefits



The new Vogtle units represent one of the largest and most important infrastructure investment projects currently underway in the United States. There are currently more than 7,000 workers at the Vogtle 3 and 4 site.

Georgia Power believes military veterans' proven commitment to pride, duty, honor and discipline add significant value to our company's overall success. Georgia Power recognizes that former military personnel bring experience and skill to our utility company, and that is why veterans and reservists account for more than 30 percent of new hires at Plant Vogtle. For the sixth year in a row, Southern Company is ranked the nation's best utility corporation for veterans, reservists and guardsmen.





## **Jacksonville Small and Emerging Business (JSEB) Quarterly Report**

**Rita Scott**  
*Manager, Jacksonville Small Emerging Business Program & Procurement Performance*



# Jacksonville Small and Emerging Business (JSEB) Scorecard



## FY21 Q4 Results

Available Project Spend is \$90M

JSEB Goal is \$18M

As of Q4, we have achieved \$22.6M in actual spend, representing 126% of the Goal

Prime JSEB vendors account for 49% of the actual spend

There is a diverse mix of JSEB vendors that account for the actual spend

### Available Project Spend

AVAILABLE SPEND

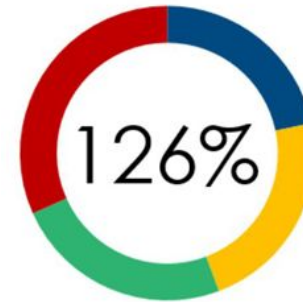
\$90,000,000

SPEND GOAL = 20%

\$18,000,000

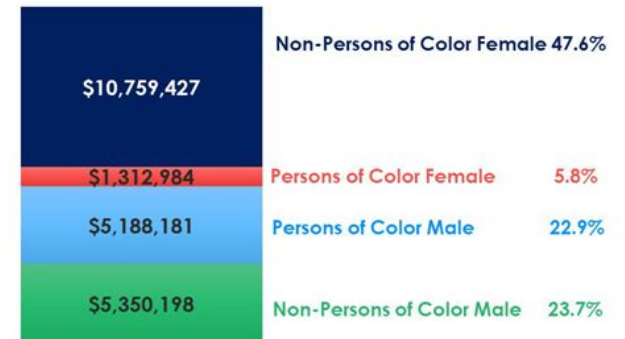
JSEB ACTUAL SPEND

\$22,610,790



QTR1 JSEB SPEND	\$4,914,320
QTR2 JSEB SPEND	\$5,099,877
QTR3 JSEB SPEND	\$5,427,672
QTR4 JSEB SPEND	\$7,168,922

### JSEB Spend Breakdown



■ Non-POC Male ■ POC Male ■ POC Female ■ Non-POC Female

# Jacksonville Small and Emerging Business (JSEB) Scorecard



## Q4 Contracts Awarded to JSEB Vendors

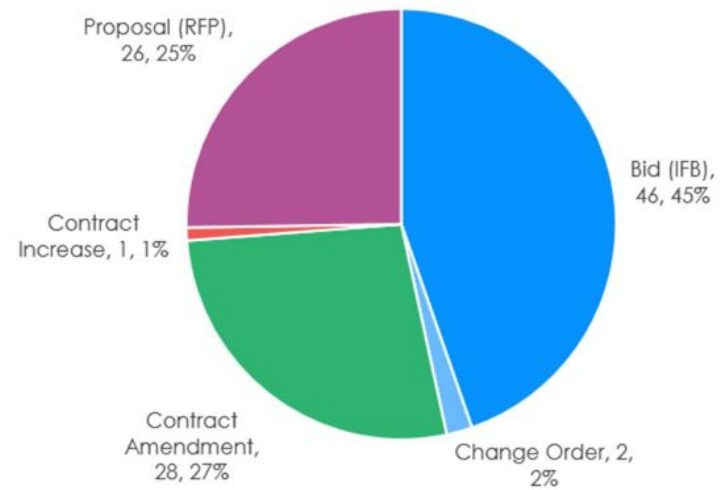
103 contracts have been awarded to JSEB vendors

Contracts awarded are valued at \$22.5M

The bulk of the contracts awarded are projects within the Facilities and Water/Wastewater groups

Contract awards typically range from 1 to 5 years

JSEB Contract Award Types





**INTER-OFFICE MEMORANDUM**

October 7, 2021

**SUBJECT: CORPORATE HEADQUARTERS UPDATE**

---

**FROM:** Jay Stowe, Managing Director/CEO

---

**TO:** JEA Board of Directors

---

**BACKGROUND:**

JEA has been planning for a new corporate headquarters (HQ) for several years to address business continuity risks while meeting our headquarters needs in a cost-effective manner. The Board approved a lease with Ryan Companies US, Inc. (Ryan) at its June 25, 2019 meeting and the lease was executed on July 9, 2019 after approval of the site purchase and sale agreement between Ryan and the City of Jacksonville. Reviews by the JEA Board and its Corporate Headquarters Committee in May 2020 resulted in approved changes to the scope of the HQ project. A lease amendment reflecting the scope changes was executed on June 23, 2020. JEA executed lease amendment 3 on February 26, 2021 setting the guaranteed maximum price (GMP) for construction scope with Ryan Companies in line with the target budget established in the June 2020 lease amendment. A fourth amendment to the lease was executed on July 19, 2021 establishing a process for change orders and associated scope changes within the tenant improvement allowance funds to maintain the lease budget and GMP. Spring 2020 changes to the building size and scope support the recent decision to migrate to a flexible hybrid work model post COVID-19 restrictions.

**DISCUSSION:**

Exterior metal panel and curtain wall glass installation, service and passenger elevator installation and interior electrical and mechanical work are continuing. RS&H is moving from design development drawings to construction drawings for the building interiors. Tenant improvement (interiors) construction is expected to commence later in November. The interiors will offer a variety of workspaces to support the flexible work model.

Aerial view  
September 21





Southwest building corner showing curtain wall and metal panel installation



**FINANCIAL IMPACT:**

The reassessment for downtown locations discussed in January 2021 may allow for better use of space in the long term and the possibility of short term financial savings by deferring decisions on the addition of a second downtown facility.

**RECOMMENDATION:**

This is provided as information only.

---

Jay Stowe, Managing Director/CEO

JCS/LMD/NKV



October 2021

# CORPORATE COMMUNICATIONS & COMMUNITY OUTREACH



The Customer & Community Engagement Team develops engaging communications across a range of channels to educate our customers and community on JEA services and programs in order to help them save money and time, and provide peace of mind.

ADVERTISING & SOCIAL MEDIA CAMPAIGNS • CUSTOMER COMMUNICATIONS • DIGITAL COMMUNICATIONS • VIDEOGRAPHY • COMMUNITY OUTREACH

## JEA Invites Customers to Get *Plugged In* to Promotional Campaigns

The Communications team partnered with the Market Development team to launch two new paid advertising campaigns promoting JEA's Drive Electric Program and JEA's overall commitment to the environment and conservation efforts.

The electric vehicle (EV) awareness campaign invites our customers to get “plugged in” to the benefits of driving an EV by encouraging them to tap into the expert guidance and advice that JEA's Drive Electric program provides.



The Electric Vehicle Concierge Promotional Campaign will feature an ad that plays during streaming services such as Hulu, DirecTV, Samsung, Roku, etc. Follow the link to watch the video.

The environmental commitment campaign is designed to educate customers about JEA's environmental and conservation efforts. The campaign focuses on the steps JEA is taking to protect and preserve the environment as well customer offerings that enable them to do the same.

The environmental commitment campaign is running on mass media channels such as TV, radio and digital billboards. The EV campaign focuses on media channels that allow for targeting conservation enthusiasts and those potentially in the market for a new car.



## JEA and the Jags

As JEA continues its partnership with the Jacksonville Jaguars, we are pleased to place a bright spotlight on our frontline workforce. In addition to featuring a group of frontline workers at each Jaguars home game on the scoreboard and throughout social media, the Communications team has created a complementary multimedia campaign that celebrates all of our frontline workers and the important work they do for our community.



## Community Outreach

**180**  
Activities

**723**  
Hours

September was a busy month for JEA's Volunteer Services Team. Both Ambassadors and Volunteers participated in numerous activities that made a positive impact on our community. We were excited to return to in-person volunteer events at both the Jacksonville Zoo & Gardens and Catty Shack Ranch for the first time since COVID-19 first began. Additional event highlights include:

- 2021 Fall Home & Patio Show
- National Drive Electric Week on Saturday at the Museum of Science and History
- Lutheran Social Services
- International Coastal Cleanup and Eden Gardens
- Virtual volunteerism for Communities in Schools, reading children's books and writing cards for foster families of the Children's Home Society.



Fall Home & Patio Show



International Coastal Cleanup



National Drive Electric Week



Eden Gardens

## Monthly Paid Media Impressions

MEDIA	IMPRESSIONS
Television/Cable	1,934,000
Radio	1,793,000
Out-of-Home	4,059,786
Online Display/Video	1,265,328
Paid Social	1,870,593
Online Paid Social	89,050
Print	3,000
<b>TOTAL</b>	<b>11,014,757</b>

## Monthly Bill Insert and Email Blast

During the month of October, we utilized the monthly bill insert as a tool to educate customers on ways to manage their bill. We shared the options we offer when customers are in a bind and need a little extra time, such as payment arrangements and payment extensions. In addition, we informed customers of the JEA MyBudget leveled billing program, which affirms our commitment to helping our customers when they need it.



## Media Highlights

During September, JEA's media highlights included advance coverage of our **National Drive Electric Week ride-and-drive event**, the board decision to increase **capacity fees** and news about **JEA's new board member Rick Morales**. Several media outlets also reported on the **First District Court of Appeals ruling regarding JEA's net metering policy**, including an article on **Law360**.

In all, JEA's media coverage publicity value exceeded

**\$55,000**



## New JEA Video is an Award-Winner



Cablesplacers, or underground linemen as they are more colloquially called, go through the same apprentice program as the overhead workers, yet at the end of the day they don't get the same recognition. In fact, most people don't know what an underground lineman even does, so, our Multimedia Team set out to change that.

The video to the left won the **Excellence in Power Communications Award**, and will be shown at the annual American Public Power Association Conference on October 24. Bill Wright, the foreman featured in this video has been with JEA for 21 years, and has worked his entire career as an underground lineman.

## Digital Communications

Beginning Oct. 1, Digital Communications launched a six-week digital campaign designed to increase enrollments in JEA's eBill paperless billing program, offering 10 customers who sign up through Nov. 12 a chance to win a \$500 gift card. Nearly half of JEA customers already subscribe to paperless billing.



In partnership with Human Resources, we have assisted with digital recruitment campaigns on social media for high-profile and/or hard-to-fill positions. Our first initiative in September, focused on filling customer advisor positions, garnered nearly 700 candidates over a three-week period, a vast improvement over previous recruitment methods.

Our jea.com team recently completed an initiative to strengthen the security of customers' information when creating jea.com online accounts. The update to the user interface requires the customer to provide additional information to validate their identity and create the account. This commitment to the safety of customers' information is just one example of the ways we are putting customers first in our communication efforts.

## AMBASSADOR OF THE MONTH



**Dan O'Donell**  
Staff Engineer

*"In my role at NGS, I don't have regular daily contact with customers, so the Ambassador Program allows me to have that interaction."*

## VOLUNTEER OF THE MONTH



**Yah He**  
Senior Application Analyst

*For anyone looking to join in the company's volunteer activities, Yan offers this advice: "It's fun, and you will get so much more from it than you give."*



**Preliminary Monthly Financial Statements**

**September 2021**

## Monthly Financial Statements

September 2021

## Index

	Page
Statements of Net Position - Assets and Deferred Outflows of Resources	2
Statements of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position	3
Statements of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flow	5
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Current Year	6
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Current Year	7
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Prior Year	8
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Prior Year	9
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Month	10
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Month	11
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Year-to-Date	12
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Year-to-Date	13
Combining Statements of Cash Flow - Current Year	14
Combining Statements of Cash Flow - Prior Year	15
Debt Service Coverage	16
Operating Statistics - Electric System	17
Operating Statistics - Water and Sewer	18
<hr/>	
<u>Appendix</u>	
Schedules of Cash and Investments	19
Investment Portfolio - All Funds	20
Schedule of Outstanding Indebtedness	21
Interest Rate Swap Position Report	22
Production Statistics - Electric System	23
Electric Revenues and Expenses for the Month - Budget versus Actual	25
Electric Revenues and Expenses Year-to-Date - Budget versus Actual	26
Water and Sewer Revenues and Expenses - Budget versus Actual	27
District Energy System - Budget versus Actual	28

**JEA**  
**Statements of Net Position**  
**(in thousands)**

Page 2

	<b>September 2021</b>	<b>September 2020</b>
	<b>(unaudited)</b>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 350,495	\$ 387,148
Investments	4,140	3,107
Customer accounts receivable, net of allowance (\$3,155 and \$3,864, respectively)	221,348	219,814
Inventories:		
Materials and supplies	62,796	61,663
Fuel	32,911	37,822
Other current assets	24,434	18,400
Total current assets	<u>696,124</u>	<u>727,954</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	362,618	253,984
Investments	269,820	311,130
Accounts and interest receivable	240	1,071
Total restricted assets	<u>632,678</u>	<u>566,185</u>
Costs to be recovered from future revenues	881,949	852,314
Hedging derivative instruments	150,453	11,944
Other assets	22,939	18,241
Total noncurrent assets	<u>1,688,019</u>	<u>1,448,684</u>
Capital assets:		
Land and easements	213,649	216,918
Plant in service	12,415,504	12,124,453
Less accumulated depreciation	<u>(7,522,027)</u>	<u>(7,161,707)</u>
Plant in service, net	5,107,126	5,179,664
Construction work in progress	369,367	331,511
Net capital assets	<u>5,476,493</u>	<u>5,511,175</u>
Total assets	<u>7,860,636</u>	<u>7,687,813</u>
<b>Deferred outflows of resources</b>		
Accumulated decrease in fair value of hedging derivatives	129,355	179,286
Unrealized pension contributions and losses	157,296	143,881
Unamortized deferred losses on refundings	89,729	100,314
Unrealized asset retirement obligations	34,898	35,241
Unrealized OPEB contributions and losses	7,302	9,406
Total deferred outflows of resources	<u>418,580</u>	<u>468,128</u>
Total assets and deferred outflows of resources	<u>\$ 8,279,216</u>	<u>\$ 8,155,941</u>

**JEA**  
**Statements of Net Position**  
**(in thousands)**

Page 3

	<b>September 2021</b>	<b>September 2020</b>
	<b>(unaudited)</b>	
<b>Liabilities</b>		
Current liabilities:		
Customer deposits and prepayments	\$ 75,030	\$ 71,304
Accounts and accrued expenses payable	76,702	66,622
Billings on behalf of state and local governments	26,006	26,005
Compensation and benefits payable	13,361	14,599
City of Jacksonville payable	10,193	10,255
Asset retirement obligations	2,502	4,136
<b>Total current liabilities</b>	<b>203,794</b>	<b>192,921</b>
Current liabilities payable from restricted assets:		
Debt due within one year	91,535	102,700
Interest payable	51,454	52,856
Construction contracts and accounts payable	45,466	46,977
Renewal and replacement reserve	32,776	37,910
<b>Total current liabilities payable from restricted assets</b>	<b>221,231</b>	<b>240,443</b>
Noncurrent liabilities:		
Net pension liability	729,569	641,086
Asset retirement obligations	32,396	31,105
Compensation and benefits payable	33,433	31,342
Net OPEB liability	5,136	10,091
Other liabilities	18,338	20,556
<b>Total noncurrent liabilities</b>	<b>818,872</b>	<b>734,180</b>
Long-term debt:		
Debt payable, less current portion	2,908,175	3,154,590
Unamortized premium, net	194,070	174,205
Fair value of debt management strategy instruments	129,355	177,288
<b>Total long-term debt</b>	<b>3,231,600</b>	<b>3,506,083</b>
<b>Total liabilities</b>	<b>4,475,497</b>	<b>4,673,627</b>
<b>Deferred inflows of resources</b>		
Revenues to be used for future costs	156,814	206,782
Unrealized pension gains	14,273	24,304
Unrealized OPEB gains	14,725	15,294
Accumulated increase in fair value of hedging derivatives	150,453	11,944
<b>Total deferred inflows of resources</b>	<b>336,265</b>	<b>258,324</b>
<b>Net position</b>		
Net investment in capital assets	2,696,104	2,532,627
Restricted for:		
Capital projects	296,059	204,554
Debt service	90,423	101,558
Other purposes	44,774	48,918
Unrestricted	340,094	336,333
<b>Total net position</b>	<b>3,467,454</b>	<b>3,223,990</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 8,279,216</b>	<b>\$ 8,155,941</b>

JEA

Page 4

**Statements of Revenues, Expenses, and Changes in Net Position**  
**(in thousands - unaudited)**

	Month September		Year-to-Date September	
	2021	2020	2021	2020
<b>Operating revenues</b>				
Electric - base	\$ 75,815	\$ 78,210	\$ 849,101	\$ 868,566
Electric - fuel and purchased power	46,383	33,734	418,126	335,122
Water and sewer	39,469	37,507	456,433	469,914
District energy system	812	871	7,704	8,235
Other operating revenues	3,084	2,256	37,269	32,621
Total operating revenues	165,563	152,578	1,768,633	1,714,458
<b>Operating expenses</b>				
Operations and maintenance:				
Maintenance and other operating expenses	47,260	56,010	387,288	422,925
Fuel	38,924	29,347	364,074	290,965
Purchased power	11,866	8,460	111,387	85,046
Depreciation	32,323	31,253	391,715	365,146
State utility and franchise taxes	6,817	6,695	70,966	69,769
Recognition of deferred costs and revenues, net	4,333	2,666	30,718	28,619
Total operating expenses	141,523	134,431	1,356,148	1,262,470
Operating income	24,040	18,147	412,485	451,988
<b>Nonoperating revenues (expenses)</b>				
Interest on debt	(10,216)	(13,298)	(120,911)	(141,213)
Investment income	(875)	905	2,165	15,721
Allowance for funds used during construction	1,144	1,242	9,305	19,713
Other nonoperating income, net	563	724	4,796	7,370
Earnings from The Energy Authority	872	205	15,378	2,848
Other interest, net	(13)	(5)	(23)	666
Total nonoperating expenses, net	(8,525)	(10,227)	(89,290)	(94,895)
Income before contributions	15,515	7,920	323,195	357,093
<b>Contributions (to) from</b>				
General Fund, City of Jacksonville, Florida	(10,001)	(9,902)	(120,012)	(118,824)
Developers and other	7,599	14,246	94,580	109,546
Reduction of plant cost through contributions	(3,525)	(10,519)	(54,299)	(76,558)
Total contributions, net	(5,927)	(6,175)	(79,731)	(85,836)
Change in net position	9,588	1,745	243,464	271,257
Net position, beginning of period	3,457,866	3,222,245	3,223,990	2,952,733
Net position, end of period	\$ 3,467,454	\$ 3,223,990	\$ 3,467,454	\$ 3,223,990



JEA

Page 5

**Statement of Cash Flows**  
**(in thousands - unaudited)**

	Year-to-Date	
	September	
	2021	2020
<b>Operating activities</b>		
Receipts from customers	\$ 1,682,405	\$ 1,652,824
Payments to suppliers	(691,655)	(611,378)
Payments for salaries and benefits	(238,024)	(262,228)
Other operating activities	37,953	37,557
Net cash provided by operating activities	790,679	816,775
<b>Noncapital and related financing activities</b>		
Contribution to General Fund, City of Jacksonville, Florida	(119,913)	(118,726)
Net cash used in noncapital and related financing activities	(119,913)	(118,726)
<b>Capital and related financing activities</b>		
Defeasance of debt	(316,255)	(523,050)
Acquisition and construction of capital assets	(352,653)	(409,139)
Proceeds received from debt	166,375	352,260
Repayment of debt principal	(102,700)	(192,555)
Interest paid on debt	(133,894)	(154,096)
Capital contributions	40,281	32,988
Revolving credit agreement repayments	(5,000)	-
Other capital financing activities	51,178	69,890
Net cash used in capital and related financing activities	(652,668)	(823,702)
<b>Investing activities</b>		
Purchase of investments	(289,935)	(268,366)
Proceeds from sale and maturity of investments	325,679	339,818
Investment income	7,291	13,166
Distributions from The Energy Authority	10,848	1,945
Net cash provided by investing activities	53,883	86,563
Net change in cash and cash equivalents	71,981	(39,090)
Cash and cash equivalents at beginning of year	641,132	680,222
Cash and cash equivalents at end of period	\$ 713,113	\$ 641,132
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$ 412,485	\$ 451,988
Adjustments:		
Depreciation and amortization	392,827	366,311
Recognition of deferred costs and revenues, net	30,718	28,619
Other nonoperating income, net	56	1,039
Changes in noncash assets and noncash liabilities:		
Accounts receivable	(1,756)	7,518
Inventories	3,778	(9,626)
Other assets	(4,652)	3,861
Accounts and accrued expenses payable	7,624	8,266
Current liabilities payable from restricted assets	(4,978)	(7,339)
Other noncurrent liabilities and deferred inflows	(45,423)	(33,862)
Net cash provided by operating activities	\$ 790,679	\$ 816,775
<b>Noncash activity</b>		
Contribution of capital assets from developers	\$ 54,299	\$ 76,558
Unrealized investment fair market value changes, net	\$ (4,534)	\$ 3,041

**JEA**  
**Combining Statement of Net Position**  
**(in thousands - unaudited) September 2021**

	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
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 222,273	\$ 51,335	\$ -	\$ 273,608	75,668	\$ 1,219	\$ 350,495
Investments	-	4,140	-	4,140	-	-	4,140
Customer accounts receivable, net of allowance (\$3,155)	165,572	-	-	165,572	55,273	503	221,348
Inventories:							
Materials and supplies	2,248	-	-	2,248	60,548	-	62,796
Fuel	32,911	-	-	32,911	-	-	32,911
Other current assets	22,864	125	(4,279)	18,710	5,720	4	24,434
Total current assets	445,868	55,600	(4,279)	497,189	197,209	1,726	696,124
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	164,501	82,618	-	247,119	112,468	3,031	362,618
Investments	168,306	9,677	-	177,983	91,837	-	269,820
Accounts and interest receivable	-	233	-	233	7	-	240
Total restricted assets	332,807	92,528	-	425,335	204,312	3,031	632,678
Costs to be recovered from future revenues	376,214	220,155	-	596,369	285,550	30	881,949
Hedging derivative instruments	150,453	-	-	150,453	-	-	150,453
Other assets	20,335	7,051	(4,765)	22,621	318	-	22,939
Total noncurrent assets	879,809	319,734	(4,765)	1,194,778	490,180	3,061	1,688,019
Capital assets:							
Land and easements	124,836	6,660	-	131,496	79,102	3,051	213,649
Plant in service	6,007,751	1,316,043	-	7,323,794	5,030,852	60,858	12,415,504
Less accumulated depreciation	(3,643,809)	(1,313,789)	-	(4,957,598)	(2,532,588)	(31,841)	(7,522,027)
Plant in service, net	2,488,778	8,914	-	2,497,692	2,577,366	32,068	5,107,126
Construction work in progress	120,138	-	-	120,138	246,928	2,301	369,367
Net capital assets	2,608,916	8,914	-	2,617,830	2,824,294	34,369	5,476,493
Total assets	3,934,593	384,248	(9,044)	4,309,797	3,511,683	39,156	7,860,636
<b>Deferred outflows of resources</b>							
Accumulated decrease in fair value of hedging derivatives	102,752	-	-	102,752	26,603	-	129,355
Unrealized pension contributions and losses	90,081	4,616	-	94,697	62,599	-	157,296
Unamortized deferred losses on refundings	51,043	3,099	-	54,142	35,430	157	89,729
Unrealized asset retirement obligations	34,830	68	-	34,898	-	-	34,898
Unrealized OPEB contributions and losses	4,308	-	-	4,308	2,994	-	7,302
Total deferred outflows of resources	283,014	7,783	-	290,797	127,626	157	418,580
Total assets and deferred outflows of resources	\$ 4,217,607	\$ 392,031	\$ (9,044)	\$ 4,600,594	\$ 3,639,309	\$ 39,313	\$ 8,279,216

JEA

Page 7

**Combining Statement of Net Position  
(in thousands - unaudited) September 2021**

	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
<b>Liabilities</b>							
Current liabilities:							
Customer deposits and prepayments	\$ 57,354	\$ -	\$ -	\$ 57,354	\$ 17,676	\$ -	\$ 75,030
Accounts and accrued expenses payable	67,698	517	(33)	68,182	8,418	102	76,702
Billings on behalf of state and local governments	22,218	-	-	22,218	3,788	-	26,006
Compensation and benefits payable	7,229	-	-	7,229	6,069	63	13,361
City of Jacksonville payable	7,978	-	-	7,978	2,215	-	10,193
Asset retirement obligations	2,434	68	-	2,502	-	-	2,502
Total current liabilities	164,911	585	(33)	165,463	38,166	165	203,794
Current liabilities payable from restricted assets:							
Debt due within one year	66,220	14,175	-	80,395	9,370	1,770	91,535
Interest payable	24,886	4,947	-	29,833	20,994	627	51,454
Construction contracts and accounts payable	9,226	5,732	(4,246)	10,712	33,924	830	45,466
Renewal and replacement reserve	-	32,776	-	32,776	-	-	32,776
Total current liabilities payable from restricted assets	100,332	57,630	(4,246)	153,716	64,288	3,227	221,231
Noncurrent liabilities:							
Net pension liability	430,446	-	-	430,446	299,123	-	729,569
Asset retirement obligations	32,396	-	-	32,396	-	-	32,396
Compensation and benefits payable	23,915	-	-	23,915	9,441	77	33,433
Net OPEB liability	3,030	-	-	3,030	2,106	-	5,136
Other liabilities	18,338	4,765	(4,765)	18,338	-	-	18,338
Total noncurrent liabilities	508,125	4,765	(4,765)	508,125	310,670	77	818,872
Long-term debt:							
Debt payable, less current portion	1,444,040	237,590	-	1,681,630	1,196,905	29,640	2,908,175
Unamortized premium (discount), net	99,631	331	-	99,962	94,127	(19)	194,070
Fair value of debt management strategy instruments	102,752	-	-	102,752	26,603	-	129,355
Total long-term debt	1,646,423	237,921	-	1,884,344	1,317,635	29,621	3,231,600
Total liabilities	2,419,791	300,901	(9,044)	2,711,648	1,730,759	33,090	4,475,497
<b>Deferred inflows of resources</b>							
Revenues to be used for future costs	121,643	5,094	-	126,737	30,077	-	156,814
Unrealized pension gains	7,355	1,807	-	9,162	5,111	-	14,273
Unrealized OPEB gains	8,688	-	-	8,688	6,037	-	14,725
Accumulated increase in fair value of hedging derivatives	150,453	-	-	150,453	-	-	150,453
Total deferred inflows of resources	288,139	6,901	-	295,040	41,225	-	336,265
<b>Net position</b>							
Net investment in (divestment of) capital assets	1,089,669	(15,562)	-	1,074,107	1,619,661	2,336	2,696,104
Restricted for:							
Capital projects	184,086	-	-	184,086	111,339	634	296,059
Debt service	64,931	14,542	-	79,473	9,180	1,770	90,423
Other purposes	3,060	30,166	4,246	37,472	7,302	-	44,774
Unrestricted	167,931	55,083	(4,246)	218,768	119,843	1,483	340,094
Total net position	1,509,677	84,229	-	1,593,906	1,867,325	6,223	3,467,454
Total liabilities, deferred inflows of resources, and net position	\$ 4,217,607	\$ 392,031	\$ (9,044)	\$ 4,600,594	\$ 3,639,309	\$ 39,313	\$ 8,279,216

**JEA**  
**Combining Statement of Net Position**  
**(in thousands) September 2020**

	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
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 266,683	\$ 51,814	\$ -	\$ 318,497	\$ 67,036	\$ 1,615	\$ 387,148
Investments	-	3,107	-	3,107	-	-	3,107
Customer accounts receivable, net of allowance (\$3,864)	165,515	-	-	165,515	54,176	123	219,814
Inventories:							
Materials and supplies	2,378	-	-	2,378	59,285	-	61,663
Fuel	37,822	-	-	37,822	-	-	37,822
Other current assets	16,884	5,361	(9,519)	12,726	5,671	3	18,400
<b>Total current assets</b>	<b>489,282</b>	<b>60,282</b>	<b>(9,519)</b>	<b>540,045</b>	<b>186,168</b>	<b>1,741</b>	<b>727,954</b>
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	89,193	89,318	-	178,511	71,232	4,241	253,984
Investments	202,036	10,227	-	212,263	98,867	-	311,130
Accounts and interest receivable	1,053	11	-	1,064	7	-	1,071
<b>Total restricted assets</b>	<b>292,282</b>	<b>99,556</b>	<b>-</b>	<b>391,838</b>	<b>170,106</b>	<b>4,241</b>	<b>566,185</b>
Costs to be recovered from future revenues	348,740	234,170	-	582,910	269,374	30	852,314
Hedging derivative instruments	11,944	-	-	11,944	-	-	11,944
Other assets	16,802	4,500	(4,500)	16,802	1,439	-	18,241
<b>Total noncurrent assets</b>	<b>669,768</b>	<b>338,226</b>	<b>(4,500)</b>	<b>1,003,494</b>	<b>440,919</b>	<b>4,271</b>	<b>1,448,684</b>
Capital assets:							
Land and easements	123,748	6,660	-	130,408	83,459	3,051	216,918
Plant in service	5,835,887	1,316,043	-	7,151,930	4,912,993	59,530	12,124,453
Less accumulated depreciation	(3,439,442)	(1,313,379)	-	(4,752,821)	(2,379,631)	(29,255)	(7,161,707)
Plant in service, net	2,520,193	9,324	-	2,529,517	2,616,821	33,326	5,179,664
Construction work in progress	154,702	-	-	154,702	175,783	1,026	331,511
<b>Net capital assets</b>	<b>2,674,895</b>	<b>9,324</b>	<b>-</b>	<b>2,684,219</b>	<b>2,792,604</b>	<b>34,352</b>	<b>5,511,175</b>
<b>Total assets</b>	<b>3,833,945</b>	<b>407,832</b>	<b>(14,019)</b>	<b>4,227,758</b>	<b>3,419,691</b>	<b>40,364</b>	<b>7,687,813</b>
<b>Deferred outflows of resources</b>							
Accumulated decrease in fair value of hedging derivatives	141,605	-	-	141,605	37,681	-	179,286
Unrealized pension contributions and losses	74,505	17,601	-	92,106	51,775	-	143,881
Unamortized deferred losses on refundings	56,693	3,300	-	59,993	40,152	169	100,314
Unrealized asset retirement obligations	32,368	2,873	-	35,241	-	-	35,241
Unrealized OPEB contributions and losses	5,549	-	-	5,549	3,857	-	9,406
<b>Total deferred outflows of resources</b>	<b>310,720</b>	<b>23,774</b>	<b>-</b>	<b>334,494</b>	<b>133,465</b>	<b>169</b>	<b>468,128</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,144,665</b>	<b>\$ 431,606</b>	<b>\$ (14,019)</b>	<b>\$ 4,562,252</b>	<b>\$ 3,553,156</b>	<b>\$ 40,533</b>	<b>\$ 8,155,941</b>

**JEA**  
**Combining Statement of Net Position**  
**(in thousands) September 2020**

	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
<b>Liabilities</b>							
Current liabilities:							
Customer deposits and prepayments	\$ 53,779	\$ -	\$ -	\$ 53,779	\$ 17,525	\$ -	\$ 71,304
Accounts and accrued expenses payable	57,341	5,658	(5,376)	57,623	8,855	144	66,622
Billings on behalf of state and local governments	22,171	-	-	22,171	3,834	-	26,005
Compensation and benefits payable	10,301	-	-	10,301	4,262	36	14,599
City of Jacksonville payable	8,159	-	-	8,159	2,096	-	10,255
Asset retirement obligations	1,263	2,873	-	4,136	-	-	4,136
<b>Total current liabilities</b>	<b>153,014</b>	<b>8,531</b>	<b>(5,376)</b>	<b>156,169</b>	<b>36,572</b>	<b>180</b>	<b>192,921</b>
Current liabilities payable from restricted assets:							
Debt due within one year	67,765	13,340	-	81,105	19,870	1,725	102,700
Interest payable	24,871	5,222	-	30,093	22,115	648	52,856
Construction contracts and accounts payable	15,109	5,575	(4,143)	16,541	30,389	47	46,977
Renewal and replacement reserve	-	37,910	-	37,910	-	-	37,910
<b>Total current liabilities payable from restricted assets</b>	<b>107,745</b>	<b>62,047</b>	<b>(4,143)</b>	<b>165,649</b>	<b>72,374</b>	<b>2,420</b>	<b>240,443</b>
Noncurrent liabilities:							
Net pension liability	373,642	7,794	-	381,436	259,650	-	641,086
Asset retirement obligations	31,105	-	-	31,105	-	-	31,105
Compensation and benefits payable	22,271	-	-	22,271	9,002	69	31,342
Net OPEB liability	5,954	-	-	5,954	4,137	-	10,091
Other liabilities	20,556	4,500	(4,500)	20,556	-	-	20,556
<b>Total noncurrent liabilities</b>	<b>453,528</b>	<b>12,294</b>	<b>(4,500)</b>	<b>461,322</b>	<b>272,789</b>	<b>69</b>	<b>734,180</b>
Long-term debt:							
Debt payable, less current portion	1,629,850	251,765	-	1,881,615	1,241,565	31,410	3,154,590
Unamortized premium (discount), net	95,677	783	-	96,460	77,769	(24)	174,205
Fair value of debt management strategy instruments	139,607	-	-	139,607	37,681	-	177,288
<b>Total long-term debt</b>	<b>1,865,134</b>	<b>252,548</b>	<b>-</b>	<b>2,117,682</b>	<b>1,357,015</b>	<b>31,386</b>	<b>3,506,083</b>
<b>Total liabilities</b>	<b>2,579,421</b>	<b>335,420</b>	<b>(14,019)</b>	<b>2,900,822</b>	<b>1,738,750</b>	<b>34,055</b>	<b>4,673,627</b>
<b>Deferred inflows of resources</b>							
Revenues to be used for future costs	177,589	5,821	-	183,410	23,372	-	206,782
Unrealized pension gains	11,988	3,986	-	15,974	8,330	-	24,304
Unrealized OPEB gains	9,023	-	-	9,023	6,271	-	15,294
Accumulated increase in fair value of hedging derivatives	11,944	-	-	11,944	-	-	11,944
<b>Total deferred inflows of resources</b>	<b>210,544</b>	<b>9,807</b>	<b>-</b>	<b>220,351</b>	<b>37,973</b>	<b>-</b>	<b>258,324</b>
<b>Net position</b>							
Net investment in (divestment of) capital assets	977,434	(14,114)	-	963,320	1,567,914	1,393	2,532,627
Restricted for:							
Capital projects	139,007	-	-	139,007	63,679	1,868	204,554
Debt service	66,487	13,706	-	80,193	19,640	1,725	101,558
Other purposes	6,073	32,163	4,143	42,379	6,539	-	48,918
Unrestricted	165,699	54,624	(4,143)	216,180	118,661	1,492	336,333
<b>Total net position</b>	<b>1,354,700</b>	<b>86,379</b>	<b>-</b>	<b>1,441,079</b>	<b>1,776,433</b>	<b>6,478</b>	<b>3,223,990</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 4,144,665</b>	<b>\$ 431,606</b>	<b>\$ (14,019)</b>	<b>\$ 4,562,252</b>	<b>\$ 3,553,156</b>	<b>\$ 40,533</b>	<b>\$ 8,155,941</b>

JEA

Page 10

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**(in thousands - unaudited) for the month ended September 2021**

	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
<b>Operating revenues</b>								
Electric - base	\$ 76,587	\$ -	\$ -	\$ 76,587	\$ -	\$ -	\$ (772)	\$ 75,815
Electric - fuel and purchased power	47,112	2,224	(2,224)	47,112	-	-	(729)	46,383
Water and sewer	-	-	-	-	39,489	-	(20)	39,469
District energy system	-	-	-	-	-	848	(36)	812
Other operating revenues	2,140	-	-	2,140	1,129	-	(185)	3,084
Total operating revenues	125,839	2,224	(2,224)	125,839	40,618	848	(1,742)	165,563
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	27,621	1,505	-	29,126	19,320	556	(1,742)	47,260
Fuel	38,924	-	-	38,924	-	-	-	38,924
Purchased power	14,090	-	(2,224)	11,866	-	-	-	11,866
Depreciation	18,220	34	-	18,254	13,843	226	-	32,323
State utility and franchise taxes	5,887	-	-	5,887	930	-	-	6,817
Recognition of deferred costs and revenues, net	555	1,156	-	1,711	2,622	-	-	4,333
Total operating expenses	105,297	2,695	(2,224)	105,768	36,715	782	(1,742)	141,523
Operating income	20,542	(471)	-	20,071	3,903	66	-	24,040
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(5,688)	(816)	-	(6,504)	(3,606)	(106)	-	(10,216)
Investment income	(345)	(6)	-	(351)	(524)	-	-	(875)
Allowance for funds used during construction	383	-	-	383	756	5	-	1,144
Other nonoperating income, net	335	24	-	359	204	-	-	563
Earnings from The Energy Authority	872	-	-	872	-	-	-	872
Other interest, net	(13)	-	-	(13)	-	-	-	(13)
Total nonoperating expenses, net	(4,456)	(798)	-	(5,254)	(3,170)	(101)	-	(8,525)
Income before contributions	16,086	(1,269)	-	14,817	733	(35)	-	15,515
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,800)	-	-	(7,800)	(2,201)	-	-	(10,001)
Developers and other	235	-	-	235	7,364	-	-	7,599
Reduction of plant cost through contributions	(235)	-	-	(235)	(3,290)	-	-	(3,525)
Total contributions, net	(7,800)	-	-	(7,800)	1,873	-	-	(5,927)
Change in net position	8,286	(1,269)	-	7,017	2,606	(35)	-	9,588
Net position, beginning of period	1,501,391	85,498	-	1,586,889	1,864,719	6,258	-	3,457,866
Net position, end of period	\$ 1,509,677	\$ 84,229	\$ -	\$ 1,593,906	\$ 1,867,325	\$ 6,223	\$ -	\$ 3,467,454

JEA

Page 11

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**(in thousands - unaudited) for the month ended September 2020**

	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
<b>Operating revenues</b>								
Electric - base	\$ 78,991	\$ -	\$ -	\$ 78,991	\$ -	\$ -	\$ (781)	\$ 78,210
Electric - fuel and purchased power	34,438	2,170	(2,170)	34,438	-	-	(704)	33,734
Water and sewer	-	-	-	-	37,538	-	(31)	37,507
District energy system	-	-	-	-	-	906	(35)	871
Other operating revenues	1,528	-	-	1,528	918	-	(190)	2,256
Total operating revenues	114,957	2,170	(2,170)	114,957	38,456	906	(1,741)	152,578
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	29,573	3,441	-	33,014	24,133	604	(1,741)	56,010
Fuel	29,347	-	-	29,347	-	-	-	29,347
Purchased power	10,630	-	(2,170)	8,460	-	-	-	8,460
Depreciation	17,009	34	-	17,043	14,005	205	-	31,253
State utility and franchise taxes	5,795	-	-	5,795	900	-	-	6,695
Recognition of deferred costs and revenues, net	712	1,103	-	1,815	851	-	-	2,666
Total operating expenses	93,066	4,578	(2,170)	95,474	39,889	809	(1,741)	134,431
Operating income	21,891	(2,408)	-	19,483	(1,433)	97	-	18,147
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(7,485)	(844)	-	(8,329)	(4,860)	(109)	-	(13,298)
Investment income	380	29	-	409	481	15	-	905
Allowance for funds used during construction	574	-	-	574	659	9	-	1,242
Other nonoperating income, net	340	26	-	366	358	-	-	724
Earnings from The Energy Authority	205	-	-	205	-	-	-	205
Other interest, net	(7)	-	-	(7)	2	-	-	(5)
Total nonoperating expenses, net	(5,993)	(789)	-	(6,782)	(3,360)	(85)	-	(10,227)
Income before contributions	15,898	(3,197)	-	12,701	(4,793)	12	-	7,920
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(7,823)	-	-	(7,823)	(2,079)	-	-	(9,902)
Developers and other	295	-	-	295	13,951	-	-	14,246
Reduction of plant cost through contributions	(295)	-	-	(295)	(10,224)	-	-	(10,519)
Total contributions, net	(7,823)	-	-	(7,823)	1,648	-	-	(6,175)
Change in net position	8,075	(3,197)	-	4,878	(3,145)	12	-	1,745
Net position, beginning of period	1,346,625	89,576	-	1,436,201	1,779,578	6,466	-	3,222,245
Net position, end of period	\$ 1,354,700	\$ 86,379	\$ -	\$ 1,441,079	\$ 1,776,433	\$ 6,478	\$ -	\$ 3,223,990

JEA

Page 12

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**(in thousands - unaudited) for the twelve months ended September 2021**

	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
<b>Operating revenues</b>								
Electric - base	\$ 857,660	\$ -	\$ -	\$ 857,660	\$ -	\$ -	\$ (8,559)	\$ 849,101
Electric - fuel and purchased power	425,948	26,644	(26,643)	425,949	-	-	(7,823)	418,126
Water and sewer	-	-	-	-	456,692	-	(259)	456,433
District energy system	-	-	-	-	-	8,042	(338)	7,704
Other operating revenues	25,277	111	-	25,388	14,095	1	(2,215)	37,269
Total operating revenues	1,308,885	26,755	(26,643)	1,308,997	470,787	8,043	(19,194)	1,768,633
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	231,123	5,240	-	236,363	165,659	4,460	(19,194)	387,288
Fuel	364,074	-	-	364,074	-	-	-	364,074
Purchased power	138,030	-	(26,643)	111,387	-	-	-	111,387
Depreciation	217,362	410	-	217,772	171,357	2,586	-	391,715
State utility and franchise taxes	60,080	-	-	60,080	10,886	-	-	70,966
Recognition of deferred costs and revenues, net	7,098	13,877	-	20,975	9,743	-	-	30,718
Total operating expenses	1,017,767	19,527	(26,643)	1,010,651	357,645	7,046	(19,194)	1,356,148
Operating income	291,118	7,228	-	298,346	113,142	997	-	412,485
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(66,288)	(9,782)	-	(76,070)	(43,570)	(1,271)	-	(120,911)
Investment income	1,177	114	-	1,291	872	2	-	2,165
Allowance for funds used during construction	3,203	-	-	3,203	6,085	17	-	9,305
Other nonoperating income, net	4,041	290	-	4,331	465	-	-	4,796
Earnings from The Energy Authority	15,378	-	-	15,378	-	-	-	15,378
Other interest, net	(43)	-	-	(43)	20	-	-	(23)
Total nonoperating expenses, net	(42,532)	(9,378)	-	(51,910)	(36,128)	(1,252)	-	(89,290)
Income before contributions	248,586	(2,150)	-	246,436	77,014	(255)	-	323,195
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(93,609)	-	-	(93,609)	(26,403)	-	-	(120,012)
Developers and other	2,898	-	-	2,898	91,682	-	-	94,580
Reduction of plant cost through contributions	(2,898)	-	-	(2,898)	(51,401)	-	-	(54,299)
Total contributions, net	(93,609)	-	-	(93,609)	13,878	-	-	(79,731)
Change in net position	154,977	(2,150)	-	152,827	90,892	(255)	-	243,464
Net position, beginning of year	1,354,700	86,379	-	1,441,079	1,776,433	6,478	-	3,223,990
Net position, end of period	\$ 1,509,677	\$ 84,229	\$ -	\$ 1,593,906	\$ 1,867,325	\$ 6,223	\$ -	\$ 3,467,454



JEA

Page 13

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**(in thousands - unaudited) for the twelve months ended September 2020**

	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
<b>Operating revenues</b>								
Electric - base	\$ 877,386	\$ -	\$ -	\$ 877,386	\$ -	\$ -	\$ (8,820)	\$ 868,566
Electric - fuel and purchased power	342,498	25,129	(25,130)	342,497	-	-	(7,375)	335,122
Water and sewer	-	-	-	-	470,180	-	(266)	469,914
District energy system	-	-	-	-	-	8,586	(351)	8,235
Other operating revenues	21,905	(282)	-	21,623	13,679	-	(2,681)	32,621
Total operating revenues	1,241,789	24,847	(25,130)	1,241,506	483,859	8,586	(19,493)	1,714,458
<b>Operating expenses</b>								
Operations and maintenance:								
Maintenance and other operating expenses	246,870	15,226	-	262,096	175,711	4,611	(19,493)	422,925
Fuel	290,965	-	-	290,965	-	-	-	290,965
Purchased power	110,176	-	(25,130)	85,046	-	-	-	85,046
Depreciation	202,619	410	-	203,029	159,650	2,467	-	365,146
State utility and franchise taxes	58,806	-	-	58,806	10,963	-	-	69,769
Recognition of deferred costs and revenues, net	9,201	12,769	-	21,970	6,649	-	-	28,619
Total operating expenses	918,637	28,405	(25,130)	921,912	352,973	7,078	(19,493)	1,262,470
Operating income	323,152	(3,558)	-	319,594	130,886	1,508	-	451,988
<b>Nonoperating revenues (expenses)</b>								
Interest on debt	(78,047)	(10,133)	-	(88,180)	(51,721)	(1,312)	-	(141,213)
Investment income	9,282	1,823	-	11,105	4,544	72	-	15,721
Allowance for funds used during construction	7,744	-	-	7,744	11,892	77	-	19,713
Other nonoperating income, net	4,182	317	-	4,499	2,871	-	-	7,370
Earnings from The Energy Authority	2,848	-	-	2,848	-	-	-	2,848
Other interest, net	308	-	-	308	358	-	-	666
Total nonoperating expenses, net	(53,683)	(7,993)	-	(61,676)	(32,056)	(1,163)	-	(94,895)
Income before contributions	269,469	(11,551)	-	257,918	98,830	345	-	357,093
<b>Contributions (to) from</b>								
General Fund, City of Jacksonville, Florida	(93,871)	-	-	(93,871)	(24,953)	-	-	(118,824)
Developers and other	1,992	-	-	1,992	107,554	-	-	109,546
Reduction of plant cost through contributions	(1,992)	-	-	(1,992)	(74,566)	-	-	(76,558)
Total contributions, net	(93,871)	-	-	(93,871)	8,035	-	-	(85,836)
Change in net position	175,598	(11,551)	-	164,047	106,865	345	-	271,257
Net position, beginning of year	1,179,102	97,930	-	1,277,032	1,669,568	6,133	-	2,952,733
Net position, end of period	\$ 1,354,700	\$ 86,379	\$ -	\$ 1,441,079	\$ 1,776,433	\$ 6,478	\$ -	\$ 3,223,990

JEA

Page 14

**Combining Statement of Cash Flows**  
(in thousands - unaudited) for the twelve months ended September 2021

	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
<b>Operating activities</b>								
Receipts from customers	\$ 1,229,418	\$ 26,421	\$ (26,587)	\$ 1,229,252	\$ 462,470	\$ 7,662	\$ (16,979)	\$ 1,682,405
Payments to suppliers	(616,998)	(10,123)	26,587	(600,534)	(106,540)	(3,775)	19,194	(691,655)
Payments for salaries and benefits	(168,812)	-	-	(168,812)	(68,519)	(693)	-	(238,024)
Other operating activities	27,355	(47)	-	27,308	12,859	1	(2,215)	37,953
Net cash provided by operating activities	470,963	16,251	-	487,214	300,270	3,195	-	790,679
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(93,631)	-	-	(93,631)	(26,282)	-	-	(119,913)
Net cash used in noncapital and related financing activities	(93,631)	-	-	(93,631)	(26,282)	-	-	(119,913)
<b>Capital and related financing activities</b>								
Defeasance of debt	(164,150)	-	-	(164,150)	(152,105)	-	-	(316,255)
Acquisition and construction of capital assets	(155,958)	-	-	(155,958)	(194,892)	(1,803)	-	(352,653)
Proceeds received from debt	44,560	-	-	44,560	121,815	-	-	166,375
Repayment of debt principal	(67,765)	(13,340)	-	(81,105)	(19,870)	(1,725)	-	(102,700)
Interest paid on debt	(69,904)	(10,169)	-	(80,073)	(52,546)	(1,275)	-	(133,894)
Capital contributions	-	-	-	-	40,281	-	-	40,281
Revolving credit agreement repayments	-	-	-	-	(5,000)	-	-	(5,000)
Other capital financing activities	20,555	449	-	21,004	30,174	-	-	51,178
Net cash used in capital and related financing activities	(392,662)	(23,060)	-	(415,722)	(232,143)	(4,803)	-	(652,668)
<b>Investing activities</b>								
Purchase of investments	(229,929)	(27,485)	-	(257,414)	(32,521)	-	-	(289,935)
Proceeds from sale and maturity of investments	260,865	26,968	-	287,833	37,846	-	-	325,679
Investment income	4,444	147	-	4,591	2,698	2	-	7,291
Distributions from The Energy Authority	10,848	-	-	10,848	-	-	-	10,848
Net cash provided by (used in) investing activities	46,228	(370)	-	45,858	8,023	2	-	53,883
Net change in cash and cash equivalents	30,898	(7,179)	-	23,719	49,868	(1,606)	-	71,981
Cash and cash equivalents at beginning of year	355,876	141,132	-	497,008	138,268	5,856	-	641,132
Cash and cash equivalents at end of period	\$ 386,774	\$ 133,953	\$ -	\$ 520,727	\$ 188,136	\$ 4,250	\$ -	\$ 713,113
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 291,118	\$ 7,228	\$ -	\$ 298,346	\$ 113,142	\$ 997	\$ -	\$ 412,485
Adjustments:								
Depreciation and amortization	217,362	410	-	217,772	172,469	2,586	-	392,827
Recognition of deferred costs and revenues, net	7,098	13,877	-	20,975	9,743	-	-	30,718
Other nonoperating income, net	9	-	-	9	47	-	-	56
Changes in noncash assets and noncash liabilities:								
Accounts receivable	(56)	(223)	-	(279)	(1,097)	(380)	-	(1,756)
Inventories	5,041	-	-	5,041	(1,263)	-	-	3,778
Other assets	(8,075)	4,812	-	(3,263)	(1,387)	(2)	-	(4,652)
Accounts and accrued expenses payable	11,305	(5,141)	-	6,164	1,474	(14)	-	7,624
Current liabilities payable from restricted assets	-	(4,978)	-	(4,978)	-	-	-	(4,978)
Other noncurrent liabilities and deferred inflows	(52,839)	266	-	(52,573)	7,142	8	-	(45,423)
Net cash provided by operating activities	\$ 470,963	\$ 16,251	\$ -	\$ 487,214	\$ 300,270	\$ 3,195	\$ -	\$ 790,679
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 2,898	\$ -	\$ -	\$ 2,898	\$ 51,401	\$ -	\$ -	\$ 54,299
Unrealized investment fair market value changes, net	\$ (2,795)	\$ (33)	\$ -	\$ (2,828)	\$ (1,706)	\$ -	\$ -	\$ (4,534)

JEA

Page 15

**Combining Statement of Cash Flows**  
(in thousands - unaudited) for the twelve months ended September 2020

	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
<b>Operating activities</b>								
Receipts from customers	\$ 1,196,924	\$ 25,129	\$ (26,117)	\$ 1,195,936	\$ 464,998	\$ 8,702	\$ (16,812)	\$ 1,652,824
Payments to suppliers	(525,261)	(9,570)	26,117	(508,714)	(118,287)	(3,870)	19,493	(611,378)
Payments for salaries and benefits	(176,881)	(13,307)	-	(190,188)	(71,327)	(713)	-	(262,228)
Other operating activities	26,438	(84)	-	26,354	13,884	-	(2,681)	37,557
Net cash provided by operating activities	521,220	2,168	-	523,388	289,268	4,119	-	816,775
<b>Noncapital and related financing activities</b>								
Contribution to General Fund, City of Jacksonville, Florida	(93,794)	-	-	(93,794)	(24,932)	-	-	(118,726)
Net cash used in noncapital and related financing activities	(93,794)	-	-	(93,794)	(24,932)	-	-	(118,726)
<b>Capital and related financing activities</b>								
Defeasance of debt	(320,935)	-	-	(320,935)	(202,115)	-	-	(523,050)
Acquisition and construction of capital assets	(208,175)	-	-	(208,175)	(197,389)	(3,575)	-	(409,139)
Proceeds received from debt	221,670	-	-	221,670	130,590	-	-	352,260
Repayment of debt principal	(122,380)	(13,780)	-	(136,160)	(54,705)	(1,690)	-	(192,555)
Interest paid on debt	(83,617)	(10,786)	-	(94,403)	(58,380)	(1,313)	-	(154,096)
Capital contributions	-	-	-	-	32,988	-	-	32,988
Other capital financing activities	44,866	159	-	45,025	24,865	-	-	69,890
Net cash used in capital and related financing activities	(468,571)	(24,407)	-	(492,978)	(324,146)	(6,578)	-	(823,702)
<b>Investing activities</b>								
Purchase of investments	(217,069)	(23,819)	-	(240,888)	(27,478)	-	-	(268,366)
Proceeds from sale and maturity of investments	247,265	23,768	-	271,033	68,785	-	-	339,818
Investment income	8,225	1,830	-	10,055	3,039	72	-	13,166
Distributions from The Energy Authority	1,945	-	-	1,945	-	-	-	1,945
Net cash provided by investing activities	40,366	1,779	-	42,145	44,346	72	-	86,563
Net change in cash and cash equivalents	(779)	(20,460)	-	(21,239)	(15,464)	(2,387)	-	(39,090)
Cash and cash equivalents at beginning of year	356,655	161,592	-	518,247	153,732	8,243	-	680,222
Cash and cash equivalents at end of period	\$ 355,876	\$ 141,132	\$ -	\$ 497,008	\$ 138,268	\$ 5,856	\$ -	\$ 641,132
<b>Reconciliation of operating income to net cash provided by operating activities</b>								
Operating income	\$ 323,152	\$ (3,558)	\$ -	\$ 319,594	\$ 130,886	\$ 1,508	\$ -	\$ 451,988
Adjustments:								
Depreciation and amortization	202,619	410	-	203,029	160,815	2,467	-	366,311
Recognition of deferred costs and revenues, net	9,201	12,769	-	21,970	6,649	-	-	28,619
Other nonoperating income (loss), net	419	-	-	419	620	-	-	1,039
Changes in noncash assets and noncash liabilities:								
Accounts receivable	6,648	-	-	6,648	755	115	-	7,518
Inventories	(7,083)	106	-	(6,977)	(2,649)	-	-	(9,626)
Other assets	3,844	88	-	3,932	(69)	(2)	-	3,861
Accounts and accrued expenses payable	8,676	1,415	-	10,091	(1,815)	(10)	-	8,266
Current liabilities payable from restricted assets	-	(7,339)	-	(7,339)	-	-	-	(7,339)
Other noncurrent liabilities and deferred inflows	(26,256)	(1,723)	-	(27,979)	(5,924)	41	-	(33,862)
Net cash provided by operating activities	\$ 521,220	\$ 2,168	\$ -	\$ 523,388	\$ 289,268	\$ 4,119	\$ -	\$ 816,775
<b>Noncash activity</b>								
Contribution of capital assets from developers	\$ 1,992	\$ -	\$ -	\$ 1,992	\$ 74,566	\$ -	\$ -	\$ 76,558
Unrealized investment fair market value changes, net	\$ 1,383	\$ (7)	\$ -	\$ 1,376	\$ 1,665	\$ -	\$ -	\$ 3,041

**JEA**

Page 16

**Debt Service Coverage****September 2021****(unaudited)**

	Month		Year-to-Date	
	September	September	September	September
	2021	2020	2021	2020
<b>Electric System</b>				
Senior debt service coverage, (annual minimum 1.20x)	10.78 x	10.30 x	11.80 x	10.68 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	4.76 x	4.47 x	5.17 x	4.79 x
<b>Bulk Power Supply System</b>				
Debt service coverage, (annual minimum 1.15x)	0.93 x	1.46 x	1.27 x	1.96 x
<b>St. Johns River Power Park, Second Resolution</b>				
Debt service coverage, (annual minimum 1.15x)	1.21 x	1.29 x	1.15 x	1.15 x
<b>Water and Sewer System</b>				
Senior debt service coverage, (annual minimum 1.25x)	6.56 x	3.57 x	7.24 x	5.58 x
Senior and subordinated debt service coverage excluding capacity fees <sup>(1)</sup>	4.77 x	2.52 x	5.58 x	4.47 x
Senior and subordinated debt service coverage including capacity fees <sup>(1)</sup>	5.71 x	3.21 x	6.33 x	4.96 x
<b>District Energy System</b>				
Debt service coverage, (annual minimum 1.15x)	1.15 x	1.26 x	1.19 x	1.34 x

<sup>(1)</sup> Annual minimum 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).

JEA

Page 17

**Electric System  
Operating Statistics  
September 2021 and 2020 (unaudited)**

	Month			Year-to-Date		
	2021	2020	Variance	2021	2020	Variance
<b>Electric revenues sales (000s omitted):</b>						
Residential	\$ 60,150	\$ 61,641	-2.42%	\$ 644,639	\$ 624,078	3.29%
Commercial	32,812	33,227	-1.25%	377,388	369,365	2.17%
Industrial	15,175	16,249	-6.61%	189,554	187,357	1.17%
Public street lighting	1,164	1,137	2.37%	13,821	13,410	3.06%
Electric revenues - territorial	109,301	112,254	-2.63%	1,225,402	1,194,210	2.61%
Sales for resale - off system	9	234	-96.15%	2,137	2,128	0.42%
Electric revenues	109,310	112,488	-2.83%	1,227,539	1,196,338	2.61%
Rate stabilization & recovery	14,389	1,526	842.92%	57,646	26,986	113.61%
Allowance for doubtful accounts	-	(585)	-100.00%	(1,577)	(3,440)	-54.16%
<b>Net electric revenues</b>	<b>123,699</b>	<b>113,429</b>	<b>9.05%</b>	<b>1,283,608</b>	<b>1,219,884</b>	<b>5.22%</b>
<b>MWh sales</b>						
Residential	528,968	543,087	-2.60%	5,642,412	5,566,222	1.37%
Commercial	344,962	345,891	-0.27%	3,879,407	3,876,553	0.07%
Industrial	218,210	228,782	-4.62%	2,639,028	2,685,812	-1.74%
Public street lighting	4,579	4,623	-0.95%	55,487	55,974	-0.87%
Total MWh sales - territorial	1,096,719	1,122,383	-2.29%	12,216,334	12,184,561	0.26%
Sales for resale - off system	177	510	-65.29%	22,815	18,412	23.91%
Total MWh sales	1,096,896	1,122,893	-2.32%	12,239,149	12,202,973	0.30%
<b>Average number of accounts</b>						
Residential	440,215	431,051	2.13%	436,299	427,321	2.10%
Commercial	54,604	53,835	1.43%	54,185	53,554	1.18%
Industrial	194	197	-1.52%	196	196	0.00%
Public street lighting	3,987	3,953	0.86%	3,976	3,929	1.20%
<b>Total average accounts</b>	<b>499,000</b>	<b>489,036</b>	<b>2.04%</b>	<b>494,656</b>	<b>485,000</b>	<b>1.99%</b>
<b>Residential averages</b>						
Revenue per account - \$	136.64	143.00	-4.45%	1,477.52	1,460.44	1.17%
kWh per account	1,202	1,260	-4.63%	12,932	13,026	-0.72%
Revenue per kWh - ¢	11.37	11.35	0.19%	11.42	11.21	1.90%
<b>Degree days</b>						
Heating degree days	-	-	-	1,208	822	386
Cooling degree days	395	422	(27)	2,804	3,193	(389)
<b>Total degree days</b>	<b>395</b>	<b>422</b>	<b>(27)</b>	<b>4,012</b>	<b>4,015</b>	<b>(3)</b>
Degree days - 30 year average	416			4,083		

JEA  
Water and Sewer System  
Operating Statistics  
September 2021 and 2020 (unaudited)

	Month								
	Water			Sewer			Reuse		
	2021	2020	Variance	2021	2020	Variance	2021	2020	Variance
<b>Revenues (000s omitted):</b>									
Residential	\$ 8,180	\$ 7,999	2.26%	\$ 12,326	\$ 12,096	1.90%	\$ 1,271	\$ 1,183	7.44%
Commercial and industrial	3,825	3,934	-2.77%	9,261	9,284	-0.25%	565	582	-2.92%
Irrigation	2,662	2,523	5.51%	N/A	N/A	N/A	21	14	50.00%
Gross revenues	14,667	14,456	1.46%	21,587	21,380	0.97%	1,857	1,779	4.38%
Rate stabilization	530	34	1458.82%	780	50	1460.00%	68	5	1260.00%
Allowance for doubtful accounts	-	(64)	-100.00%	-	(94)	-100.00%	-	(8)	-100.00%
Net revenues	\$ 15,197	\$ 14,426	5.34%	\$ 22,367	\$ 21,336	4.83%	\$ 1,925	\$ 1,776	8.39%

<b>Kgal sales (000s omitted)</b>									
Residential	1,577,827	1,454,587	8.47%	1,343,504	1,274,964	5.38%	203,518	188,362	8.05%
Commercial and industrial	1,162,552	1,160,238	0.20%	1,032,556	1,004,458	2.80%	120,433	124,993	-3.65%
Irrigation	439,234	395,402	11.09%	N/A	N/A	N/A	65,299	37,771	72.88%
Total kgals sales	3,179,613	3,010,227	5.63%	2,376,060	2,279,422	4.24%	389,250	351,126	10.86%

<b>Average number of accounts:</b>									
Residential	313,235	303,604	3.17%	279,493	270,148	3.46%	20,174	17,489	15.35%
Commercial and industrial	26,716	26,292	1.61%	18,985	18,694	1.56%	775	693	11.83%
Irrigation	38,178	37,806	0.98%	N/A	N/A	N/A	42	38	10.53%
Total average accounts	378,129	367,702	2.84%	298,478	288,842	3.34%	20,991	18,220	15.21%

<b>Residential averages:</b>									
Revenue per account - \$	26.11	26.35	-0.91%	44.10	44.78	-1.52%	63.00	67.64	-6.86%
Kgals per account	5.04	4.79	5.22%	4.81	4.72	1.91%	10.09	10.77	-6.31%
Revenue per kgals - \$	5.18	5.50	-5.82%	9.17	9.49	-3.37%	6.25	6.28	-0.48%

	Year-to-Date								
	Water			Sewer			Reuse		
	2021	2020	Variance	2021	2020	Variance	2021	2020	Variance
<b>Revenues (000s omitted):</b>									
Residential	\$ 100,361	\$ 100,316	0.04%	\$ 152,684	\$ 151,893	0.52%	\$ 14,588	\$ 14,288	2.10%
Commercial and industrial	47,429	47,011	0.89%	111,255	109,682	1.43%	5,772	6,596	-12.49%
Irrigation	31,666	35,030	-9.60%	N/A	N/A	N/A	283	213	32.86%
Gross revenues	179,456	182,357	-1.59%	263,939	261,575	0.90%	20,643	21,097	-2.15%
Rate stabilization	(2,613)	2,499	-204.56%	(3,804)	3,786	-200.48%	(287)	239	-220.08%
Allowance for doubtful accounts	(244)	(542)	-54.98%	(372)	(767)	-51.50%	(26)	(64)	-59.38%
Net revenues	\$ 176,599	\$ 184,314	-4.19%	\$ 259,763	\$ 264,594	-1.83%	\$ 20,330	\$ 21,272	-4.43%

<b>Kgal sales (000s omitted)</b>									
Residential	18,448,336	18,839,990	-2.08%	16,148,759	16,405,359	-1.56%	2,270,954	2,358,318	-3.70%
Commercial and industrial	13,675,041	13,540,631	0.99%	11,990,765	11,754,843	2.01%	1,210,960	1,414,233	-14.37%
Irrigation	5,057,191	5,891,176	-14.16%	N/A	N/A	N/A	981,133	654,354	49.94%
Total kgals sales	37,180,568	38,271,797	-2.85%	28,139,524	28,160,202	-0.07%	4,463,047	4,426,905	0.82%

<b>Average number of accounts:</b>									
Residential	308,626	299,872	2.92%	275,022	266,460	3.21%	18,929	16,343	15.82%
Commercial and industrial	26,518	26,190	1.25%	18,848	18,644	1.09%	734	651	12.75%
Irrigation	37,931	37,535	1.06%	N/A	N/A	N/A	41	37	10.81%
Total average accounts	373,075	363,597	2.61%	293,870	285,104	3.07%	19,704	17,031	15.69%

<b>Residential averages:</b>									
Revenue per account - \$	325.19	334.53	-2.79%	555.17	570.04	-2.61%	770.67	874.26	-11.85%
Kgals per account	59.78	62.83	-4.85%	58.72	61.57	-4.63%	119.97	144.30	-16.86%
Revenue per kgals - \$	5.44	5.32	2.26%	9.45	9.26	2.05%	6.42	6.06	5.94%

	Month				Year-to-Date			
	2021	2020	Variance	30 Year Avg	2021	2020	Variance	30 Year Avg
Rainfall	5.11	9.25	(4.14)	7.56	56.40	60.97	(4.57)	54.15
Rain Days	8	16	(8)	12	135	122	13	114

# Appendix

**JEA**  
**Schedule of Cash and Investments**  
**(in thousands - unaudited) September 2021**

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Unrestricted cash and investments</b>						
Operations	\$ 56,985	\$ 34,229	\$ 91,214	\$ 28,547	\$ 1,219	\$ 120,980
Rate stabilization:						
Fuel	41,767	-	41,767	-	-	41,767
Environmental	19,756	-	19,756	30,077	-	49,833
Purchased Power	10,513	-	10,513	-	-	10,513
DSM/Conservation	7,233	-	7,233	-	-	7,233
Total rate stabilization funds	79,269	-	79,269	30,077	-	109,346
Customer deposits	45,179	-	45,179	17,044	-	62,223
General reserve	-	21,246	21,246	-	-	21,246
Self insurance reserve funds:						
Self funded health plan	14,272	-	14,272	-	-	14,272
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	24,272	-	24,272	-	-	24,272
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 222,273	\$ 55,475	\$ 277,748	\$ 75,668	\$ 1,219	\$ 354,635
<b>Restricted assets</b>						
Renewal and replacement funds	\$ 183,800	\$ 32,776	\$ 216,576	\$ 97,066	\$ 634	\$ 314,276
Debt service reserve account	55,844	10,087	65,931	55,665	-	121,596
Debt service funds	89,817	19,489	109,306	30,006	2,397	141,709
Construction funds	286	-	286	14,266	-	14,552
Environmental funds	83	-	83	3,118	-	3,201
Subtotal	329,830	62,352	392,182	200,121	3,031	595,334
Unrealized holding gain (loss) on investments	2,977	72	3,049	4,184	-	7,233
Other funds	-	29,871	29,871	-	-	29,871
Total restricted cash and investments	\$ 332,807	\$ 92,295	\$ 425,102	\$ 204,305	\$ 3,031	\$ 632,438
Total cash and investments	\$ 555,080	\$ 147,770	\$ 702,850	\$ 279,973	\$ 4,250	\$ 987,073

**JEA**  
**Schedule of Cash and Investments**  
**(in thousands) September 2020**

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
<b>Unrestricted cash and investments</b>						
Operations	\$ 48,670	\$ 34,212	\$ 82,882	\$ 26,738	\$ 1,615	\$ 111,235
Rate stabilization:						
Fuel	73,347	-	73,347	-	-	73,347
Environmental	21,818	-	21,818	23,372	-	45,190
Purchased Power	36,326	-	36,326	-	-	36,326
DSM/Conservation	5,423	-	5,423	-	-	5,423
Total rate stabilization funds	136,914	-	136,914	23,372	-	160,286
Customer deposits	43,641	-	43,641	16,926	-	60,567
General reserve	-	20,709	20,709	-	-	20,709
Self insurance reserve funds:						
Self funded health plan	10,890	-	10,890	-	-	10,890
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	20,890	-	20,890	-	-	20,890
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 266,683	\$ 54,921	\$ 321,604	\$ 67,036	\$ 1,615	\$ 390,255
<b>Restricted assets</b>						
Renewal and replacement funds	\$ 137,643	\$ 37,910	\$ 175,553	\$ 38,131	\$ 1,868	\$ 215,552
Debt service reserve account	55,844	10,544	66,388	58,228	-	124,616
Debt service funds	91,358	18,928	110,286	41,660	2,373	154,319
Construction funds	311	-	311	25,541	-	25,852
Environmental funds	301	-	301	649	-	950
Subtotal	285,457	67,382	352,839	164,209	4,241	521,289
Unrealized holding gain (loss) on investments	5,772	101	5,873	5,890	-	11,763
Other funds	-	32,062	32,062	-	-	32,062
Total restricted cash and investments	\$ 291,229	\$ 99,545	\$ 390,774	\$ 170,099	\$ 4,241	\$ 565,114
Total cash and investments	\$ 557,912	\$ 154,466	\$ 712,378	\$ 237,135	\$ 5,856	\$ 955,369



**JEA**  
**INVESTMENT PORTFOLIO REPORT**  
**September 2021**  
**(unaudited)**

Page 20

<b>INVESTMENT</b>	<b>BOOK VALUE</b>	<b>YIELD</b>	<b>% OF TOTAL</b>
Federal Home Loan Bank	<u>\$ 43,793,285</u>	<u>0.87%</u>	<u>4.43%</u>
Municipal Bonds	<u>105,543,994</u>	<u>3.32%</u>	<u>10.67%</u>
Commercial Paper	<u>117,377,539</u>	<u>0.16%</u>	<u>11.87%</u>
U.S. Treasury Money Market Funds (1)	<u>167,837,078</u>	<u>0.02%</u>	<u>16.97%</u>
Agency Money Market Funds (2)	<u>163,575,000</u>	<u>0.03%</u>	<u>16.54%</u>
PALM Money Market Fund	<u>40,500,000</u>	<u>0.05%</u>	<u>4.09%</u>
Florida Prime Fund	<u>128,288,000</u>	<u>0.09%</u>	<u>12.97%</u>
Wells Fargo Bank Accounts (3)			
Electric, Scherer	<u>143,907,710</u>	<u>0.16%</u>	<u>14.55%</u>
SJRPP	<u>30,494,453</u>	<u>0.16%</u>	<u>3.08%</u>
Water & Sewer, DES	<u>47,800,960</u>	<u>0.16%</u>	<u>4.83%</u>
Total Portfolio	<u>\$ 989,118,019</u>	<u>0.53%</u>	<u>100.00%</u>

Weighted Avg. Annual Yield for September 2021, Excluding Bank & Money Market Funds: 1.63

Weighted Avg. Annual Yield for September 2021, Including Bank & Money Market Funds: 0.53%

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

- (1) Treasury Funds: Fidelity, Goldman Sachs, State Street
- (2) Government Funds: State Street, Wells Fargo
- (3) Month-end bank balances

**JEA**

Page 21

**Schedule of Outstanding Indebtedness  
September 2021**

	<b>Interest Rates</b>	<b>Principal Payment Dates</b>	<b>Par Amount Principal Outstanding</b>	<b>Current Portion of Long-Term Debt</b>
<b>Electric Enterprise</b>				
<i>Electric System</i>				
Fixed Rate Senior	3.000-6.056%	2021-2044	456,330,000	15,705,000
Fixed Rate Subordinated	3.375-6.406%	2021-2039	466,420,000	31,870,000
Variable Rate Senior	0.029-0.521%	2021-2040	448,430,000	8,595,000
Variable Rate Subordinated	0.017-0.070%	2021-2038	57,195,000	2,970,000
<b>Total Electric System</b>	<b>2.712% (wtd avg)</b>	<b>2021-2044</b>	<b>1,428,375,000</b>	<b>59,140,000</b>
<i>Bulk Power Supply System</i>				
Fixed Rate Senior	2.250-5.920%	2021-2038	81,885,000	7,080,000
<i>St. Johns River Power Park</i>				
Fixed Rate Senior	2.250-5.450%	2021-2039	251,765,000	14,175,000
<b>Total Electric Enterprise</b>	<b>2.932% (wtd avg)</b>	<b>2021-2044</b>	<b>1,762,025,000</b>	<b>80,395,000</b>
<b>Water and Sewer System</b>				
Fixed Rate Senior	3.000-6.310%	2021-2044	869,570,000	2,060,000
Fixed Rate Subordinated	2.750-5.000%	2023-2040	88,845,000	-
Variable Rate Senior	0.017-1.981%	2021-2042	147,025,000	4,860,000
Variable Rate Subordinated	0.017-0.026%	2021-2038	100,835,000	2,450,000
<b>Total Water and Sewer System</b>	<b>3.065% (wtd avg)</b>	<b>2021-2044</b>	<b>1,206,275,000</b>	<b>9,370,000</b>
<b>District Energy System</b>				
Fixed Rate Senior	2.694 - 4.538%	2021-2034	31,410,000	1,770,000
<b>Total JEA</b>	<b>2.999% (wtd avg)</b>	<b>2021-2044</b>	<b>2,999,710,000</b>	<b>91,535,000</b>

**JEA****Debt Ratio****September 2021**

	<b>Current YTD</b>
Electric Enterprise	55.5%
Water and Sewer System	39.1%

**JEA**  
**Interest Rate Swap Position Report**  
**September 2021**  
**(unaudited)**

Page 22

**JEA Debt Management Swaps Variable to Fixed**

ID	Dealer	Effective Date	Termination Date	Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
<i>Electric System</i>									
1	Goldman Sachs	9/18/2003	9/16/2033	\$ 84,800,000	3.717	0.058	3.659	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	4.351	0.021	4.330	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	81,575,000	3.661	0.058	3.603	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	3.716	0.058	3.658	n/a	68% 1 mth Libor
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	3.907	0.021	3.886	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	3.836	0.021	3.815	n/a	SIFMA
			Total	<u>402,785,000</u>					
<i>Water/Sewer System</i>									
7	Morgan Stanley	10/31/2006	10/1/2022	9,915,000	4.075	2.395	1.680	n/a	CPI
9	Merrill Lynch	3/8/2007	10/1/2041	85,290,000	3.895	0.021	3.874	n/a	SIFMA
			Total	<u>95,205,000</u>					
			Grand Total	<u>\$ 497,990,000</u>		Wtd Avg Spread	<u>3.803</u>		

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

**JEA**  
**Electric System**  
**Production Statistics**  
**September 2021 and 2020 (unaudited)**

	Month			Year-to-Date		
	2021	2020	Variance	2021	2020	Variance
<b>Generated power:</b>						
<b>Steam:</b>						
<i>Fuel oil</i>						
Fuel expense	\$ 133,157	\$ 2,905	4483.72%	\$ 2,331,021	\$ 268,213	769.09%
Barrels #6 oil consumed	1,227	27	4444.44%	21,489	2,474	768.59%
\$/ per barrel consumed	\$ 108.52	\$ 107.59	0.86%	\$ 108.48	\$ 108.41	0.06%
kWh oil generated (1)	-	-		10,376,120	1,201,444	763.64%
Cost per MWh - oil	\$ -	\$ -		\$ 224.65	\$ 223.24	0.63%
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 10,924,565	\$ 6,241,755	75.02%	\$ 71,882,733	\$ 48,528,794	48.12%
MMBTU's consumed	2,198,801	2,640,736	-16.74%	21,959,745	23,437,874	-6.31%
\$/ per MMBTU consumed	\$ 4.97	\$ 2.36	110.20%	\$ 3.27	\$ 2.07	58.09%
kWh - gas generated (1)	196,709,930	243,608,646	-19.25%	1,976,505,247	2,153,768,606	-8.23%
Cost per MWh - gas	\$ 55.54	\$ 25.62	116.75%	\$ 36.37	\$ 22.53	61.41%
Cost per MWh - gas & oil - steam	\$ 56.21	\$ 25.63	119.29%	\$ 37.35	\$ 22.64	64.95%
<i>Coal</i>						
Coal expense	\$ 2,480,558	\$ 1,699,425	45.96%	\$ 20,993,210	\$ 19,264,684	8.97%
kWh generated	50,824,975	61,717,466	-17.65%	666,127,743	783,985,546	-15.03%
Cost per MWh - coal	\$ 48.81	\$ 27.54	77.25%	\$ 31.52	\$ 24.57	28.25%
<i>Pet coke and limestone</i>						
Expense	\$ 4,461,473	\$ 3,399,443	31.24%	\$ 41,093,755	\$ 40,248,173	2.10%
kWh generated	69,194,436	93,201,572	-25.76%	940,183,268	1,543,518,354	-39.09%
Cost per MWh - pet coke and limestone	\$ 64.48	\$ 36.47	76.78%	\$ 43.71	\$ 26.08	67.62%
Cost per MWh - coal & petcoke - steam	\$ 57.84	\$ 32.91	75.74%	\$ 38.65	\$ 25.57	51.16%
<b>Combustion turbine:</b>						
<i>Fuel oil</i>						
Fuel expense	\$ 144,812	\$ 31,599	358.28%	\$ 1,952,133	\$ 1,731,780	12.72%
Barrels #2 oil consumed	1,091	(48)	-2372.92%	15,626	13,439	16.27%
\$/ per barrel consumed	\$ 132.73	\$ (658.31)	-120.16%	\$ 124.93	\$ 128.86	-3.05%
kWh - oil generated	270,920	63,500	326.65%	6,089,894	4,935,738	23.38%
Cost per MWh - oil	\$ 534.52	\$ 497.62	7.41%	\$ 320.55	\$ 350.87	-8.64%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 781,407	\$ 418,707	86.62%	\$ 8,775,715	\$ 2,873,109	205.44%
MMBTU's consumed	158,097	176,941	-10.65%	2,675,002	1,331,972	100.83%
\$/ per MMBTU consumed	\$ 4.94	\$ 2.37	108.87%	\$ 3.28	\$ 2.16	52.09%
kWh - gas generated (1)	13,537,936	15,848,817	-14.58%	237,020,300	114,513,836	106.98%
Cost per MWh - gas	\$ 57.72	\$ 26.42	118.48%	\$ 37.03	\$ 25.09	47.57%
Gas expense BB simple - variable	\$ 115,173	\$ 187,822	-38.68%	\$ 5,596,727	\$ 3,449,951	62.23%
MMBTU's consumed	\$ 24,829	\$ 94,138	-73.62%	\$ 1,909,731	\$ 1,951,496	-2.14%
\$/ per MMBTU consumed	\$ 4.64	\$ 2.00	132.49%	\$ 2.93	\$ 1.77	65.77%
kWh - gas generated (1)	2,014,162	8,632,600	-76.67%	177,849,510	191,944,141	-7.34%
Cost per MWh - gas simple	\$ 57.18	\$ 21.76	162.82%	\$ 31.47	\$ 17.97	75.08%
Gas expense BB combined - variable	\$ 13,077,492	\$ 6,491,462	101.46%	\$ 106,909,559	\$ 68,424,438	56.24%
MMBTU's consumed	2,702,670	2,869,681	-5.82%	32,759,859	32,939,699	-0.55%
\$/ per MMBTU consumed	\$ 4.84	\$ 2.26	113.91%	\$ 3.26	\$ 2.08	57.10%
kWh - gas generated (1)	388,585,261	416,954,888	-6.80%	4,808,935,414	4,884,904,833	-1.56%
Cost per MWh - gas combined	\$ 33.65	\$ 15.57	116.16%	\$ 22.23	\$ 14.01	58.71%
Gas expense GEC simple - variable	\$ 2,672,113	\$ 2,213,717	20.71%	\$ 25,808,372	\$ 14,256,044	81.03%
MMBTU's consumed	665,246	980,054	-32.12%	6,920,950	6,427,417	7.68%
\$/ per MMBTU consumed	\$ 4.02	\$ 2.26	77.83%	\$ 3.73	\$ 2.22	68.13%
kWh - gas generated	59,823,204	91,119,992	-34.35%	630,853,671	590,521,802	6.83%
Cost per MWh - gas simple	\$ 44.67	\$ 24.29	83.86%	\$ 40.91	\$ 24.14	69.46%
Cost per MWh - gas & oil ct	\$ 36.17	\$ 17.54	106.19%	\$ 25.43	\$ 15.68	62.19%
Natural gas expense - fixed	\$ 2,980,696	\$ 3,056,107	-2.47%	\$ 38,855,111	\$ 39,002,857	-0.38%
<b>Total generated power:</b>						
Fuels expense	\$ 37,771,446	\$ 23,742,942	59.08%	\$ 324,198,336	\$ 238,048,043	36.19%
kWh generated	780,960,824	931,147,481	-16.13%	9,453,941,167	10,269,294,300	-7.94%
Cost per MWh	\$ 48.37	\$ 25.50	89.68%	\$ 34.29	\$ 23.18	47.94%

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

JEA  
Electric System  
Production Statistics (Continued)  
September 2021 and 2020 (unaudited)

Page 24

Production Statistics (Continued)	Month			Year-to-Date		
	2021	2020	Variance	2021	2020	Variance
<b>Cost of fuels</b>						
Natural gas	\$ 30,551,446	\$ 18,609,570	64.17%	\$ 257,828,217	\$ 176,535,193	46.05%
Petcoke	4,461,473	3,399,443	31.24%	41,093,755	40,248,173	2.10%
Coal	2,480,558	1,699,425	45.96%	20,993,210	19,264,684	8.97%
Fuel oil #2	144,812	31,599	358.28%	1,952,133	1,731,780	12.72%
Fuel oil #6	133,157	2,905	4483.72%	2,331,021	268,213	769.09%
Total	<u>\$ 37,771,446</u>	<u>\$ 23,742,942</u>	<u>59.08%</u>	<u>\$ 324,198,336</u>	<u>\$ 238,048,043</u>	<u>36.19%</u>
<b>Purchased power:</b>						
<i>Plant Scherer</i>						
Purchases	\$ 5,711,561	\$ 3,989,420	43.17%	\$ 56,790,365	\$ 44,086,812	28.81%
kWh purchased	144,308,000	74,185,000	94.52%	1,281,756,000	663,120,000	93.29%
Cost per MWh	\$ 39.58	\$ 53.78	-26.40%	\$ 44.31	\$ 66.48	-33.36%
<i>TEA &amp; other</i>						
Purchases	\$ 11,866,614	\$ 8,459,841	40.27%	\$ 111,386,752	\$ 85,045,756	30.97%
kWh purchased	219,443,963	159,252,968	37.80%	1,938,451,199	1,695,575,828	14.32%
Cost per MWh	\$ 54.08	\$ 53.12	1.80%	\$ 57.46	\$ 50.16	14.56%
<i>SJRPP</i>						
Purchases	\$ 2,223,902	\$ 2,170,390	2.47%	\$ 26,643,466	\$ 25,130,399	6.02%
<b>Total purchased power:</b>						
Purchases	<u>\$ 19,802,077</u>	<u>\$ 14,619,651</u>	<u>35.45%</u>	<u>\$ 194,820,583</u>	<u>\$ 154,262,967</u>	<u>26.29%</u>
kWh purchased	<u>363,751,963</u>	<u>233,437,968</u>	<u>55.82%</u>	<u>3,220,207,199</u>	<u>2,358,695,828</u>	<u>36.52%</u>
Cost per MWh	<u>\$ 54.44</u>	<u>\$ 62.63</u>	<u>-13.08%</u>	<u>\$ 60.50</u>	<u>\$ 65.40</u>	<u>-7.50%</u>
Subtotal - generated and purchased power:	\$ 57,573,523	\$ 38,362,593	50.08%	\$ 519,018,919	\$ 392,311,010	32.30%
Fuel interchange sales	(9,150)	(11,545)	-20.74%	(989,114)	(436,233)	126.74%
Earnings of The Energy Authority	(871,925)	(205,351)	324.60%	(15,377,860)	(2,847,874)	439.98%
EPA Allowance Purchases	-	-	-	-	(17,000)	-100.00%
Realized and Unrealized (Gains) Losses	(6,076,000)	1,009,980	-701.60%	(18,014,300)	15,523,590	-216.04%
Fuel procurement and handling	1,808,089	1,340,993	34.83%	13,012,923	13,283,016	-2.03%
Byproduct reuse	1,026,818	852,091	20.51%	7,673,695	4,325,929	77.39%
<b>Total generated and net purchased power:</b>						
Cost, net	<u>53,451,355</u>	<u>41,348,761</u>	<u>29.27%</u>	<u>505,324,263</u>	<u>422,142,438</u>	<u>19.70%</u>
kWh generated and purchased	<u>1,144,712,787</u>	<u>1,164,585,449</u>	<u>-1.71%</u>	<u>12,674,148,366</u>	<u>12,627,990,128</u>	<u>0.37%</u>
Cost per MWh	<u>\$ 46.69</u>	<u>\$ 35.51</u>	<u>31.51%</u>	<u>\$ 39.87</u>	<u>\$ 33.43</u>	<u>19.27%</u>
<b>Reconciliation:</b>						
Generated and purchased power per above	\$ 53,451,355	\$ 46.69		\$ 505,324,263	\$ 39.87	
<b>SJRPP operating expenses:</b>						
SJRPP debt service	\$ (1,976,190)	(1.73)		(23,670,926)	(1.87)	
SJRPP R & R	\$ (247,712)	(0.22)		(2,972,540)	(0.23)	
<b>Scherer operating expenses:</b>						
Scherer power production	\$ (744,682)	(0.65)		(8,625,802)	(0.68)	
Scherer R & R	\$ 63,487	0.06		(2,637,906)	(0.21)	
Scherer transmission	\$ (546,937)	(0.48)		(6,949,601)	(0.55)	
Scherer taxes	\$ (88,613)	(0.08)		(1,372,808)	(0.11)	
Florida and other capacity	\$ (720,766)	(0.63)		(8,160,735)	(0.64)	
MEAG	\$ (2,088,625)	(1.82)		(25,990,080)	(2.05)	
Rounding	\$ 1	0.00		2	0.00	
Energy expense per budget page	<u>\$ 47,101,318</u>	<u>\$ 41.15</u>		<u>\$ 424,943,867</u>	<u>\$ 33.53</u>	

JEA

Page 25

Electric System Budget vs. Actual September 2021 and 2020 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2020-21	2020-21	2020-21	%	2019-20	%
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 410,912,775	\$ 36,584,470	\$ 35,343,275	-3.39%	\$ 36,184,866	-2.33%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	307,626,283	26,914,533	34,530,353		26,946,006	
Other Purchased Power	66,547,723	6,238,096	12,570,965		7,480,535	
Subtotal Energy Expense	374,174,006	33,152,629	47,101,318	-42.07%	34,426,541	-36.82%
Transfer to (from) Rate Stabilization, Net	35,506,030	3,329,112	(11,759,631)		1,558,407	
Fuel Related Uncollectibles	1,232,739	102,729	1,588		199,918	
<b>Total</b>	<b>410,912,775</b>	<b>36,584,470</b>	<b>35,343,275</b>	<b>3.39%</b>	<b>36,184,866</b>	<b>2.33%</b>
Fuel Balance	-	-	-		-	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	793,579,500	70,654,123	67,273,813		69,689,905	
Conservation Charge Revenue	768,600	68,430	143,191		134,271	
Environmental Charge Revenue	7,814,100	695,706	670,719		687,062	
Investment Income	7,962,574	663,548	651,738		825,993	
Natural Gas Revenue Pass Through	967,784	80,649	80,238		48,021	
Other Revenues	131,989,836	108,943,725	2,324,418		1,769,255	
<b>Total</b>	<b>943,082,394</b>	<b>181,106,181</b>	<b>71,144,117</b>	<b>-60.72%</b>	<b>73,154,507</b>	<b>-2.75%</b>
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	222,609,136	8,427,070	30,519,600		27,779,442	
DSM / Conservation O&M	5,364,046	(531,900)	1,166,820		991,552	
Environmental O&M	1,891,598	156,047	189,870		233,728	
Rate Stabilization - DSM	1,809,554	1,121,421	(407,593)		(255,059)	
Rate Stabilization - Environmental	(9,423,646)	(785,304)	(133,404)		(351,882)	
Natural Gas Expense Pass Through	1,014,526	174,688	96,344		65,298	
Debt Principal - Electric System	59,140,000	4,928,333	4,928,333		5,065,833	
Debt Interest - Electric System	72,033,417	6,002,785	5,964,659		6,479,206	
Early Debt Retirement	106,848,624	-	-		-	
R&R - Electric System	64,012,472	5,334,373	5,211,688		5,468,638	
Operating Capital Outlay	234,283,831	10,283,831	10,283,831		15,717,871	
Operating Capital Outlay - Environmental	9,640,680	9,640,680	614,253		805,215	
City Contribution Expense	93,609,555	7,800,796	7,800,796		7,822,581	
Taxes & Uncollectibles	2,606,030	217,169	19,123		400,231	
Emergency Reserve	5,000,000	5,000,000	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	14,175,000	1,181,250	1,181,250		1,111,667	
* SJRPP D/S Interest	9,893,940	824,495	800,443		843,913	
** Other Non-Fuel Purchased Power	48,573,631	4,047,803	3,115,437		3,329,606	
<b>Total Nonfuel Expenses</b>	<b>943,082,394</b>	<b>63,823,537</b>	<b>71,351,450</b>	<b>-11.79%</b>	<b>75,507,840</b>	<b>5.50%</b>
Non-Fuel Balance	-	117,282,644	(207,333)		(2,353,333)	
<b>Total Balance</b>	<b>-</b>	<b>117,282,644</b>	<b>(207,333)</b>		<b>(2,353,333)</b>	
<b>Total Revenues</b>	<b>1,353,995,169</b>	<b>217,690,651</b>	<b>106,487,392</b>	<b>-51.08%</b>	<b>109,339,373</b>	<b>-2.61%</b>
<b>Total Expenses</b>	<b>1,353,995,169</b>	<b>100,408,007</b>	<b>106,694,725</b>	<b>-6.26%</b>	<b>111,692,706</b>	<b>4.47%</b>
<b>KWH Sold - Territorial</b>	<b>12,810,000,000</b>	<b>1,140,502,000</b>	<b>1,096,718,847</b>	<b>-3.84%</b>	<b>1,122,383,496</b>	<b>-2.29%</b>
<b>KWH Sold - Off System</b>	<b>-</b>	<b>-</b>	<b>177,000</b>		<b>510,000</b>	
	<b>12,810,000,000</b>	<b>1,140,502,000</b>	<b>1,096,895,847</b>	<b>-3.82%</b>	<b>1,122,893,496</b>	<b>-2.32%</b>

\* Gross debt service

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

JEA

Page 26

Electric System Budget vs. Actual September 2021 and 2020 (unaudited)	Year-to-Date				Prior Year-to-Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2020-21	2020-21	2020-21	%	2019-20	%
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 410,912,775	\$ 410,912,775	\$ 393,910,729	-4.14%	\$ 369,412,139	6.63%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	307,626,283	307,626,283	326,870,655		271,163,578	
Other Purchased Power	66,547,723	66,547,723	98,073,212		70,898,291	
Subtotal Energy Expense	374,174,006	374,174,006	424,943,867	-13.57%	342,061,869	-24.23%
Transfer to (from) Rate Stabilization, Net	35,506,030	35,506,030	(31,580,270)		26,195,649	
Fuel Related Uncollectibles	1,232,739	1,232,739	547,132		1,154,621	
<b>Total</b>	<b>410,912,775</b>	<b>410,912,775</b>	<b>393,910,729</b>	<b>4.14%</b>	<b>369,412,139</b>	<b>-6.63%</b>
Fuel Balance	-	-	-		-	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	793,579,500	793,579,500	764,447,723		759,543,821	
Conservation Charge Revenue	768,600	768,600	814,326		857,353	
Environmental Charge Revenue	7,814,100	7,814,100	7,497,183		7,469,757	
Investment Income	7,962,574	7,962,574	3,971,823		7,898,669	
Natural Gas Revenue Pass Through	967,784	967,784	823,422		633,594	
Other Revenues	131,989,836	131,989,836	133,109,440		48,184,545	
<b>Total</b>	<b>943,082,394</b>	<b>943,082,394</b>	<b>910,663,917</b>	<b>-3.44%</b>	<b>824,587,739</b>	<b>10.44%</b>
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	222,609,136	222,609,136	206,528,333		210,085,572	
DSM / Conservation O&M	5,364,046	5,364,046	5,105,763		5,909,277	
Environmental O&M	1,891,598	1,891,598	1,084,843		1,189,078	
Rate Stabilization - DSM	1,809,554	1,809,554	1,809,554		1,060,184	
Rate Stabilization - Environmental	(9,423,646)	(9,423,646)	(2,062,283)		(3,813,916)	
Natural Gas Expense Pass Through	1,014,526	1,014,526	1,014,526		739,415	
Debt Principal - Electric System	59,140,000	59,140,000	59,140,000		60,790,000	
Debt Interest - Electric System	72,033,417	72,033,417	66,420,590		72,662,333	
Early Debt Retirement	106,848,624	106,848,624	106,848,624		55,154,065	
Rate Stabilization - Debt Management	-	-	-		(29,884,152)	
R&R - Electric System	64,012,472	64,012,472	62,540,250		65,623,650	
Operating Capital Outlay	234,283,831	234,283,831	234,283,831		206,717,871	
Operating Capital Outlay - Environmental	9,640,680	9,640,680	8,474,623		10,094,595	
City Contribution Expense	93,609,555	93,609,555	93,609,555		93,870,968	
Taxes & Uncollectibles	2,606,030	2,606,030	1,273,198		2,543,033	
Emergency Reserve	5,000,000	5,000,000	-		-	
* SJRPP D/S Principal	14,175,000	14,175,000	14,175,000		13,340,000	
* SJRPP D/S Interest	9,893,940	9,893,940	9,603,503		10,126,954	
** Other Non-Fuel Purchased Power	48,573,631	48,573,631	40,814,007		48,378,812	
<b>Total Nonfuel Expenses</b>	<b>943,082,394</b>	<b>943,082,394</b>	<b>910,663,917</b>	<b>3.44%</b>	<b>824,587,739</b>	<b>-10.44%</b>
Non-Fuel Balance	-	-	-		-	
<b>Total Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	
<b>Total Revenues</b>	<b>1,353,995,169</b>	<b>1,353,995,169</b>	<b>1,304,574,646</b>	<b>-3.65%</b>	<b>1,193,999,878</b>	<b>9.26%</b>
<b>Total Expenses</b>	<b>1,353,995,169</b>	<b>1,353,995,169</b>	<b>1,304,574,646</b>	<b>3.65%</b>	<b>1,193,999,878</b>	<b>-9.26%</b>
<b>KWH Sold - Territorial</b>	<b>12,810,000,000</b>	<b>12,810,000,000</b>	<b>12,216,333,532</b>	<b>-4.63%</b>	<b>12,184,560,679</b>	<b>0.26%</b>
<b>KWH Sold - Off System</b>	<b>-</b>	<b>-</b>	<b>22,815,000</b>		<b>18,412,000</b>	
	<b>12,810,000,000</b>	<b>12,810,000,000</b>	<b>12,239,148,532</b>	<b>-4.46%</b>	<b>12,202,972,679</b>	<b>0.30%</b>

\* Gross debt service

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

JEA

Page 27

Water and Sewer System

Budget vs. Actual September 2021 and 2020 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2020-21	2020-21	2020-21	%	2019-20	%
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 465,323,338	\$ 39,332,973	\$ 37,180,906		\$ 36,715,113	
Capacity & Extension Fees	29,388,151	2,777,795	4,073,723		3,687,138	
Capital Contributions	-	-	-		40,000	
Investment Income	2,975,171	247,931	189,770		194,005	
Other Income	14,600,000	519,314	1,329,404		1,261,487	
<b>Total</b>	<b>512,286,660</b>	<b>42,878,013</b>	<b>42,773,803</b>	<b>-0.24%</b>	<b>41,897,743</b>	<b>2.09%</b>
<b>EXPENSES</b>						
O & M Expenses	165,153,223	3,799,556	20,159,789		25,217,425	
Debt Principal - Water & Sewer	9,370,000	780,833	780,830		1,655,832	
Debt Interest - Water & Sewer	51,425,187	30,867	4,432,631		4,611,145	
Rate Stabilization - Environmental	6,704,447	6,704,447	(1,376,918)		(88,653)	
R&R - Water & Sewer	26,606,100	2,217,175	2,217,175		2,094,913	
Operating Capital Outlay	175,016,110	9,377,488	9,377,493		(5,996,175)	
Operating Capital Outlay - Capacity/Extension	40,280,874	13,341,735	4,073,723		3,687,138	
Operating Capital Outlay - Contributions	-	-	-		40,000	
Operating Capital Outlay - Environmental	9,742,935	(5,611,951)	2,622,251		851,324	
City Contribution Expense	26,402,695	2,200,225	2,200,225		2,079,420	
Uncollectibles & Fees	642,888	(636,751)	-		166,000	
Interlocal Agreements	942,201	-	-		-	
Emergency Reserve	-	-	-		-	
<b>Total Expenses</b>	<b>512,286,660</b>	<b>32,203,624</b>	<b>44,487,199</b>	<b>-38.14%</b>	<b>34,318,369</b>	<b>-29.63%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ 10,674,389</b>	<b>\$ (1,713,396)</b>		<b>\$ 7,579,374</b>	
<b>Sales kgals</b>						
<b>Water</b>	40,425,000	3,416,725	3,179,613	-6.94%	3,010,227	5.63%
<b>Sewer</b>	34,650,000	3,041,000	2,765,310	-9.07%	2,630,548	5.12%
<b>Total</b>	<b>75,075,000</b>	<b>6,457,725</b>	<b>5,944,923</b>	<b>-7.94%</b>	<b>5,640,775</b>	<b>5.39%</b>

Budget vs. Actual September 2021 and 2020 (unaudited)	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2020-21	2020-21	2020-21	%	2019-20	%
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 465,323,338	\$ 465,323,338	\$ 453,152,820		\$ 454,065,274	
Capacity & Extension Fees	29,388,151	29,388,151	39,929,604		32,858,229	
Capital Contributions	-	-	351,270		130,000	
Investment Income	2,975,171	2,975,171	2,574,829		2,875,047	
Other Income	14,600,000	14,600,000	13,880,841		47,903,943	
<b>Total</b>	<b>512,286,660</b>	<b>512,286,660</b>	<b>509,889,364</b>	<b>-0.47%</b>	<b>537,832,493</b>	<b>-5.20%</b>
<b>EXPENSES</b>						
O & M Expenses	165,153,223	165,153,223	162,755,927		170,530,028	
Debt Principal - Water & Sewer	9,370,000	9,370,000	9,370,000		19,870,000	
Debt Interest - Water & Sewer	51,425,187	51,425,187	51,425,187		54,059,483	
Early Debt Retirement	-	-	-		48,195,881	
Rate Stabilization - Debt Management	-	-	-		(14,209,250)	
Rate Stabilization - Environmental	6,704,447	6,704,447	6,704,447		7,685,157	
R&R - Water & Sewer	26,606,100	26,606,100	26,606,100		25,138,950	
Operating Capital Outlay	175,016,110	175,016,110	175,016,110		148,442,442	
Operating Capital Outlay - Capacity/Extension	40,280,874	40,280,874	39,929,604		32,858,229	
Operating Capital Outlay - Contributions	-	-	351,270		130,000	
Operating Capital Outlay - Environmental	9,742,935	9,742,935	9,742,935		6,649,227	
City Contribution Expense	26,402,695	26,402,695	26,402,695		24,953,042	
Uncollectibles & Fees	642,888	642,888	642,888		1,372,654	
Interlocal Agreements	942,201	942,201	942,201		2,762,118	
Emergency Reserve	-	-	-		-	
<b>Total Expenses</b>	<b>512,286,660</b>	<b>512,286,660</b>	<b>509,889,364</b>	<b>0.47%</b>	<b>528,437,961</b>	<b>3.51%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 9,394,532</b>	
<b>Sales kgals</b>						
<b>Water</b>	40,425,000	40,425,000	37,180,568	-8.03%	38,271,797	-2.85%
<b>Sewer</b>	34,650,000	34,650,000	32,602,571	-5.91%	32,587,107	0.05%
<b>Total</b>	<b>75,075,000</b>	<b>75,075,000</b>	<b>69,783,139</b>	<b>-7.05%</b>	<b>70,858,904</b>	<b>-1.52%</b>



JEA

Page 28

District Energy System		Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance	
September 2021 and 2020 (unaudited)	2020-21	2020-21	2020-21	%	2019-20	%	
<b>REVENUES</b>							
Revenues	\$ 9,328,327	\$ 941,490	\$ 847,902		\$ 906,158		
Investment Income	-	-	111		15,140		
<b>Total</b>	<b>9,328,327</b>	<b>941,490</b>	<b>848,013</b>	<b>-9.93%</b>	<b>921,298</b>	<b>-7.95%</b>	
<b>EXPENSES</b>							
O & M Expenses	5,193,927	514,900	554,913		605,735		
Debt Principal - District Energy System	1,770,000	147,500	147,500		143,750		
Debt Interest - District Energy System	1,253,891	104,491	104,491		107,963		
R&R - District Energy System	437,313	36,443	36,079		49,100		
Operating Capital Outlay	673,196	673,196	136,339		455,330		
<b>Total Expenses</b>	<b>9,328,327</b>	<b>1,476,530</b>	<b>979,322</b>	<b>33.67%</b>	<b>1,361,878</b>	<b>28.09%</b>	
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ (535,040)</b>	<b>\$ (131,309)</b>		<b>\$ (440,580)</b>		

District Energy System		Year-To-Date				Prior-Year-to-Date	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance	
September 2021 and 2020 (unaudited)	2020-21	2020-21	2020-21	%	2019-20	%	
<b>REVENUES</b>							
Revenues	\$ 9,328,327	\$ 9,328,327	\$ 8,042,965		\$ 8,586,355		
Investment Income	-	-	2,275		72,466		
<b>Total</b>	<b>9,328,327</b>	<b>9,328,327</b>	<b>8,045,240</b>	<b>-13.75%</b>	<b>8,658,821</b>	<b>-7.09%</b>	
<b>EXPENSES</b>							
O & M Expenses	5,193,927	5,193,927	4,452,060		4,593,741		
Debt Principal - District Energy System	1,770,000	1,770,000	1,770,000		1,725,000		
Debt Interest - District Energy System	1,253,891	1,253,891	1,253,891		1,295,550		
R&R - District Energy System	437,313	437,313	432,950		589,200		
Operating Capital Outlay	673,196	673,196	136,339		455,330		
<b>Total Expenses</b>	<b>9,328,327</b>	<b>9,328,327</b>	<b>8,045,240</b>	<b>13.75%</b>	<b>8,658,821</b>	<b>7.09%</b>	
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>		