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

JEA BOARD OF DIRECTORS MEETING

JEA Headquarters | 1st Floor | Room 120-A&B | 225 North Pearl Street, Jacksonville, FL 32202
January 30, 2024 | 9:00 am – 12:00 pm

WELCOME

Meeting Called to Order Time of Reflection Introductions Adoption of Agenda (Action)	Bobby Stein, Chair
Values Moment	Kassandra Carman, Corporate Strategy Specialist

COMMENTS / PRESENTATIONS

Comments from the Public	Public
Council Liaison's Comments	Council Member Michael Boylan
Managing Director / CEO Report	Jay Stowe, Managing Director / CEO
JEA Performance Update	
Corporate Scorecard	Stefanie Monroe, Director, Analytics
Quarterly Financial Update	Russell Caffey, Controller

FOR BOARD CONSIDERATION

Consent Agenda (Action) Board Meeting Minutes – November 7, 2023	Bobby Stein, Chair

FOSTER AN EXCEPTIONAL WORK CULTURE

Appointment of Tameka Gaines Holly to the City of Jacksonville Civil Service Board (Action)	David Emanuel, Chief Human Resources Officer

MAKE DOING BUSINESS WITH JEA EASY

EY Audit Results	John DiSanto, Managing Director, EY
Energy Market Risk Management Policy (Action)	Laura Schepis, Chief External Affairs Officer

DEEPEN CUSTOMER & COMMUNITY ENGAGEMENT

Business Client Satisfaction	Sheila Pressley, Chief Customer Officer John Hazen, J.D. Power
MEAG Power Department of Energy Loan Guarantee (Action)	Ted Phillips, Chief Financial Officer
MEAG Power Purchase Agreement Document Amendments (Action)	Joe Orfano, Vice President, Financial Services
FY24 Electric Call for Rate Hearing (Action)	Victor Blackshear, Director, Financial Rates & Planning
Water & Sewer Bond Offering Update	Randall Barnes, Treasurer

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PLAN FOR THE FUTURE

Enterprise Planning Process — Laura Dutton, Chief Strategy Officer
Long Range Financial Plan — Juli Crawford, Vice President, Enterprise Strategy & Planning

OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business/Open Discussion
Chair's Report
- FY23 CEO Evaluation
- FY23 Board Self-Evaluation Results
- Finance & Audit Committee
- Slate of Officers

Announcements – Next Board Meeting February 27, 2024
Adjournment

INFORMATIONAL MATERIAL

Appendix A: Board Meeting Minutes November 7, 2023

Appendix B: Appointment of Tameka Gaines Holly to the City of Jacksonville Civil Service Board

Appendix C: EY Audit Results

Appendix D: Energy Market Risk Management Policy

Appendix E: MEAG Power Department of Energy Loan Guarantee and Power Purchase Agreement Document Amendments

Appendix F: FY24 Electric Call for Rate Hearing

Appendix G: CEO Evaluation Overview and Timeline

Appendix H: Board Self-Assessment

Appendix I: Annual Audited Financial Statements

Appendix J: Jacksonville Small & Emerging Business Quarterly Report

Appendix K: Financial Statements

BOARD CALENDAR

2024 Board Meetings
9:00 am – February 27, March 26, May 21, June 25, August 7, September 24

Board of Directors Meeting
January 30, 2024 - 9:00 am

Values Moment
Kassandra Carman, Corporate Strategy Specialist
Improving Lives...Building Community
JEA

Safety Briefing
Headquarters

Pearl Street Exit

Monroe Street Exit
Left of the American Flag

County Courthouse Lawn

In the event of an emergency, JEA Security will call 911 and coordinate any required evacuation

Emergency Evacuation Route: Exit building via Pearl Street main entrance/exit or Monroe Street exit to the left of the American flag

Assembly Point: Front of Duval County Clerk of Courts (NW corner of Adams St. & Clay St.)

Evacuation or Medical Assist: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette


Our Values
Safety
We put the physical and emotional wellbeing of people first, both at and away from work.
Respect
We treat others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone.
Integrity
We place the highest standard on ethics and personal responsibility,
of the trust our customers and colleagues place in us.

INTEGRITY

“It is the reflection of our dedication to the well-being of our neighbors, friends, and family who rely on us.”

Comments From The Public

Chair Stein

Improving Lives...Building Community

Council Liaision’s Comments

Council Member Michael Boylan

Improving Lives...Building Community

Managing Director/CEO

Jay Stowe, Managing Director/CEO

Improving Lives...Building Community

Corporate Scorecard

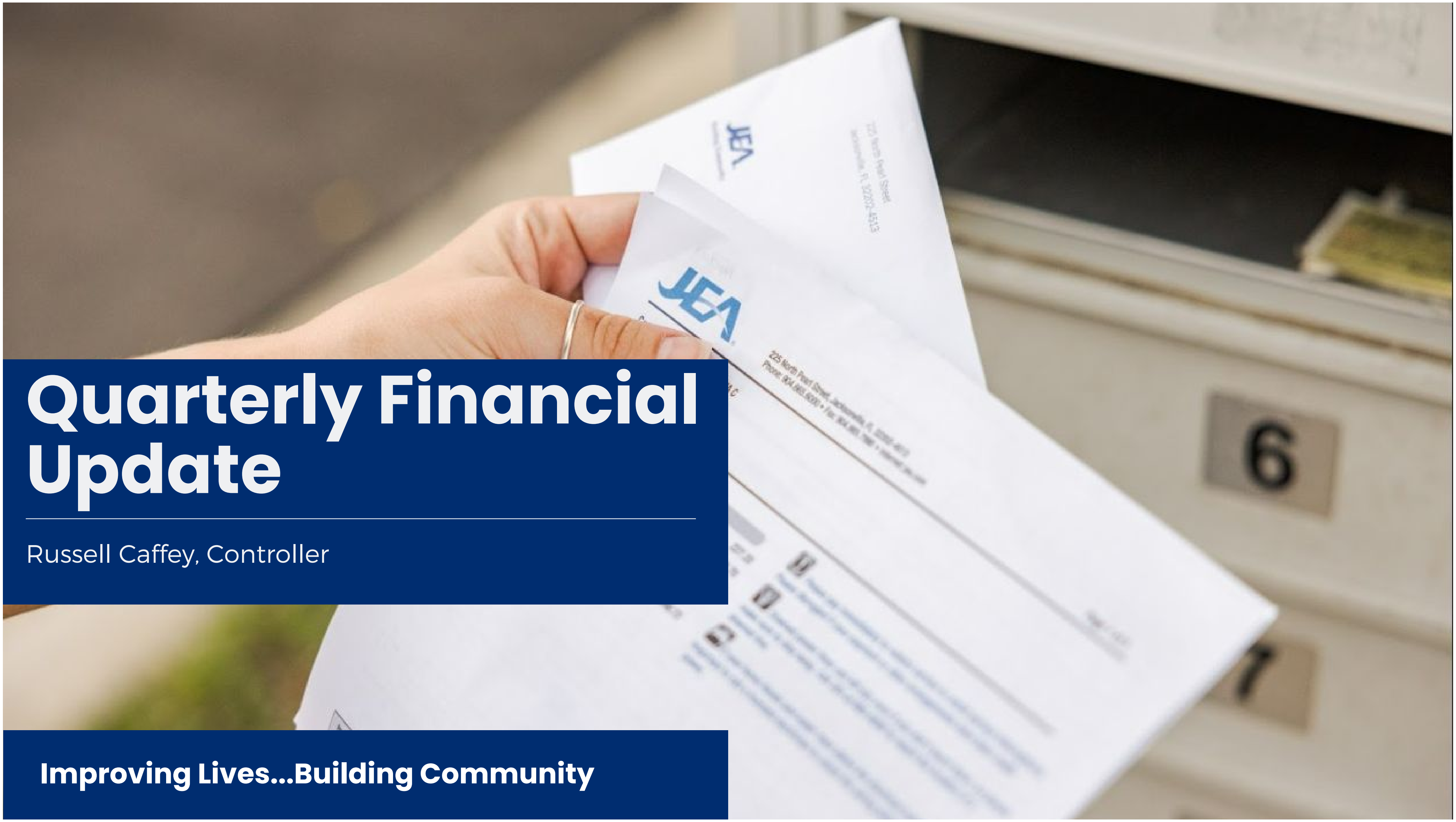
Stefanie Monroe, Director, Analytics

Improving Lives...Building Community

JEA FY24 Corporate Performance Scorecard

Data through: 12/31/2023

Metric Category	FY23 EOY Value	FY24 Quartile Benchmark Goal	Quartile Target Value	FY24 Quartile YTD	FY24 Value YTD	12-Month Trend	Metric Scorecard	Notes
Unbeatable Team								
Safety - Lost Time Incident Rate (LTIR)	.31	1st	.40	1st	.18			
Employee Engagement (GLINT)	80	1st	74	1st	80			
Customer Loyalty								
Customer Satisfaction - Residential	714	2nd	705	2nd	728			
Customer Satisfaction - Commercial	777	2nd	779	1st	785			
Business Excellence								
Electric Reliability (SAIDI)	61.4	1st	70.0	1st	63.56			
Water Reliability - Pressure <30 PSI (avg. min.)	5.2	1st	2.8	1st	.84			
Wastewater Reliability - Sanitary Sewer Overflows	.52	1st	.55	1st	.14			
Total Spend - Variance	1.0%		+/-5%		-12.4%			
Total Customer Bill (avg. monthly)	$210.41	1st	$224.92	1st	$203.00			
Clean Energy Composition	4%		10%		11%			



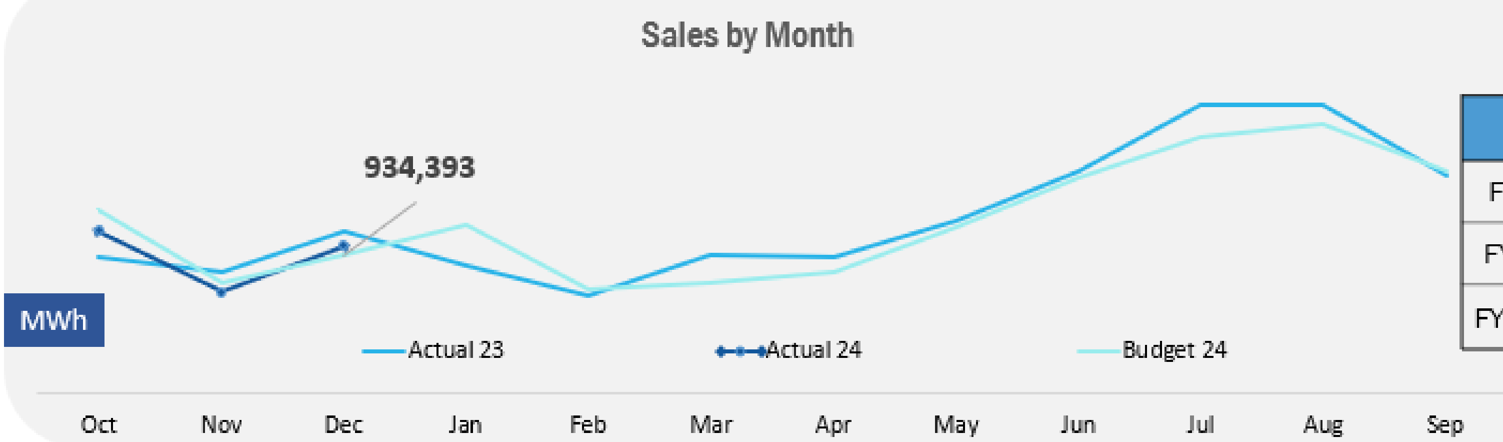
Quarterly Financial Update

Russell Caffey, Controller

Improving Lives...Building Community

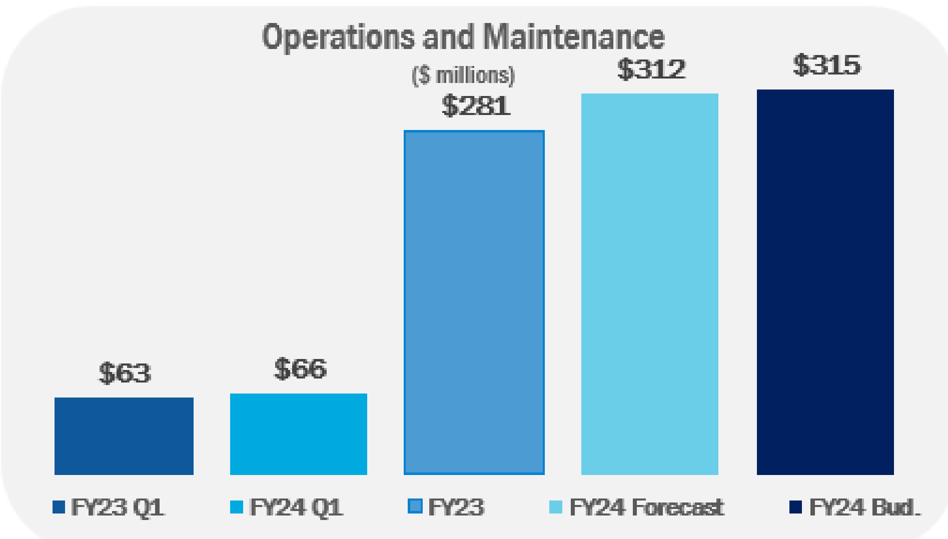
Financial Recap Q1 Electric FY 2024

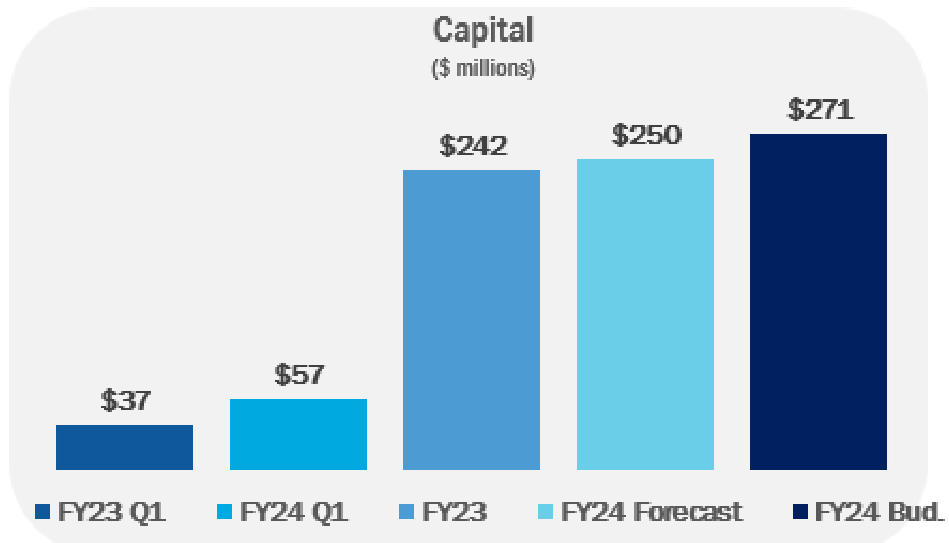
SALES



	Sales
FY23 Actual	12,313,560
FY24 Budget	12,200,000
FY24 Forecast	12,152,914

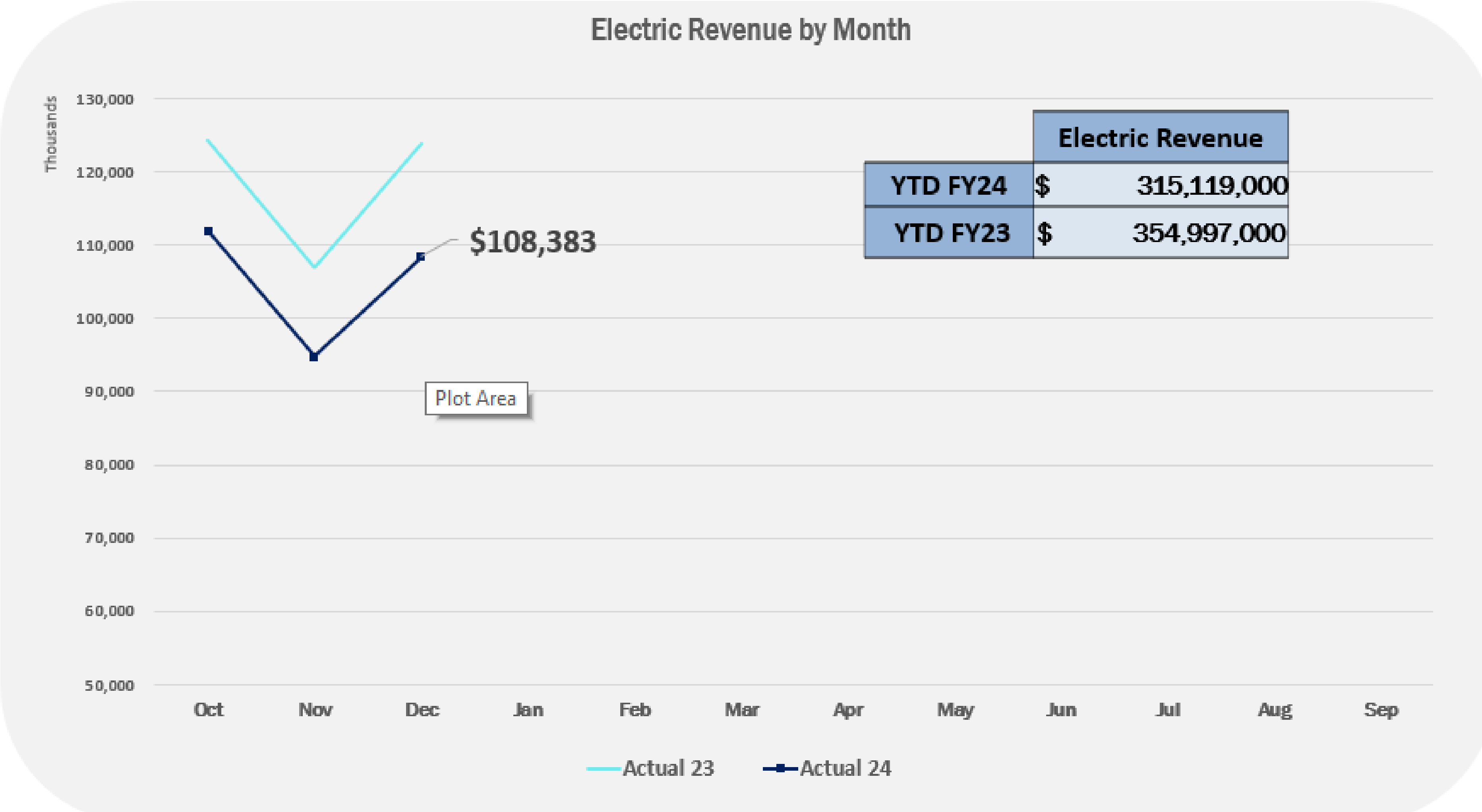
EXPENSES



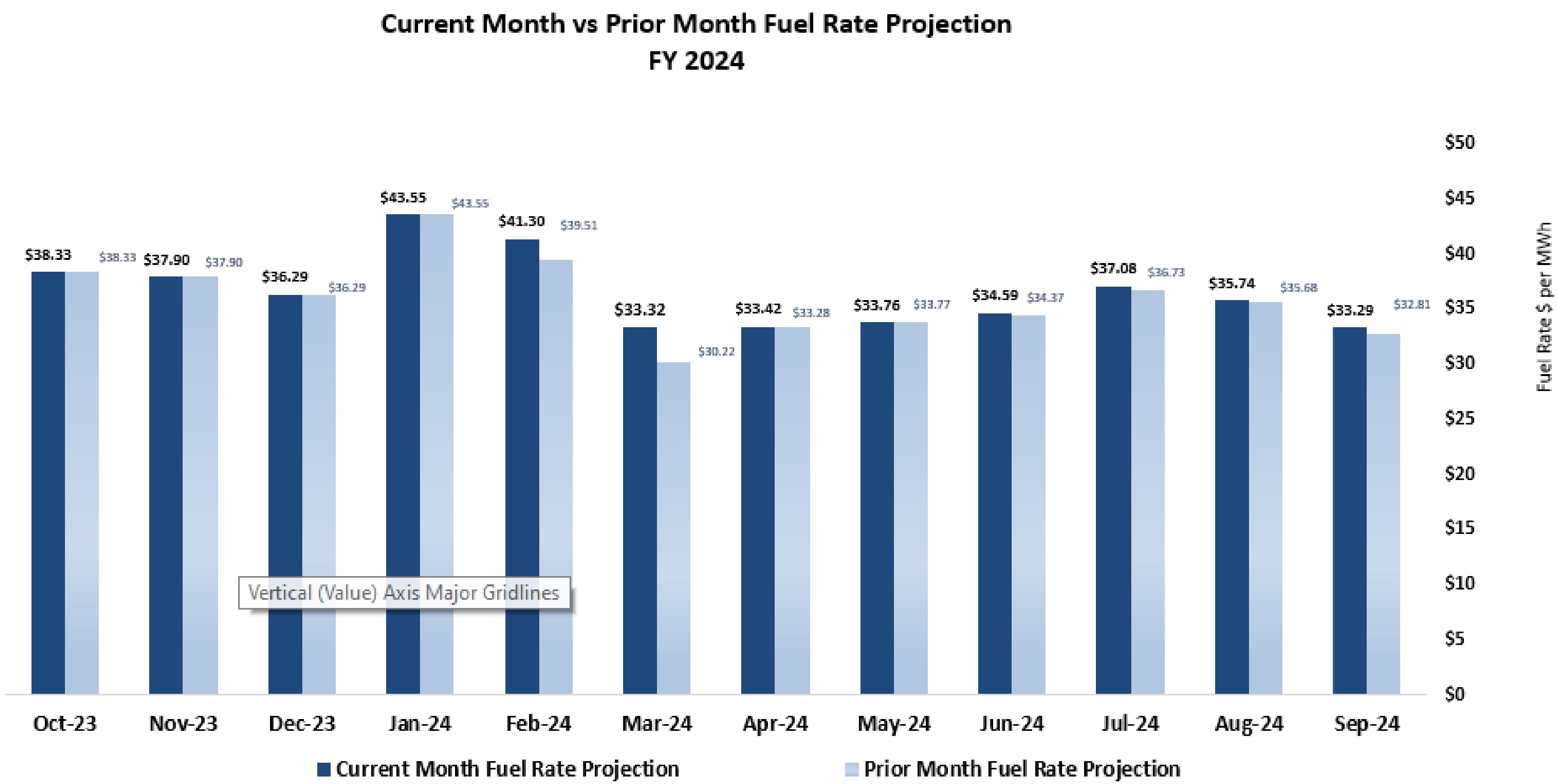


Financial Recap Q1 Electric FY 2024

Revenue



	Electric Revenue
YTD FY24	$ 315,119,000
YTD FY23	$ 354,997,000

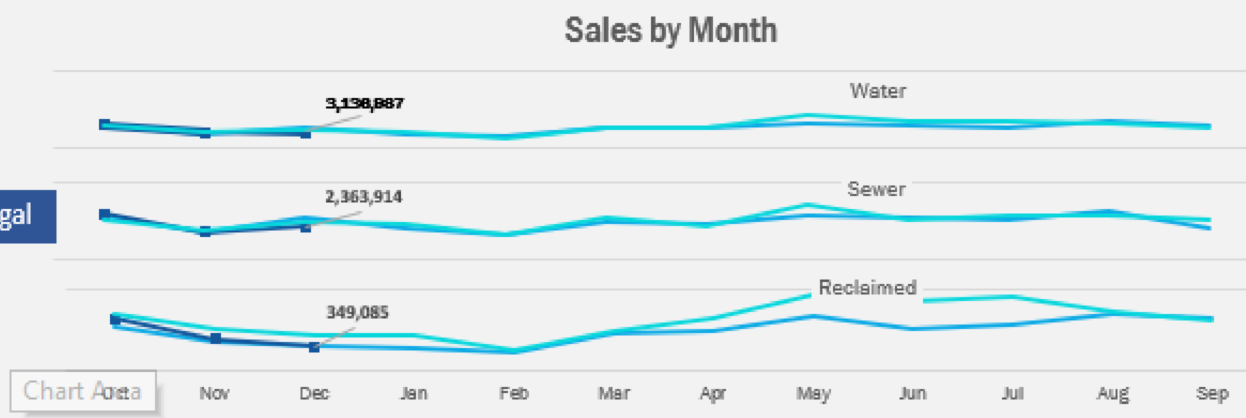

Current Month vs Prior Month Fuel Rate Projection
FY 2024
$38.33
$38.33
$37.90
$37.90
$36.29
$36.29
$43.55
$43.55
$41.30
$39.51
$33.32
$30.22
$33.42
$33.28
$33.76
$33.77
$34.59
$34.37
$37.08
$36.73
$35.74
$35.68
$33.29
$32.81
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$0
Fuel Rate $ per MWh
Vertical (Value) Axis Major Gridlines
Oct-23
Nov-23
Dec-23
Jan-24
Feb-24
Mar-24
Apr-24
May-24
Jun-24
Jul-24
Aug-24
Sep-24
Current Month Fuel Rate Projection
Prior Month Fuel Rate Projection

01.01.24

Financial Recap Q1 Water FY 2024

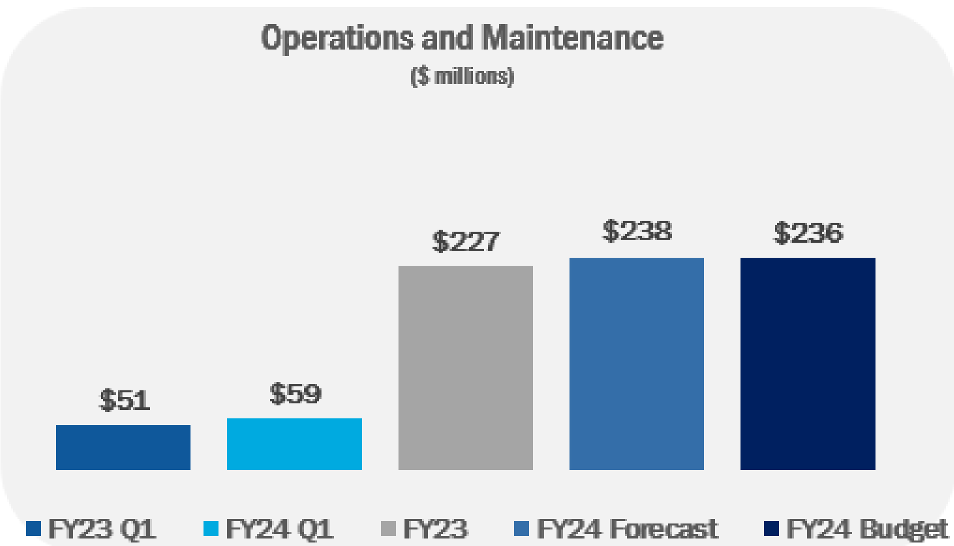
SALES

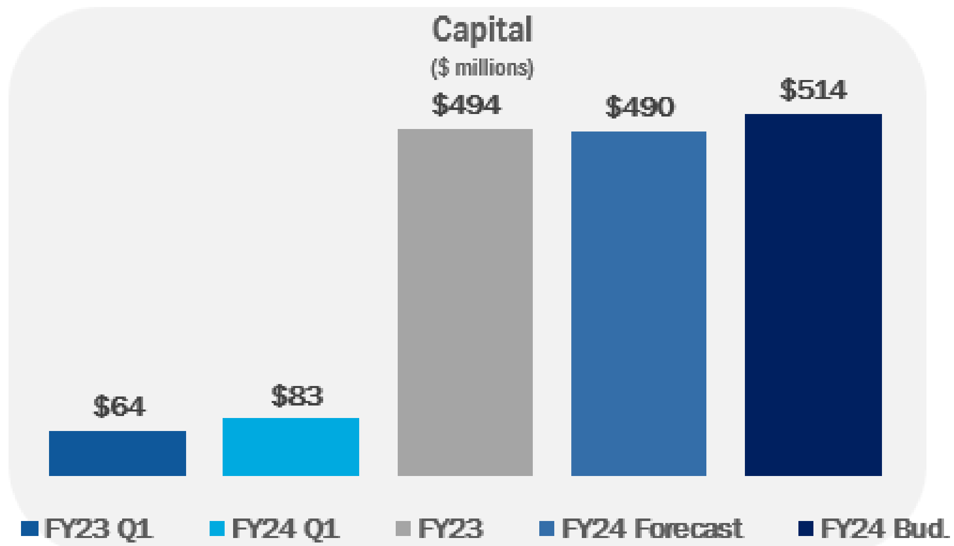
kgal



	Actuals FY24	Budget FY24	vs Budget
Water	9,532,802	9,660,230	-1%
Sewer	7,288,244	7,286,120	0%
Reclaimed	1,264,700	1,433,860	-12%
Total (kgal)	**18,085,746**	**18,380,210**	**-2%**

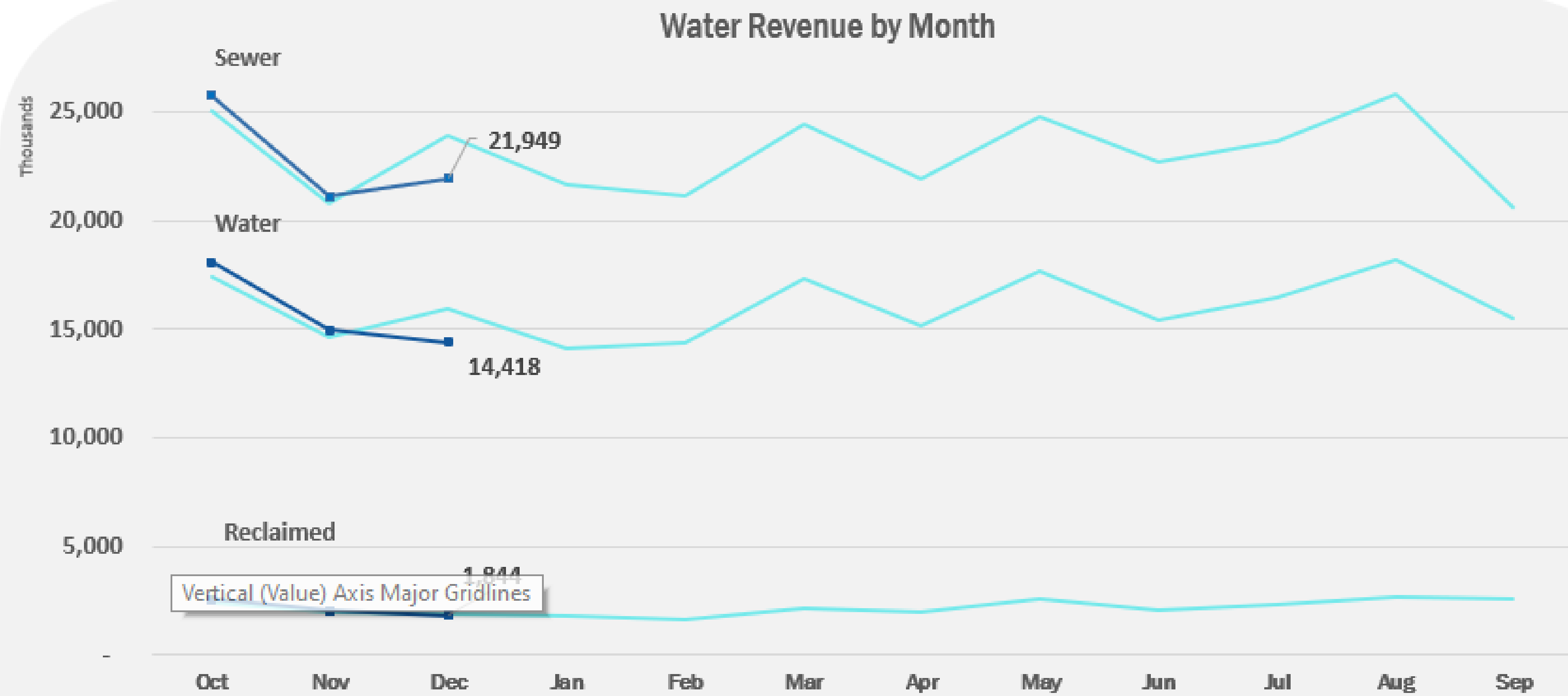
EXPENSES





Financial Recap Q1 Water FY 2024

Revenue



	YTD FY23	YTD FY24	Diff
Water	$ 47,985	$ 47,501	-1.01%
Sewer	69,790	68,826	-1.38%
Reclaim	6,356	6,461	1.65%
Total	**$ 124,131**	**$ 122,788**	**-1.08%**

Financial Recap Q1 Metrics FY 2024

ELECTRIC

Days of Liquidity	Debt Service Coverage	Debt to Asset Ratio	Fixed Charge Coverage	Weighted Average Yield of Investments
220	3.90x	44.9%	1.54x	4.24%
Target: 150	Target: 2.2x	Target: 50%	Target: 1.6x	Target: 4.59%

WATER

Days of Liquidity	Debt Service Coverage	Debt to Asset Ratio	Fixed Charge Coverage	Weighted Average Yield of Investments
43	3.14x	37.5%	2.87x	4.24%
Target: 100	Target: 1.8x	Target: 50%	Target: 2.0x	Target: 4.59%

Consent Agenda

Chair Stein

ACTION

Improving Lives...Building Community

Appointment of Tameka Gaines Holly to the City of Jacksonville Civil Service Board

David Emanuel
Chief Human Resources Officer

ACTION

Foster an Exceptional Work Culture

Appointment of Tameka Gaines Holly to the City of Jacksonville Civil Service Board

In accordance with Article 17 of the Jacksonville Municipal Code, JEA makes two appointments to the nine-member Civil Service Board

Term Limit: Two 3-year terms

Civil Service Board Responsibilities:
"Hear and determine appeals initiated by employees who are charged with violations of the personnel provisions of this chapter and the civil service regulations authorized by ordinance or civil service rules ..."

Experience:
ElderSource, Inc. Chief Operations Officer
Tameka Gaines Holly Consulting, LLC President and CEO
A minority, woman-owned, small business specializing in business growth and development consulting

The appointment requires JEA Board of Directors and City Council approval

Staff requests the Board approve Ms. Tameka Gaines Holly to the City of Jacksonville Civil Service Board


JEA Financial Statement
Audit Results Book
2023 audit results
December 15, 2023
EY Audit Results
John DiSanto, Managing Director, EY
MAKE DOING BUSINESS WITH JEA EASY
EY
Building a better
working world

Executive summary

Key business priorities

New:

- Adoption of:
  - GASB Statement No. 91, Conduit Debt Obligations
  - GASB Statement No. 94, Public – Private and Public – Public Partnerships and Availability Payment Arrangements
  - GASB Statement No. 96, Subscription – Based Information Technology Arrangements
- Increased agreed upon use of JEA Internal Audit from 200 hours to 400 hours

Areas of emphasis

- Revenue recognition
- Regulatory accounts
- Investments
- Capital assets
- Derivative instruments and hedging activities
- Pension plan accounting and reporting – SJRPP plan
- Pension plan accounting and reporting – COJ plan
- Commitments and contingencies

Looking forward

- JEA bond issuance
- Uniform guidance audit for 2023

Note: We have discussed these audit results with members of the executive board prior to our issuance of the Financial Statements.

Required communications

Area	Comments
Auditor's responsibility under generally accepted auditing standards, including a discussion of the type of auditor's report we are issuing and the circumstances that affect the form and content of our auditor's report, if applicable.	Our responsibilities are included in our audit engagement agreement. A copy has been previously provided or can be made available upon request. We plan to issue an unqualified opinion on JEA's financial statements on or around December 15, 2023 for the year ended September 30, 2023.
Key audit matters	No matters to be communicated.
Changes to the audit strategy, timing of the audit and significant risks identified	Our audit strategy is consistent with the plan communicated during the July 2023 meeting.
Matters relevant to our evaluation of the entity's ability to continue as a going concern	We did not identify any events or conditions that led us to believe there was substantial doubt about JEA's ability to continue as a going concern.
Related party relationships and transactions	We noted no significant matters regarding the Company's relationships and transactions with related parties.

Required communications

Area	Comments
Our views about the qualitative aspects of the entity's significant accounting practices, including: • Accounting policies • Accounting estimates	Management has not selected or changed any significant policies or changed the application of those policies since the July 2023 planning meeting.
Changes to the terms of the audit with no reasonable justification for the change	None.
Significant unusual transactions	We are not aware of any significant unusual transactions executed by JEA.
Difficult or contentious matters subject to consultation outside of the audit team	None.

Required communications

Area	Comments
Material corrected misstatements related to accounts and disclosures Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial	No misstatements Identified.
Significant deficiencies and material weaknesses in internal control over financial reporting	No material weaknesses have been identified.
Our responsibility, procedures performed, the results of those procedures and any reporting to be included in our auditor's report relating to other information included in the annual report	We have reviewed JEA's Supplementary Information and Required Supplementary Information and found the information presented to be consistent with information in the audited financial statements.
Fraud and noncompliance with laws and regulations (illegal acts)	We are not aware of any matters that require communication.
Obtain information relevant to the audit	None noted.
Independence matters	We are not aware of any matters that in our professional judgment would impair our independence.

Required communications

Area	Comments
New accounting pronouncements	No issues have been identified with regard to management's application of new accounting pronouncements.
Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention Disagreements with management and significant difficulties encountered in dealing with management when performing the audit Management's consultations with other accountants	None.
Other material written communications with management	A copy has been previously provided or can be made available upon request.
Other matters	There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

Required communications

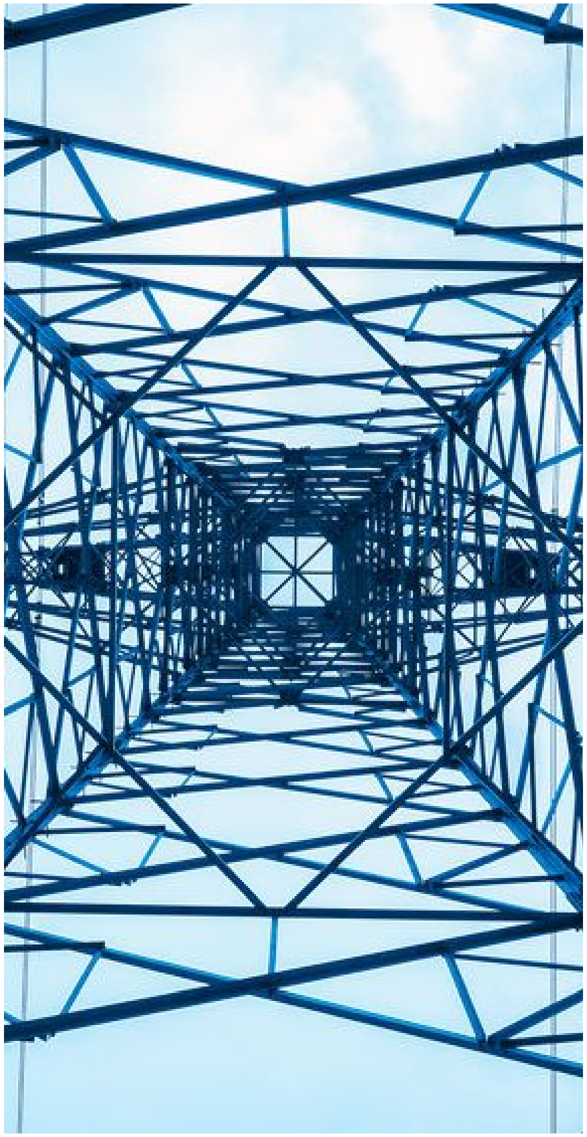
Area	Comments
AICPA ethics ruling regarding third-party service providers	From time to time, and depending on the circumstances, (1) we may subcontract portions of the Audit Services to other EY firms, who may deal with the Company or its affiliates directly, although EY alone will remain responsible to you for the Audit Services and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the Audit Services. In addition, third-party service providers may perform services for EY in connection with the Audit Services.
Representations we are requesting from management	We obtain from management a letter of representations related to the 2023 financial statement audit prior to our report issuances.

Energy Market Risk Management Policy

Laura Schepis, Chief External Affairs Officer

ACTION

MAKE DOING BUSINESS WITH JEA EASY



ENERGY MARKET RISK MANAGEMENT POLICY

Guides the work JEA's Fuels Management group does, in partnership with The Energy Authority, to responsibly hedge our positions in the fuels market

Helps comply with Federal Commodity Futures Trading Commission requirements

Updates changes to key staff who make up the Fuels Committee

Staff recommends the Board approve revisions to the Energy Market Risk Management Policy

Business Client Satisfaction

Sheila Pressley, Chief Customer Officer
John Hazen, J.D. Power

Deepen Customer & Community Engagement

2023 J.D. POWER BUSINESS CUSTOMER SATISFACTION STUDY

FIRST PLACE
among South Midsize Utilities

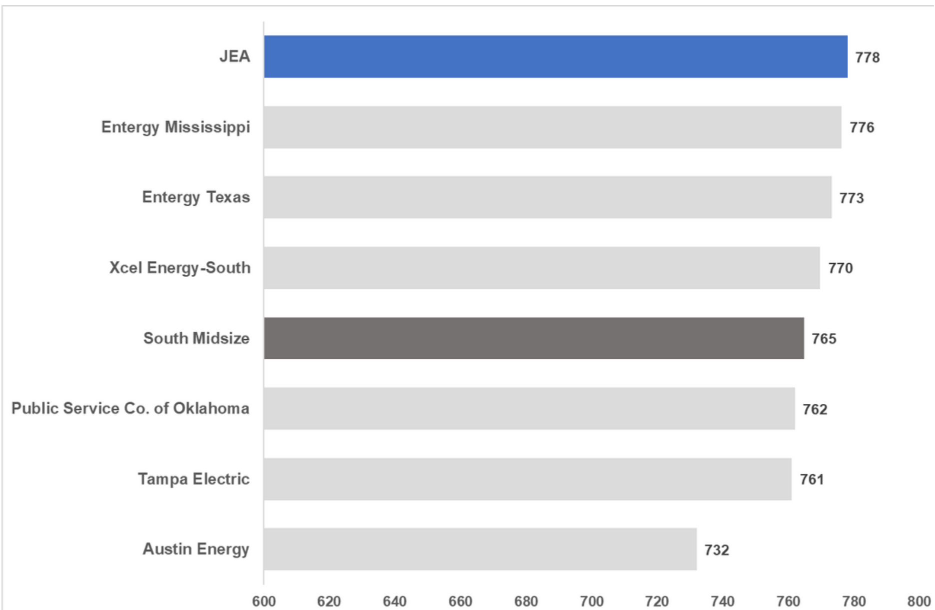
Score 778

3 POINT INCREASE
defying industry trends

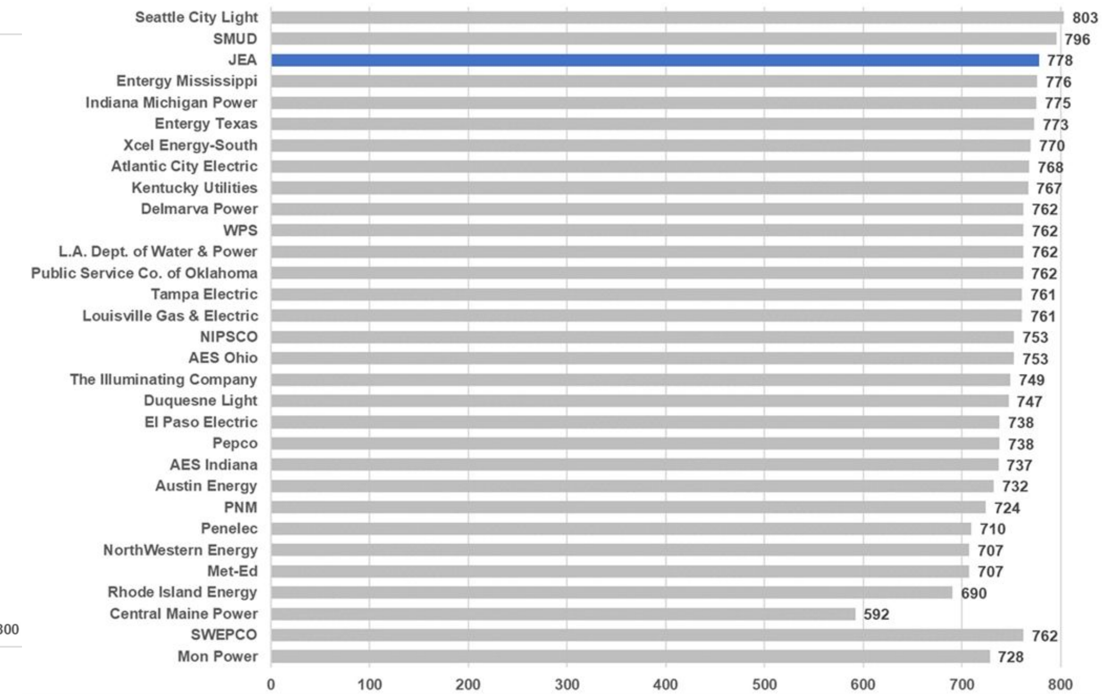
IMPROVEMENT
in both Power Quality & Reliability and Communications Drivers

Ranked First Place Overall Among Florida Utilities

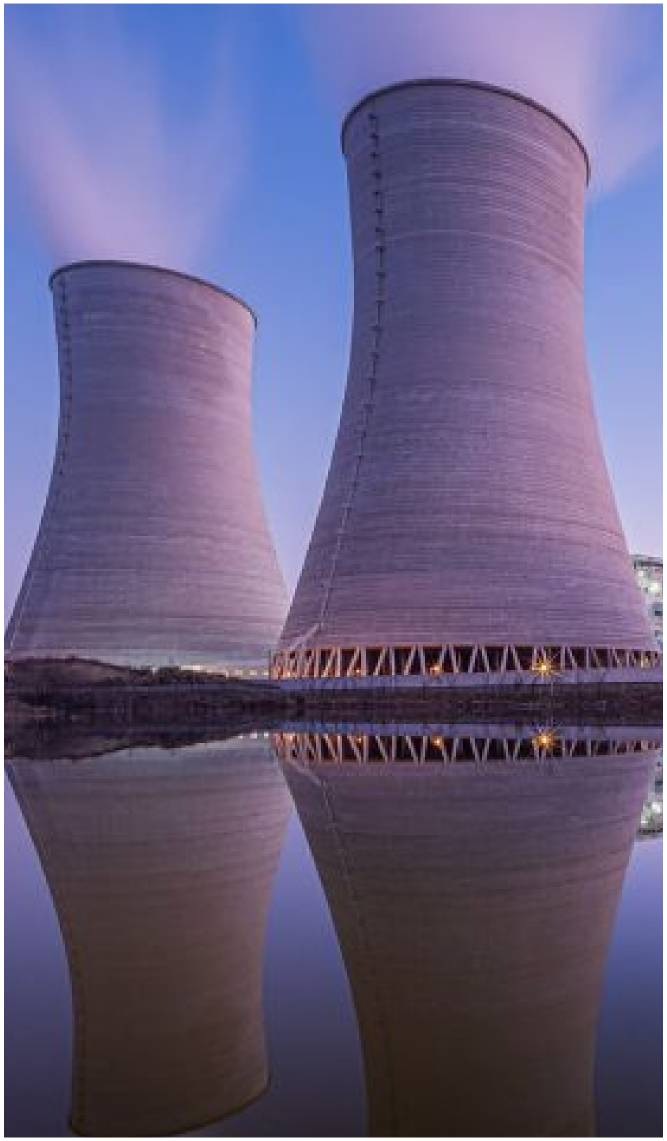
Overall Customer Satisfaction Index Performance
2023 South Midsize



Overall Customer Satisfaction Index Performance
2023 Midsize




MEAG Power Department of Energy Loan Guarantee
MEAG Power Purchase Agreement Document Amendments
Ted Phillips, Chief Financial Officer
Joe Orfano, Vice President, Financial Services
ACTION
Deepen Customer & Community Engagement



Department of Energy Loan Guarantee Amendment (Action)

- 2nd Amendment - Department of Energy (DOE) Collateral Agency and Accounts Agreement and Blocked Account Control Agreement
- Monthly Release of nuclear production tax credits (PTC)
- Offsets the monthly cost of purchased power to JEA through calendar year 2032

Power Purchase Agreement Amendment (Action)

- Mechanism to fund post-completion capital additions
- Provides for MEAG's ability to bridge finance these capital outlays where they have a meaningful public market bond issuance
- Debt amortization period is 20 years for most post-completion capital additions
- Exception: Spent fuel storage facility, amortized over the remaining term of the operating license for Units 3&4

Staff requests the Board approve to (1) ratify the execution of Amendment No. 2 to the DOE Collateral Agency Agreement and (2) enter into the MEAG Amendment No. 2 to Amended and Restated Power Purchase Agreement

FY24 Electric Call for Rate Hearing

Ted Phillips, Chief Financial Officer
Victor Blackshear, Director, Financial Planning & Rates

ACTION

Deepen Customer & Community Engagement

FY2024 JEA Rate Strategic Goals

ACHIEVE TARGET REVENUE

Reduce inter-class subsidies based on Cost-of-Service Study

IMPROVE RATE STRUCTURE

Increase fixed cost recovery in fixed charges and reduce reliance on variable rates for recovery of non-variable costs

REVISE TARIFF

Address content issues in tariff that align with JEA operations and expectations by modifying tariff language where needed

FY2024 rate design objectives is the continuation of JEA's long term rate restructuring plans

Achieving FY2024 Target Revenue

Begins with comparing FY24 Revenue Requirements to Projected Revenues before rate class adjustments

FY2024	Total System	Res	GS	GSD	GSLD + Int + Curt	JEA	Lighting	ISXLD
Revenue Requirements	**$821.8**	$518.0	$85.2	$117.0	$73.2	$8.3	$10.6	$9.5
Projected Revenue Under Existing Rates	**$807.8**	$451.9	$87.4	$153.9	$85.8	$8.7	$11.9	$8.2
Projected Under/(Over) Collection ($)	**$14.0**	$66.1	($2.2)	($36.9)	($12.6)	($0.4)	($1.3)	$1.3
Projected Collection to Cost (%)	98.3%	87.2%	102.6%	131.5%	117.2%	104.8%	112.3%	86.3%
Proposed % Adjustment April 1st	3.5%	4.8%	3.0%	0.0%	3.0%	3.0%	0.0%	7.3%
Additional $ in Revenue	**$14.0**	**$10.8**	**$1.3**	**$0.2** [1]	**$1.3**	**$0.1**	**$0.0**	**$0.3** [2]
Target Rate Revenue	**$821.8**	$462.7	$88.7	$154.1	$87.1	$8.8	$11.9	$8.5
Adjusted Under/(Over) Collection ($)	**$0.0**	$55.3	($3.5)	($37.1)	($13.9)	($0.5)	($1.3)	$1.0
Adjusted Collection to Cost (%)	**100%**	89.3%	104.1%	131.7%	119.0%	106.0%	112.3%	89.5%

1 GSD MA Rider impacted by rate adjustment on GSLD class
2 Proposed adjustments for XLD classes may be delayed until September 1st

Residential (RES)
General Service (GS)
General Service Demand (GSD)
General Service Demand with Multiple Account Rider (GSD MA)
General Service Large Demand (GSLD)

Interruptible Service Rider (INT)
Curtailable Service Rider (CURT)
Interruptible Service Extra Large Demand Rate Schedule (ISXLD)

Aligning revenue requirements to FY24 budget

FY2024 Residential Rates

Recommending April 1st adjustments to both rate components to improve alignment with the cost to serve

April 2024 Proposed Bill Impacts

Rate Class: Residential			
	Existing Rates	Recommended Rates	% Increase
Customer Charge ($/bill) Basic Monthly Charge	$15.00	**$15.75**	**5%**
Variable Charge ($/kWh) Energy Charge	$0.06546	**$0.06821**	**4%**

Proposed Bill Segment Impacts[1]					
Rate Class	Consumption	Existing Bill	Effective April 1, 2024		
			Proposed Bill	$ Change	% Change
RES	500	$47.73	$49.86	$2.13	4.4%
RES	750	$64.10	$66.91	$2.81	4.4%
RES	1,000	$80.46	$83.96	$3.50	4.3%
RES	1,250	$96.83	$101.01	$4.18	4.3%
RES	1,500	$113.19	$118.07	$4.88	4.3%
RES	2,000	$145.92	$152.17	$6.25	4.3%

1-Excluding fuel, taxes, and fees

April 2024 Bill Presentment
(Assumption: 1000 kWh)

Dec 23	
Basic Monthly Charge	$15.00
Energy Charge	65.46
Fuel Charge	36.29
Total *before taxes and fees*	$116.75
Taxes and Fees	15.80
Total *after taxes and fees*	$132.55

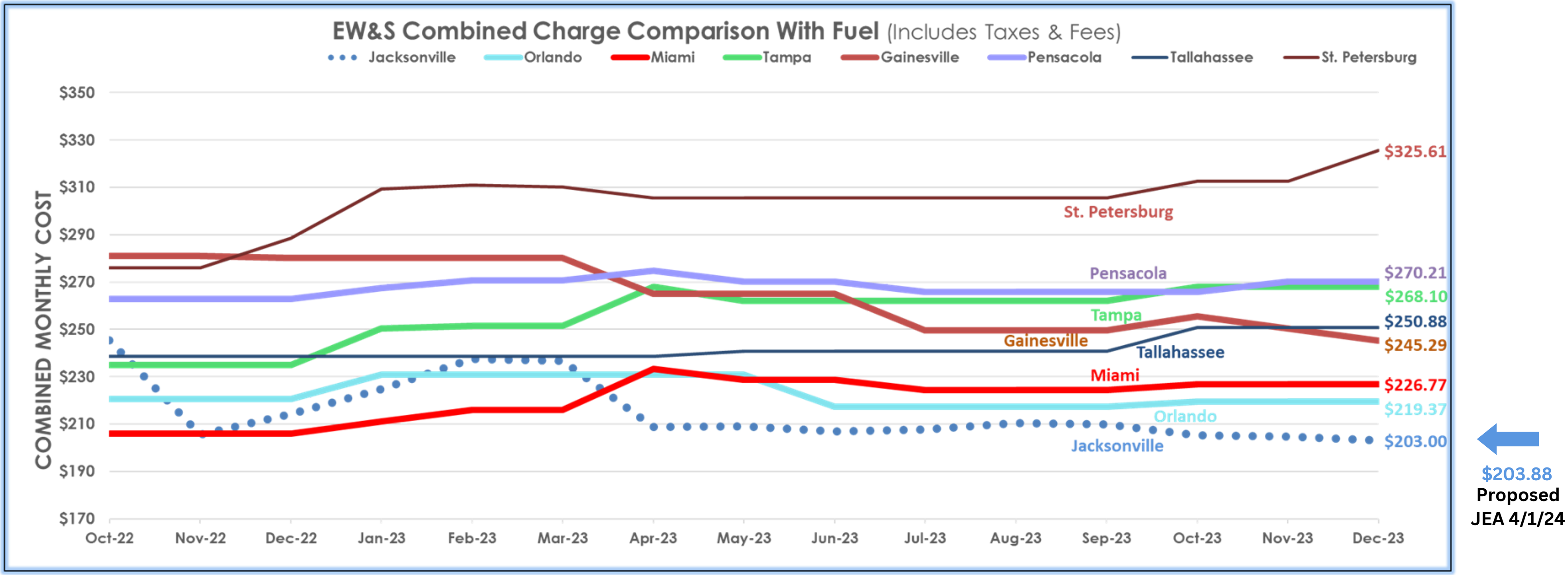
April 24 Proposed	
Basic Monthly Charge	$15.75
Energy Charge	68.21
Fuel Charge *	33.28
Total *before taxes and fees*	$117.24
Taxes and Fees	16.19
Total *after taxes and fees*	$133.43

*Fuel Charge based on projection for April-24 as of December-23

Rate recommendations to achieve additional residential revenue just under $11 million in FY24

FY2024 Residential Rates – Combined Bill

With April 1st electric rate adjustment, the combined residential utllity bill remains low in comparison



Total Residential Utility Bill of Median Household Income*

3.80%	3.97%	4.79%	4.82%	4.96%	5.56%	5.69%	6.72%
Jacksonville	Orlando	Pensacola	Tampa	Miami	St. Petersburg	Tallahassee	Gainesville

Electric, Water & Sewer - EW&S
*Source: 2022 United Stated Census

With April 1st electric rate adjustment, the combined residential bill is also low in comparison as it relates to household incomes

FY2024 Commercial and Industrial Rates

Recommending April 1st adjustments to the Commerical and Industrial Energy Rates and Interruptible Demand Credits

General Service (GS) Rates

50,000+ Small Commercial Customers	Existing Rates	Recommended Rates	% Increase
Customer Charge ($/bill) Basic Monthly Charge	$21.00	**$21.00**	**0%**
Variable Charge Energy Charge ($/kWh) Demand Charge ($/kW)	$0.06078 N/A	**$0.06276** **N/A**	**3%**

General Service Large Demand (GSLD) Rates

130+ GSLD Industrial Customers	Existing Rates	Recommended Rates	% Increase
Customer Charge ($/bill) Basic Monthly Charge	$750.00	**$750.00**	**0%**
Variable & Demand Charge Energy Charge ($/kWh) Demand Charge ($/kW)	$0.02453 $12.16	**$0.02588** **$12.16**	**5.5%** **0%**

Curtailable Service Rider (GSLD-CS)

10+ Curtailable Industrial Customers	Existing Rates	Recommended Rates	% Increase
Customer Charge ($/bill) Basic Monthly Charge	$1,500.00	**$1,500.00**	**0%**
Variable & Demand Charge Energy Charge ($/kWh) Demand Charge ($/kW) Demand Charge Credit CS ($/kW)* Contract Discount	$0.01840 $9.27 2.50%	**$0.02005** **$14.41** **($5.14)** **1.25%**	**9%** **0%** **1.25%**

***Net Effect $9.27/kW**

Interruptible Service (GLSD-IS) Rider

40+ Interruptible Industrial Customers	Existing Rates	Recommended Rates	% Increase
Customer Charge ($/bill) Basic Monthly Charge	$1,500.00	**$1,500.00**	**0%**
Variable & Demand Charge Energy Charge ($/kWh) Demand Charge ($/kW) Demand Charge Credit IS ($/kW)* Contract Discount	$0.02138 $6.58 2.50%	**$0.02165** **$12.16** **($5.14)** **1.25%**	**1%** **7%** **1.25%**

***Net Effect $7.02/kW**

Rate recommendations to achieve additional Commercial & Industrial revenue of ~$3 million in Fiscal Year 24

New Time-Based Industrial Rate

A Time-Based rate structure that provides pricing that varies to better reflect the cost of electricity

Rate Design Objective

Extra Large Industrial customers will have flexibility to move their consumption away from high-priced periods in exchange for taking on more bill volatility risk during normal non-peak periods

Steps to Achieve Objective

- Conduct a cost of service for a high industrial demand customer profile
- Identify cost basis methodology for Day Ahead Real Time pricing
- Determine Billing & Communication Protocols
- Establish a new tariff for an hourly pricing component

FY24 Interruptible Service Extra Large Demand

Recommending September 1st modfications to the ISXLD rate structure for the existing rate class

CURRENT ISXLD RATES
Current Rate Design

		Pricing
Fixed	Basic Monthly Charge	$1,500
	Facilities Ownership & Maintenance Fee	$20,000
Energy	Energy Tier 1 (kWh)	1.494¢
	Energy Tier 2 (kWh)	1.401¢
	Energy Tier 3 (kWh)	1.300¢
	Service Level Discount (kWh)	(0.32¢)
Demand	Coincident Peak (CP) Demand (kW)	$6.58
	Service Level Discount Demand (kW)	($2.56)
	Coincident Peak Demand Billed (kW)	$4.02
Kvar	Excess kvar	$6.58
	Service Level Discount	($2.56)
	Excess kvar Billed	$4.02

SEPTEMBER 2024 ISXLD RATES
Current Rate Design - Increase to achieve target revenue

		Pricing
Fixed	Basic Monthly Charge	$1,500
	Facilities Ownership & Maintenance Fee	$29,941
Energy	Energy Tier 1 (kWh)	1.470¢
	Energy Tier 2 (kWh)	1.340¢
	Energy Tier 3 (kWh)	1.270¢
	Service Level Discount (kWh)	(0.32¢)
Demand	Coincident Peak (CP) Demand (kW)	$12.16
	Interruptible Demand Credit (kW)	($5.14)
	Service Level Discount Demand (kW)	($2.56)
	Coincident Peak Demand Billed (kW)	$4.46
Kvar	Excess kvar	$12.16
	Interruptible Demand Credit (kW)	($5.14)
	Service Level Discount	($2.56)
	Excess kvar Billed	$4.46

Interruptible Service Extra Large Demand Rate Schedule (ISXLD)

This level rate structure was designed years ago to incentive higher energy usage

FY24 General Service Extra Large Demand - Time of Use

Also, recommending September 1st, a new rate structure for the same existing rate class

September 2024 GSXLDT Rates Proposed Rate Design 9/1/24		
		Billing Units
Fixed	Basic Monthly Charge	$1,500
Energy	On-Peak Energy (kWh)	1.300¢
	Off-Peak Energy (kWh)	1.006¢
	-	
	Service Level Discount (kWh)	(0.32¢)
Demand	On-Peak CP Demand (kW)	$13.62
	Interruptible Demand Credit (kW)	($5.14)
	Service Level Discount (kW)	($2.56)
	On-Peak CP Demand Billed	$5.92
	Additional Off-Peak Demand (kW)	$11.14
	Interruptible Demand Credit (kW)	($5.14)
	Service Level Discount (kW)	($2.56)
	Off-Peak CP Demand Billed	$3.44
Kvar	Excess kvar	$11.14
	Interruptible Demand Credit (kW)	($5.14)
	Service Level Discount	($2.56)
	Excess kvar Billed	$3.44

This time of use rate structure is designed to give the customer flexibility to move their consumption away from high-priced periods for lower energy charges

	Summer	Winter
On-Peak	12 pm - 9 pm	6 am - 10 am 6 pm - 10 pm
Off-Peak	All other hours	All other hours

General Service Extra Large Demand (GSXLDT)
Coincident Peak (CP)

Either rate recommendations may achieve additional Large Industrial revenue of ~$42,000 in Fiscal Year 2024

FY2024 Electric Tariff Documentation Revisions

RESIDENTIAL RATES

Increase Basic Monthly Charge & Energy Rate

COMMERCIAL & INDUSTRIAL RATES

Increase Energy Rates

Establish Demand Interruptible Credit

Add a new Extra Large Demand Rate Option and modifying the existing one

Removal of Peaking Price

Phasing out contract discounts

TARIFF LANGUAGE ADJUSTMENTS

Close Curtailable Service Rider and Interruptible Extra Large Demand Rate to new customers

Updating curtailment terms

Clarifying Excess Reactive Demand Charges

Aligning terminology in certain rates and riders to current state

RATES & RIDERS REMOVALS

Removal of Load Density Improvement Rider

The tariff revisions include the rate study recommendations and administrative items

FY2024 Electric Rate Restructuring Path

✓ September 15 F&O Committee	✓ November 7 Board Meeting	January 30 Board Meeting	February 27 Board Meeting	March 26 Board Meeting
Electric Cost of Service Results/Rate Study	FY24 Electric Rate Recommendations	Call for Electric Rate Hearing	Electric Rate Hearing	Board to take action on Electric Rate

Staff recommends the Board call for a public rate hearing at the February Board meeting

Water & Sewer Bond Offering Update

Ted Phillips, Chief Financial Officer
Randall Barnes, Treasurer

Deepen Customer & Community Engagement

Senior Water & Sewer System 2024 Series A Bonds

$504M

Priced Senior Water & Sewer System 2024 Series A Bonds

$353M of New Money Senior Bonds

$151M of Refunding Senior Bonds (Refunding Both Senior and Subordinated Bonds for Savings)

4.41%

All-In True Interest Cost

7.24%

Net Present Value Savings on Refunded Bonds

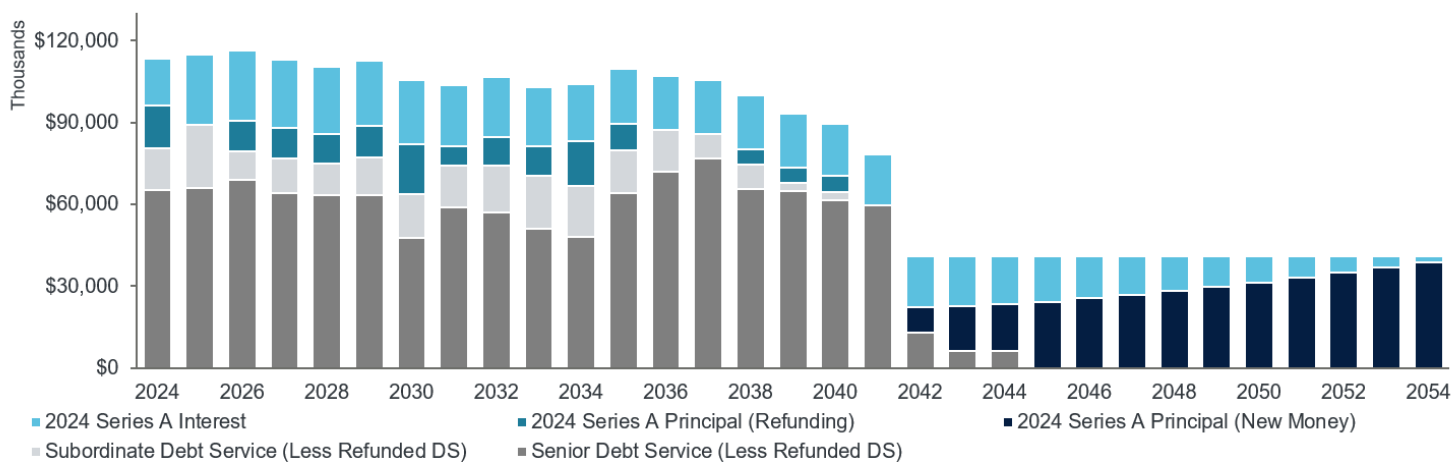
$2.5B

Received in Orders

Orders from 70 Different Investors
Deal was 5 Times Oversubscribed

Investors include asset managers, hedge funds, bond funds, insurance companies, etc.

JEA WATER & SEWER SYSTEM DEBT SERVICE POST TRANSACTION

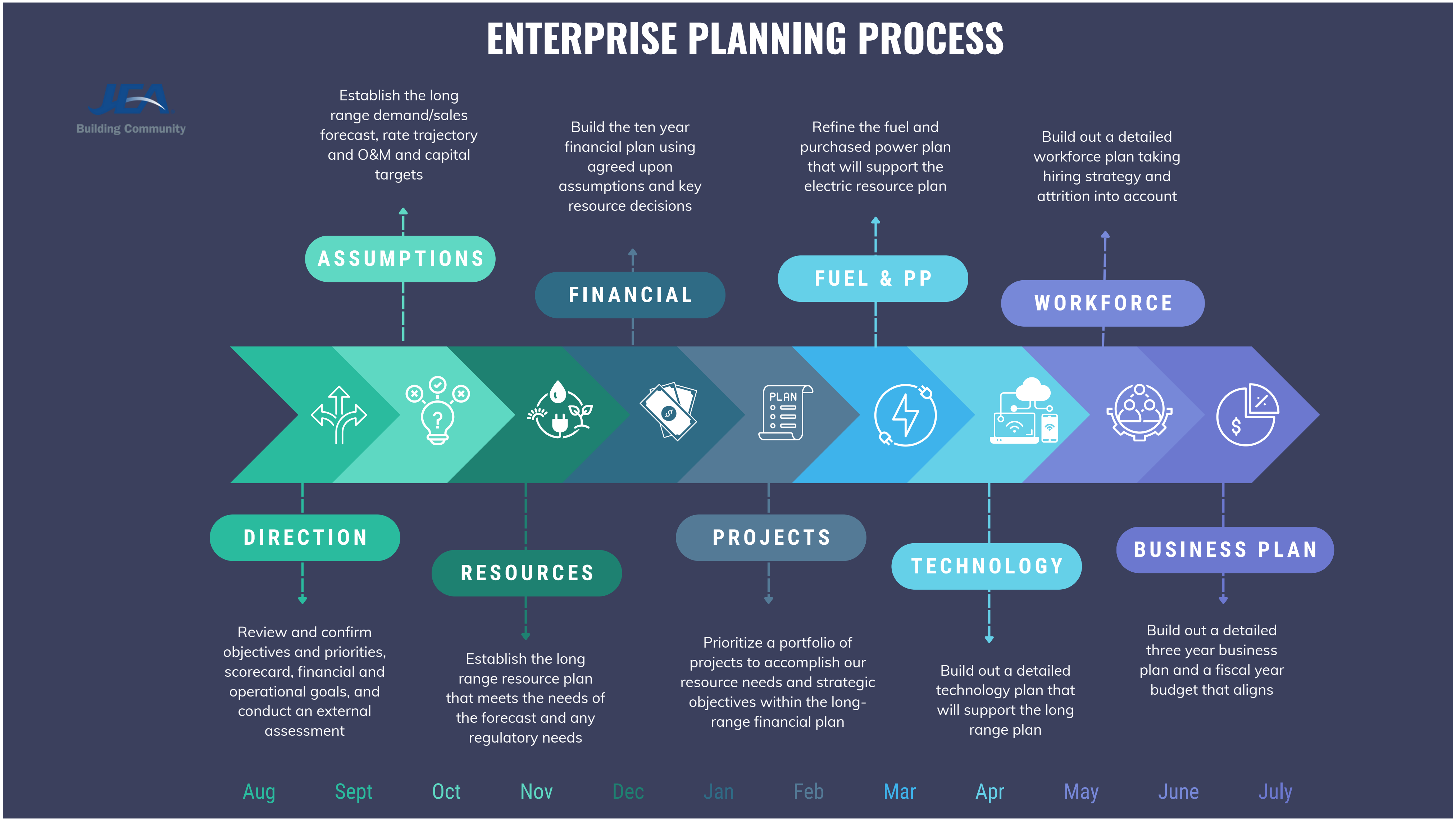


Enterprise Planning Process

Long Range Financial Plan

Laura Dutton, Chief Strategy Officer
Juli Crawford, Vice President, Enterprise Strategy & Planning

PLAN FOR THE FUTURE


ENTERPRISE PLANNING PROCESS
Building Community
DIRECTION
Review and confirm objectives and priorities, scorecard, financial and operational goals, and conduct an external assessment
ASSUMPTIONS
Establish the long range demand/sales forecast, rate trajectory and O&M and capital targets
RESOURCES
Establish the long range resource plan that meets the needs of the forecast and any regulatory needs
FINANCIAL
Build the ten year financial plan using agreed upon assumptions and key resource decisions
PROJECTS
Prioritize a portfolio of projects to accomplish our resource needs and strategic objectives within the long-range financial plan
FUEL & PP
Refine the fuel and purchased power plan that will support the electric resource plan
TECHNOLOGY
Build out a detailed technology plan that will support the long range plan
WORKFORCE
Build out a detailed workforce plan taking hiring strategy and attrition into account
BUSINESS PLAN
Build out a detailed three year business plan and a fiscal year budget that aligns
PLAN
$
Aug
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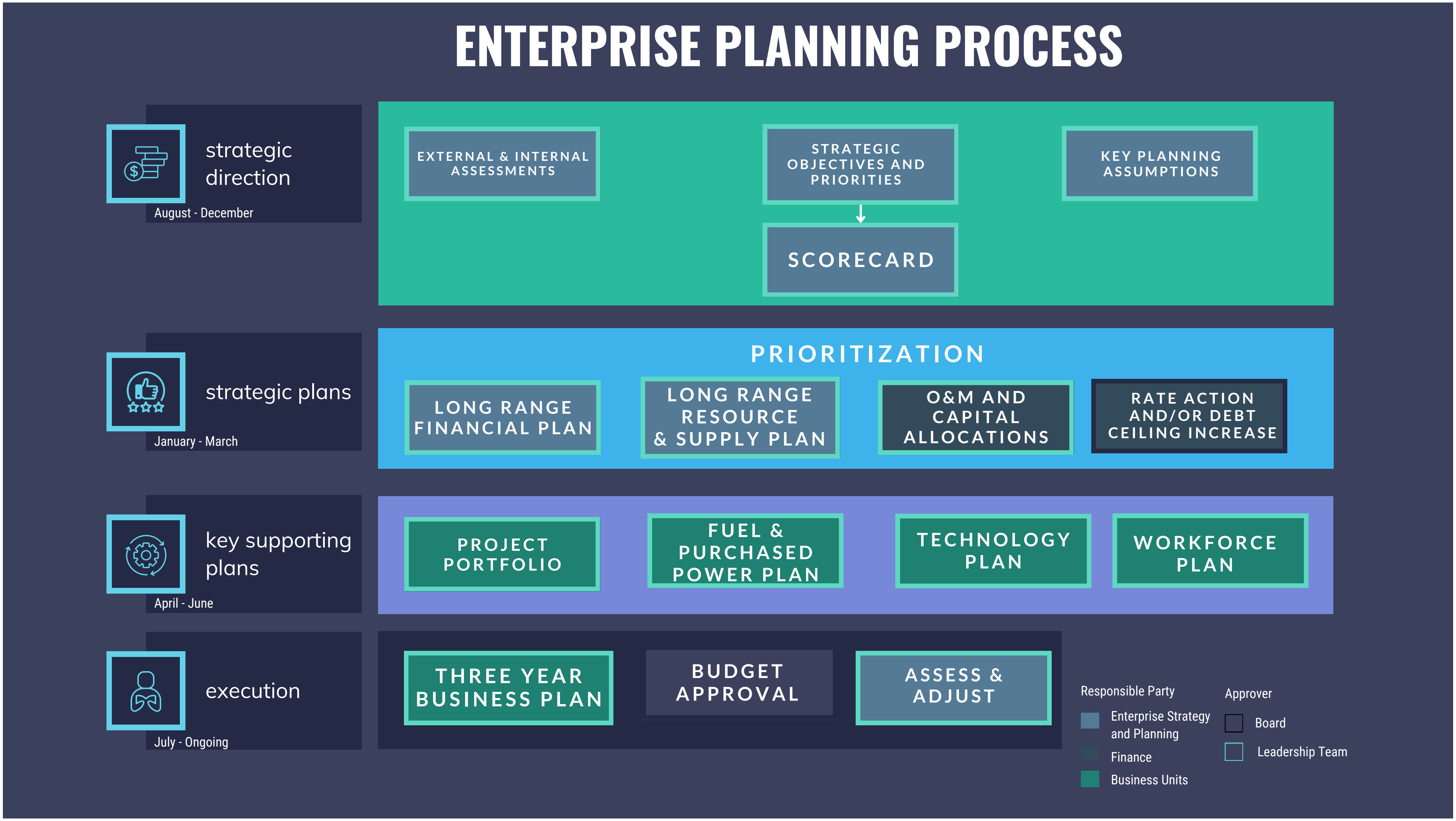

ENTERPRISE PLANNING PROCESS
strategic direction
August - December
EXTERNAL & INTERNAL ASSESSMENTS
STRATEGIC OBJECTIVES AND PRIORITIES
KEY PLANNING ASSUMPTIONS
SCORECARD
strategic plans
January - March
PRIORITIZATION
LONG RANGE FINANCIAL PLAN
LONG RANGE RESOURCE & SUPPLY PLAN
O&M AND CAPITAL ALLOCATIONS
RATE ACTION AND/OR DEBT CEILING INCREASE
key supporting plans
April - June
PROJECT PORTFOLIO
FUEL & PURCHASED POWER PLAN
TECHNOLOGY PLAN
WORKFORCE PLAN
execution
July - Ongoing
THREE YEAR BUSINESS PLAN
BUDGET APPROVAL
ASSESS & ADJUST
Responsible Party
Enterprise Strategy and Planning
Finance
Business Units
Approver
Board
Leadership Team

LONG RANGE FINANCIAL PLAN

January 2024

KEY PLANNING ASSUMPTIONS FY25 – FY34

- Approximately 2% customer growth
- Sales forecast effectively flat - 0% CAGR Electric, 1.5% CAGR Water
- $9 billion capital program

Water - $5.5 billion	Electric - $3.5 billion

- $4.5 billion in new debt

Water - $3 billion	Electric - $1.5 billion

- 3% O&M expense annual increase
- Resource Plan

Purified Water Plants, comply with surface water discharge regulations, and obtain new Consumptive Use Permit in 2031	Northside 3 retired in 2030, new combined cycle natural gas plant in service 2030, new solar layered in starting 2026 through 2030

- Current plan will require additional revenue:
  - Water - Small regular increases annually to cover capital plan and maintain financial metrics - ~3% CAGR
  - Electric - Annual increases to cover Vogtle in the first several years, then continued need to cover generation and transmission resource needs - ~5% CAGR FY25-FY29, ~3.5% CAGR ten years

CAGR - Compound Annual Growth Rate

Our long range financial plan strives for balance...

...keeping each strategic tradeoff in mind

JEA's trajectory for the next ten years...

Sees relatively flat energy sales growth and minimal water sales growth

Holds operations & maintenance escalation to 3% annually

Minimizes fuel & purchased power volatility

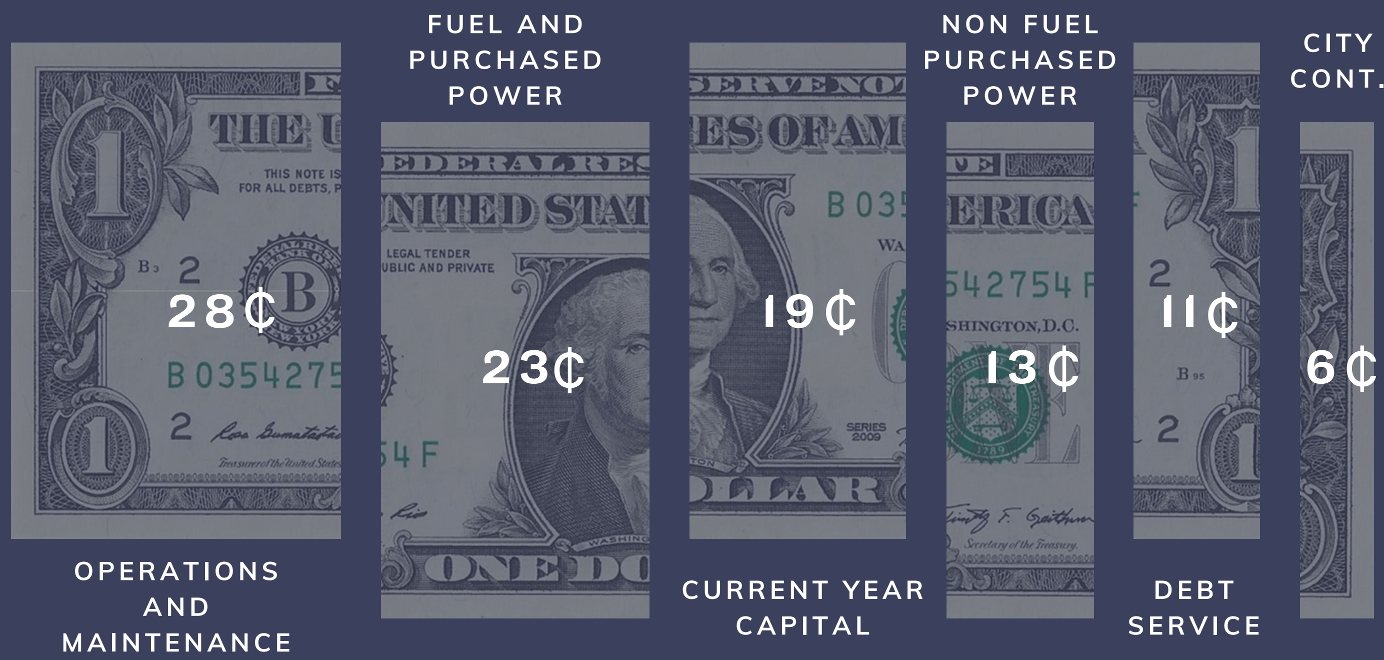
Aligns with operational goals to comply with surface water discharge regulations and JEA's Electric Integrated Resource Plan goals

Allows for continued renewal & replacement and growth projects

Meets financial metrics while increasing debt levels

Requires additional revenue from rates and growth

For every dollar on a combined JEA electric and water bill…

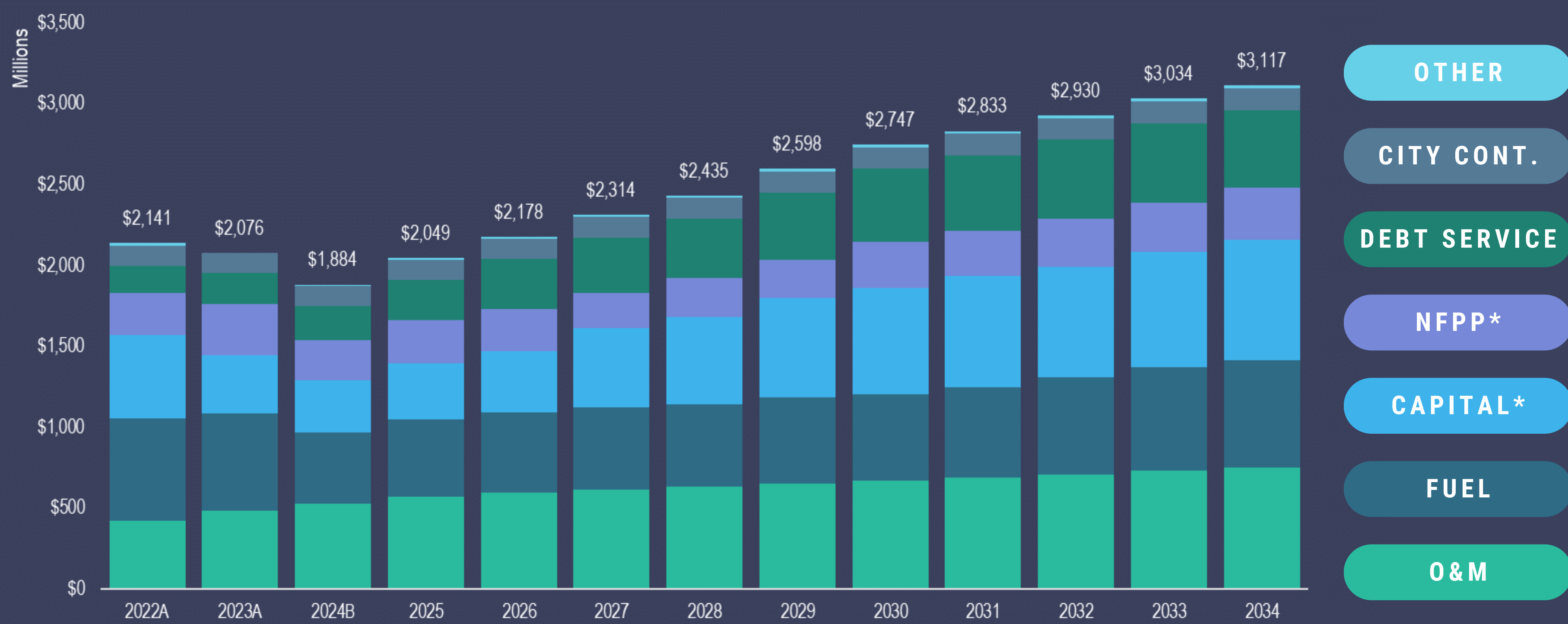


…almost half is driven by controllable expenses (O&M and Capital)

FY24 Budget

THE FULL PICTURE

Over the next ten years JEA's plan includes regulation and asset portfolio changes...

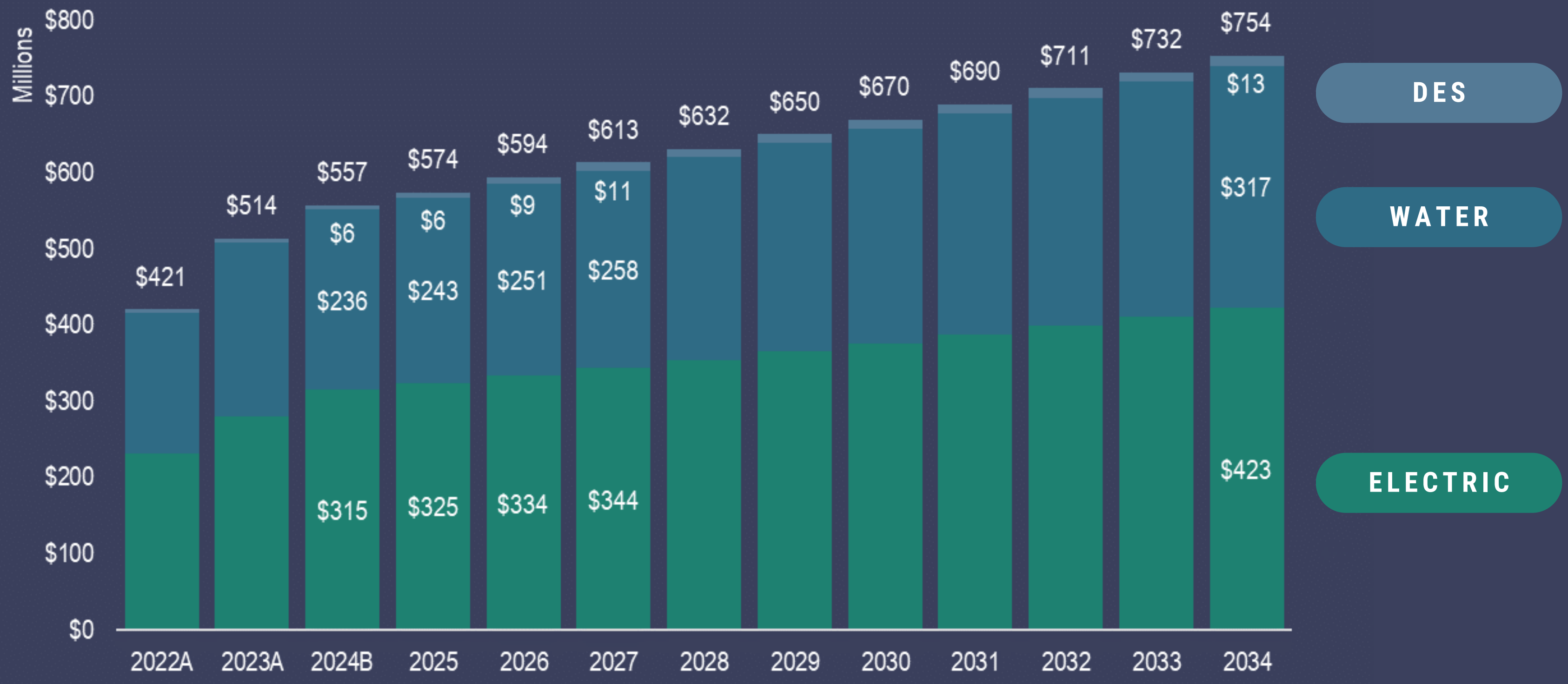


...that will require additional borrowing and revenue requirements

*NFPP = Non Fuel Purchased Power
Capital = Current Year Funds for Capital

OPERATIONS AND MAINTENANCE

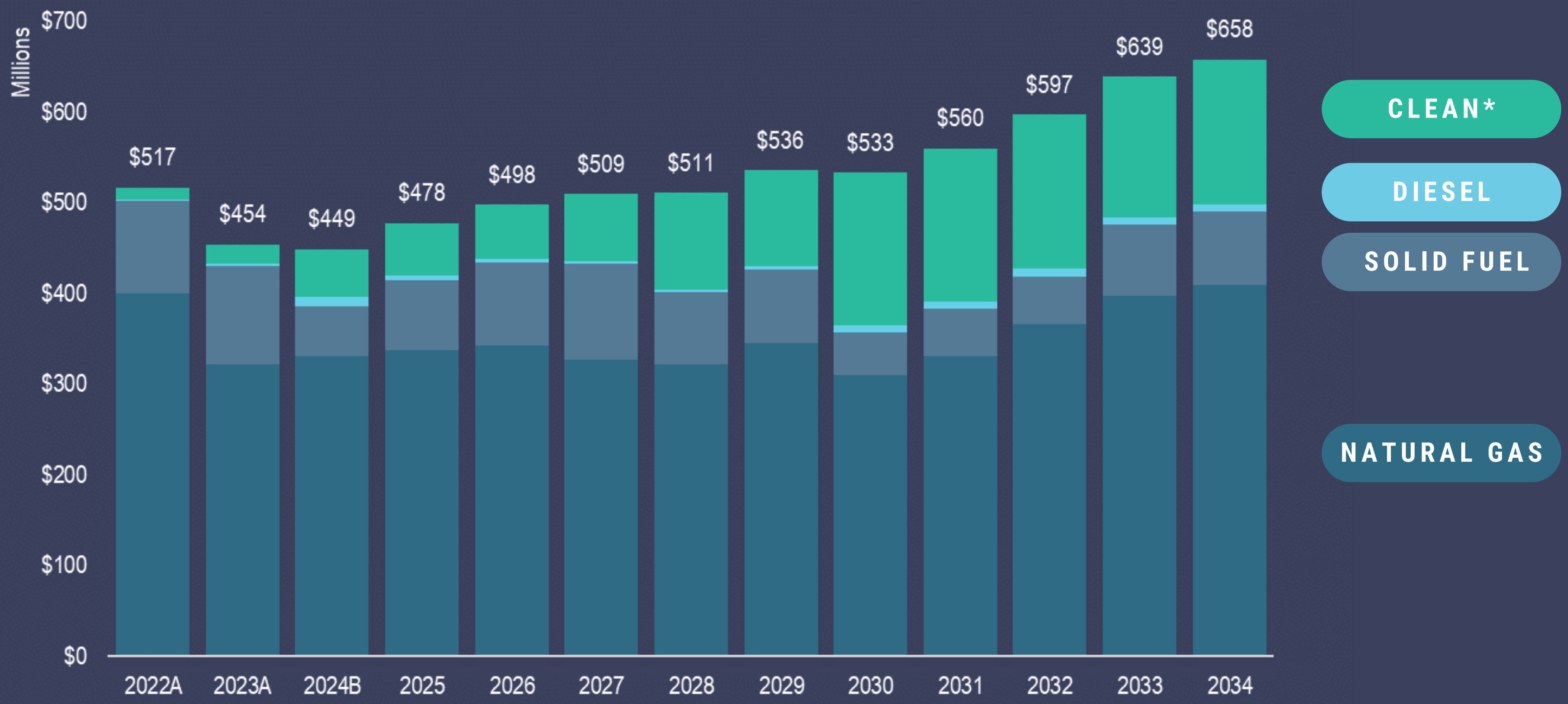
JEA is holding O&M expenses to a 3% annual escalation...



...while customer growth and inflation continue to increase

FUEL AND PURCHASED POWER

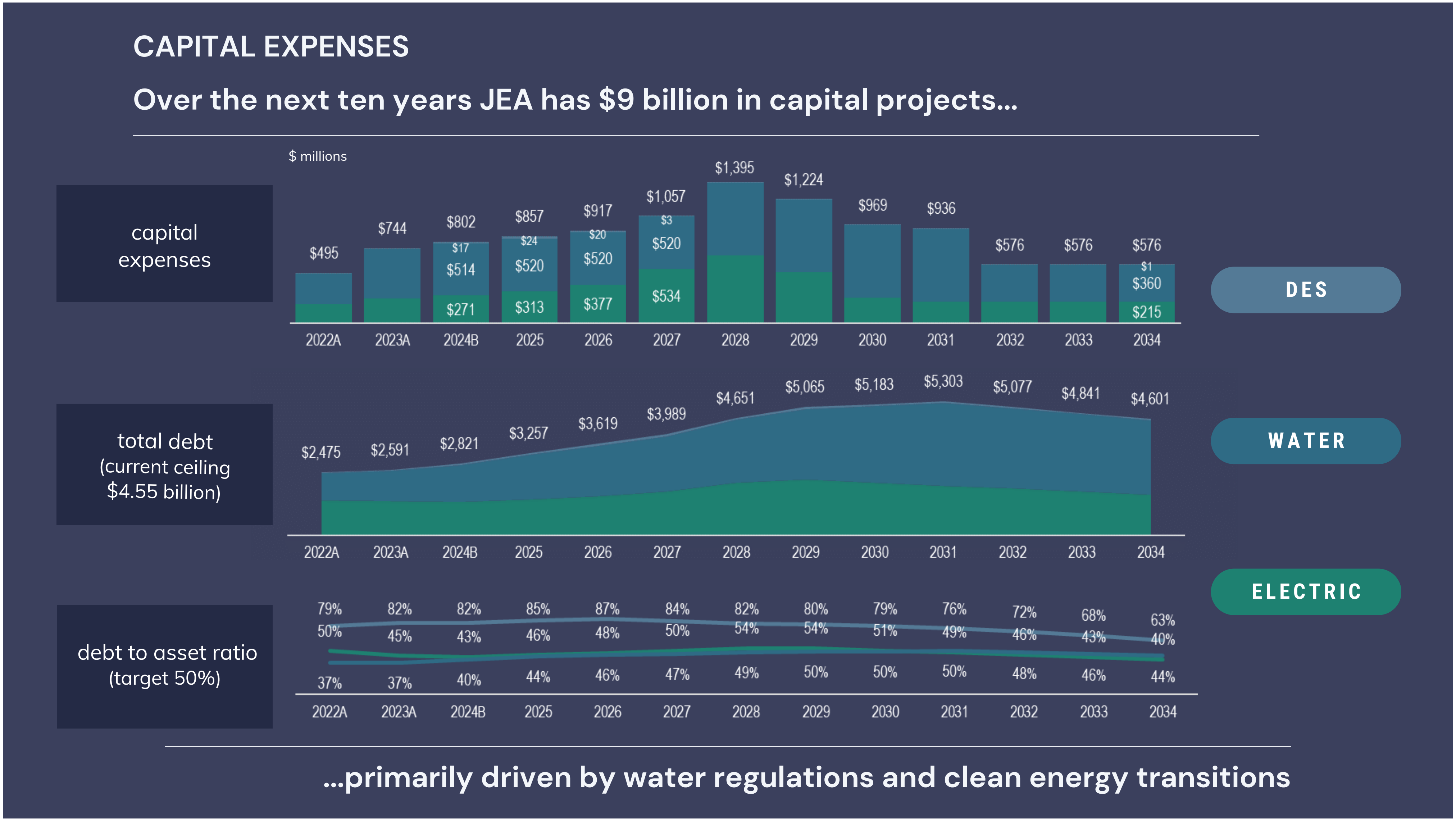
Fuel makes up 70%-80% of this expense category…



….and JEA will continue managing volatility through hedging programs

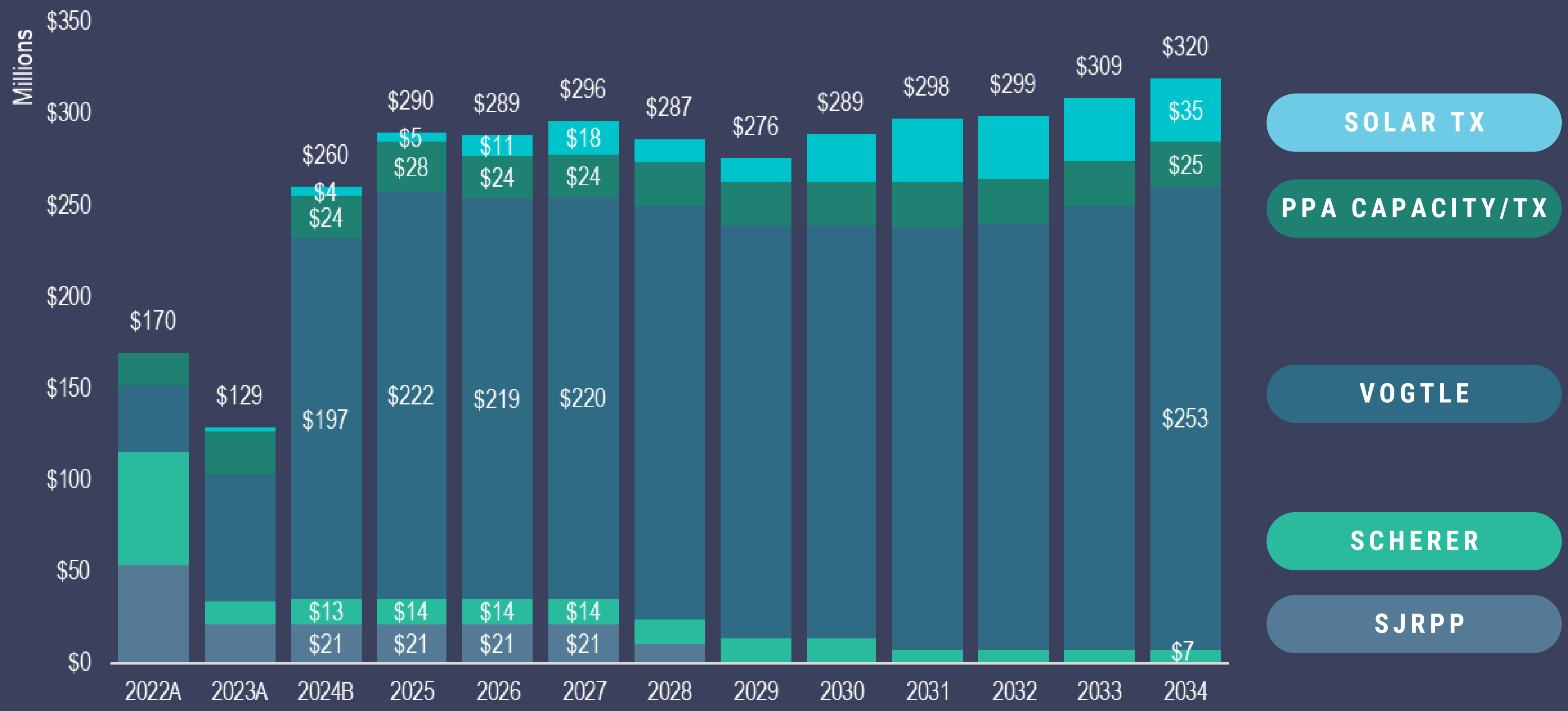
*Solar, Landfill Gas, and Nuclear

IRP Clean Energy goal based on percentage of energy, while this chart depicts expenses in dollars


CAPITAL EXPENSES
Over the next ten years JEA has $9 billion in capital projects...
$ millions
capital expenses
$495
$744
$802
$17
$514
$271
$857
$24
$520
$313
$917
$20
$520
$377
$1,057
$3
$520
$534
$1,395
$1,224
$969
$936
$576
$576
$576
$1
$360
$215
2022A 2023A 2024B 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
DES
total debt (current ceiling $4.55 billion)
$2,475 $2,591 $2,821 $3,257 $3,619 $3,989 $4,651 $5,065 $5,183 $5,303 $5,077 $4,841 $4,601
2022A 2023A 2024B 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
WATER
debt to asset ratio (target 50%)
79% 82% 82% 85% 87% 84% 82% 80% 79% 76% 72% 68% 63%
50% 45% 43% 46% 48% 50% 54% 54% 51% 49% 46% 43% 40%
37% 37% 40% 44% 46% 47% 49% 50% 50% 50% 48% 46% 44%
2022A 2023A 2024B 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034
ELECTRIC
...primarily driven by water regulations and clean energy transitions

NON-FUEL PURCHASED POWER

Some purchased power expenses are not classified as fuel…

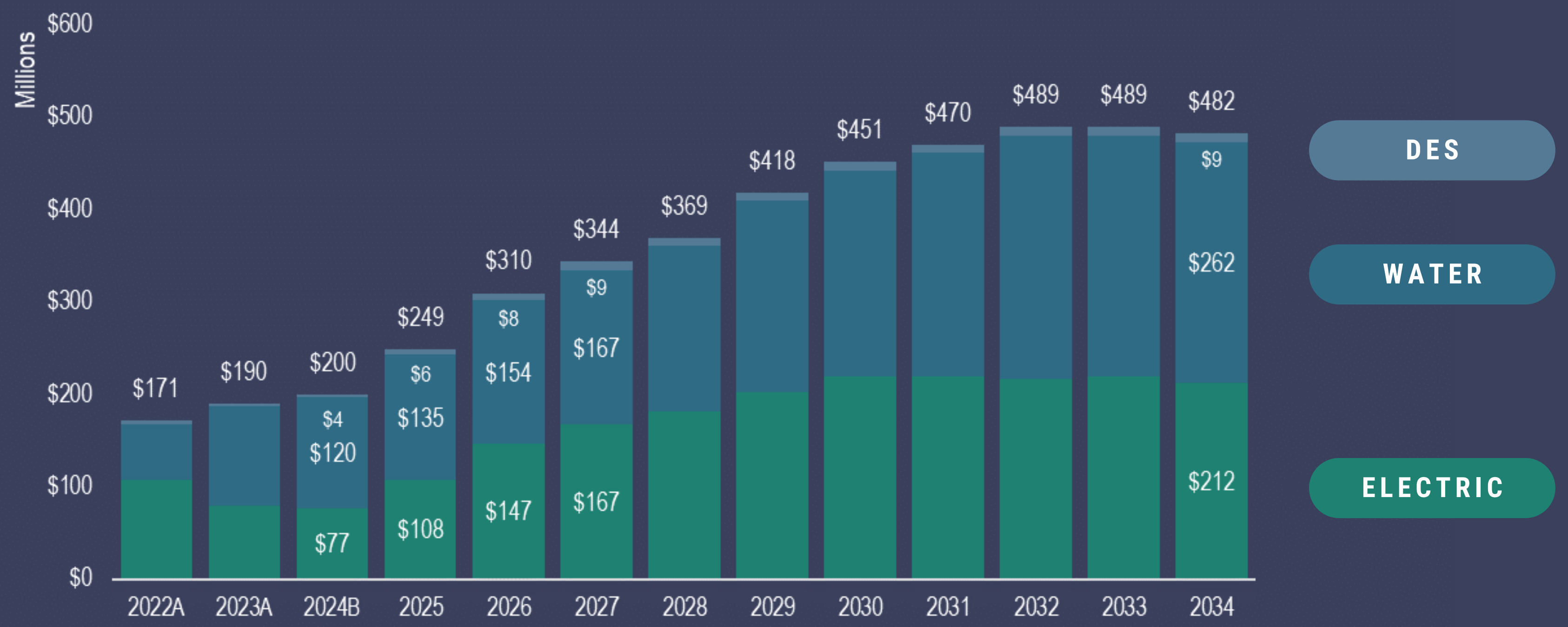


…of which Vogtle payments are the vast majority

Tx = Transmission

DEBT PAYMENTS

Debt service payments increase...



...as a result of new debt to support the capital plan

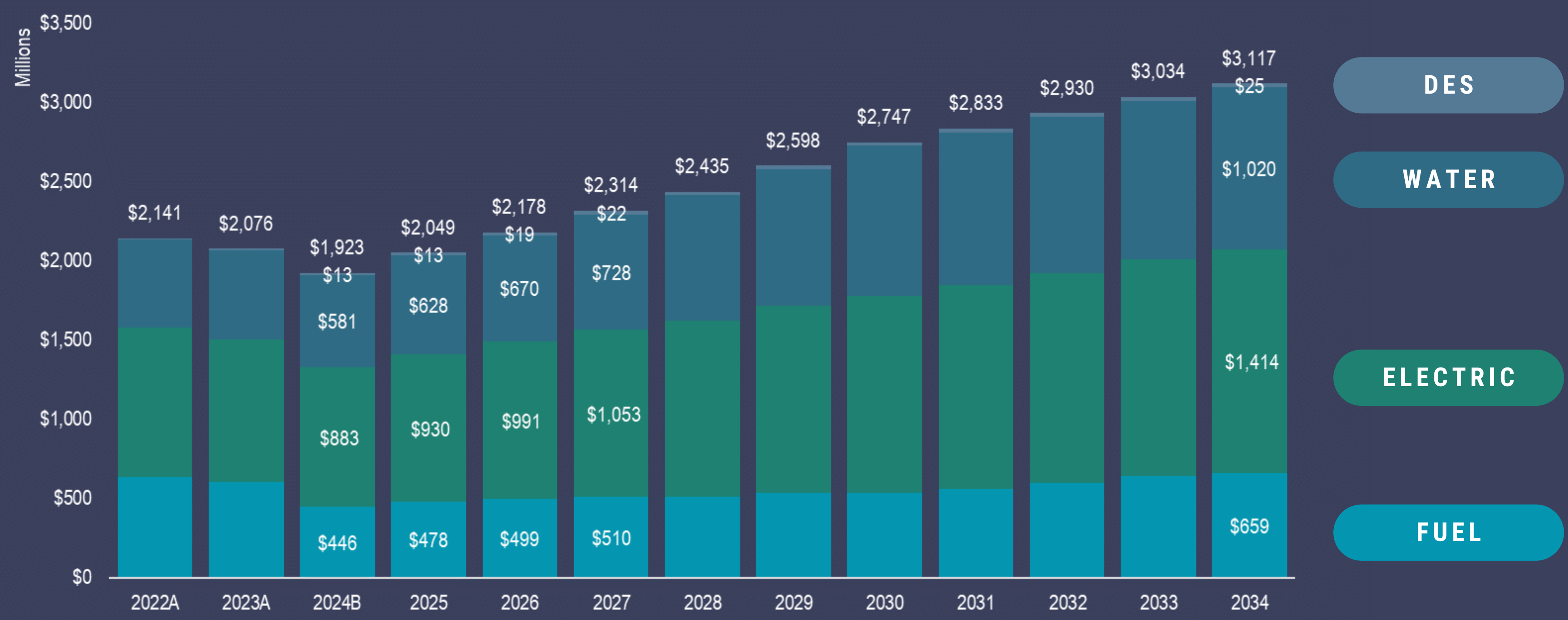
CITY CONTRIBUTION

JEA's forecast assumes the contribution grows...

...according to the current agreement

REVENUE REQUIREMENTS

Additional revenue needed to maintain healthy financial metrics...



...while continuing to provide reliable services

KEY METRICS

JEA's long range plan achieves the pricing policy targets in the short term...

TARGET	Electric	2022A	2023A	2024B	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2.5	Debt Service Coverage	5.6	3.0	3.6	3.7	3.1	3.2	3.1	3.1	2.8	3.0	3.1	3.1	3.3
1.5	Fixed Charge Coverage	2.9	1.4	1.5	1.5	1.5	1.7	1.7	1.8	1.7	1.8	1.8	1.9	1.9
50%	Debt to Asset Ratio	50%	45%	43%	46%	48%	50%	54%	54%	51%	49%	46%	43%	40%
150-250	Days of Liquidity	254	271	201	222	208	181	168	154	152	163	181	200	227
	Water													
2.0	Debt Service Coverage	6.6	3.6	3.0	2.8	2.7	2.8	2.9	2.8	2.9	2.8	2.6	2.6	2.6
50%	Debt to Asset Ratio	37%	37%	40%	44%	46%	47%	49%	50%	50%	50%	48%	46%	44%
100	Days of Liquidity	370	133	150	162	155	152	148	146	143	140	150	170	194
	DES													
	Debt Service Coverage	1.3	1.9	2.0	1.2	1.1	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
	Debt to Asset Ratio	79%	82%	78%	85%	87%	84%	82%	80%	79%	76%	72%	68%	63%
	Days of Liquidity	93	115	60	65	68	59	58	111	162	210	256	298	339

...reinforcing strong financial health

ENTERPRISE PLANNING PROCESS

Now we go to work prioritizing and building out key supporting plans...


Next JEA Board Meeting
February 27, 2024

Supplemental Information

January 30, 2024

JEA BOARD OF DIRECTORS MEETING MINUTES
November 7, 2023

The JEA Board met in regular session at 9:00 am on Tuesday, November 7, 2023, on the 1st Floor, 225 North Pearl Street, Jacksonville, Florida. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx.

WELCOME

Meeting Called to Order – Board Chair Bobby Stein called the meeting to order at 9:01 am. Board members in attendance were Marty Lanahan, Rick Morales, Kawanza Humphrey, and John Baker. Dr. Zachary Faison and General Joseph DiSalvo were present virtually.

Others in attendance were Jay Stowe, Managing Director/CEO, Laura Dutton, Chief Strategy Officer; Sheila Pressley, Chief Customer Officer; Ted Phillips, Chief Financial Officer; Laura Schepis, Chief External Affairs Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Jordan Pope, Vice President, Corporate Strategy; Madricka Jones, Executive Assistant to the CEO, and Melissa Dalton, Manager, Board Services.

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

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

Values Moment – Ty Demps, Digital Media Coordinator, presented a Values moment on respect.

COMMENTS / PRESENTATIONS

Council Liaison's Comments – Council Member Michael Boylan provided an update to the Board on Bill 2023-724, establishment of a debt ceiling proposed by JEA. Chair Stein extended his appreciation to Council Member Boylan for his commitment to JEA and the public.

Comments from the Public:

In-Person Public Comments:

Dr. Joshua Melko spoke to the Board regarding the solar site recommendation.

WebEx Public Comments: There were no on-line public comments.

Email Public Comments: There were no emailed public comments.

Managing Director / CEO Report – Jay Stowe, Managing Director/CEO, thanked Council Member Boylan, Board members, and staff for continuing to serve the community. Mr. Stowe provided highlights on the 8th Annual Pastor's Luncheon; Prepay Energy Working Group hosted by JEA and sponsored by E-Source; former St. Johns River Power Park (SJRPP) site and thanked Chair Stein for appointing Mr. Baker to oversee the work being completed with CBRE and England-Thims and Miller (ETM); Adaptive Reuse Symposium; Florida Water Environment Association's Annual Wastewater Seminar, and JEA being awarded the 2023 Build Strong Community award. At the request of Mr. Stowe, Raynetta Curry Marshall provided a synopsis of a tragic event that occurred shortly after the September 26, 2023 JEA Board meeting and extended appreciation to the Water/Wastewater team members that responded to the incident. Chair

Stein extended appreciation to all employees for the work they do. Mr. Stowe provided information on the Safety Milestone of one million hours worked without an OSHA-defined lost time injury; employee awards which included The Fecal Matter Team which placed in the top 10 in Process Controls, Pump Maintenance and Collection categories and the JEA apprentices who competed at the International Lineworker's Rodeo bringing home multiple awards; and Kyle Schoettler, Manager of Water/Wastewater Systems and Customer Response who was recognized by the First Coast Manufacturer's Association. This report was received for information.

Chair Stein stepped out at 9:49am and returned at 9:51am.

Mr. Stowe provided a review of the new Integrated Planning Process, beginning with the strategic objectives and priorities. Additional topics covered included the FY24 Corporate Performance Scorecard, financial and operational goals FY25-34, key resource decisions, key planning assumptionsFY25-34.

Industry Update – Mr. Stowe introduced David LaFrance, Chief Executive Officer, American Water Works Association (AWWA), was introduced by Jay Stowe and presented the Board with his bio. Mr. LaFrance provided the Board with an industry update to include background information on the AWWA; the state of the industry to include the top five water sector challenges and hot issues; think tanks to strategic priorities and game changers. This report was received for information.

FY23 Scorecard Results – Stefanie Monroe, Director, Analytics, presented the JEA performance update through September 30, 2023. Ms. Monroe provided an overview on each of the scorecard metrics including safety; employee engagement; Diversity, Equity and Inclusion metrics; results of the J.D. Power Satisfaction Survey results; financial metrics; and the Pay for Performance Plan. This report was received for information.

FY23 Financial Review – Joe Orfano, Vice President, Financial Services, highlighted the FY23 financial recap on Q4 electric and water to include sales and revenue by month; current month versus prior month fuel rate projections; and the financial recap on Q4 metrics. This report was received for information.

FOR BOARD CONSIDERATION

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 Marty Lanahan and seconded by Rick Morales, all Consent Agenda items were approved.

Customer and Workforce Committee Minutes – March 31, 2023
External Affairs Committee Minutes – April 18, 2023
Finance and Operations Committee Minutes – September 15, 2023
Board Meeting Minutes - September 26, 2023
Board By-Laws and Policy Manual
FY23 Year End Budget Transfers
FY23 Budget Amendment
FY24 Delegated Authority for Budget Transfers
Board Vice Chair to Serve as Acting Board Secretary

DEEPEN CUSTOMER and COMMUNITY ENGAGEMENT

FY24 Electric Rate Recommendations – Victor Blackshear, Director, Financial Planning and Rates presented to the Board the FY24 JEA rate strategic goals to include achieving target revenue, improving rate structure, and revising tariff. Mr. Blackshear outlined achieving FY24 target revenue; FY24 residential rates with a combined bill component; and rate recommendations to achieve additional small commercial and industrial revenue, additional curtailable and interruptible revenue, and additional large industrial revenue; and the FY24 electric rate adjustment path. Board members held discussion regarding customer bills. This presentation was received for information.

Declaration of Surplus and Disposition of Long-Term Strategic Sites – Paul Mitchell, Vice President, Economic Development, highlighted the project overview of the former St. Johns River Power Park (SJRPP) property to include location; an overview of JEA Charter Article 21.04 (b)(4); and the updated Real Estate Services Procurement Directive. Mr. Mitchell extended appreciation to ETM, CBRE and Board member John Baker for their work.

Board members held discussions regarding the resolution language, CEO delegation of authority, and processes. Tripp Gulliford, Project Consultant, CBRE and Tyler Matthews, Vice President, ETM addressed the Board regarding marketability and process, and a review of parcels 16-19. Jason Gabriel, Partner, Burr Forman, LLP, addressed the Board regarding steps for today's Board action.

On ***motion*** by Marty Lanahan and seconded by Rick Morales, the Board unanimously approved and adopted the amended Resolution 2023-55 to declare 1200 acres as surplus and declare as a strategic site, and provide the Managing Director/CEO the authority to dispose of parcels 16-19 through sale, , and come back to the Board with a more definitive plan on the remaining parcels for Board consideration.

Chair Stein stepped out at 11:01am and returned at 11:03am.

Real Property Condemnation – Paul Mitchell, Vice President, Economic Development, provided information on the McMillan Bypass Project a large diameter pipe evaluation and replacement program. Mr. Mitchell informed the Board of the portion of the pipe that needs to be replaced due to its condition and the bypass system that will be setup to reroute flow.

On ***motion*** by John Baker and seconded by Marty Lanahan, the Board of Directors unanimously approved the condemnation authority for two properties, Temporary Construction Easement and Fee Simple, for the McMillan Bypass Project and adopted Resolution 2023-53.

PLAN FOR THE FUTURE

JEA Solar Sites Award – Pedro Melendez, Vice President, Planning, Engineering and Construction, highlighted the solar request for proposals and evaluation summary to include the project summary; 35-year term evaluation, and proposed facilities.

On ***motion*** by Rick Morales and seconded by John Baker, the Board of Directors unanimously approved to award the JEA sties to Florida Renewable Partners not to exceed $1.46 billion and adopted Resolution 2023-52.

Supply Chain – Raynetta Curry Marshall, Chief Operating Officer, provided an update on the impact of the supply chain issues to include an overview of the number of projects currently ready for service and projected to be ready for service and their respective delays and that the inventory for storm stock is maintained. Ms. Marshall informed the board of initiative to mitigate the impacts to include reconfiguring design; assessing in-service underutilized transformers to harvest and re-deploy; evaluating and adding more suppliers; reprioritizing production slots to align with demand; and developed a forecasting model to better align supply and projected demand. This presentation was received for information.

MAKE DOING BUSINESS WITH JEA EASY

Audit Services FY23 Results – Lee Montanez, Director, Audit Services, provided an overview of the internal audit team; the FY23 internal audit plan year-end status; open/closed audit report observations; required communication to the Board; and an Enterprise Risk Management update. This presentation was received for information.

Rick Morales stepped out at 11:50am and returned at 11:52am.

FY24 Internal Audit Plan – Rashid Brittain, Manager, Internal Audit, provided the Board with the proposed audit plan timeline and process to include internal surveys to the directors and managers; speaking with the Leadership Team and Extended Leadership Team about their goals and concerns that may prevent them from reaching those goals; and the risk assurance mapping process.

On ***motion*** by Marty Lanahan and seconded by John Baker, the Board unanimously approved the FY24 internal audit plan and adopted Resolution 2023-51.

OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business / Open Discussion – None

Chair's Report – CEO Contract was deferred to January 30, 2024 Board Meeting

Announcements – Next Board Meeting, January 30, 2024

Adjournment – With no further business coming before the Board, Chair Stein declared the meeting adjourned at 11:57 am.

APPROVED BY:

____
JEA Acting Board Secretary

Date: __________________________

Board Meeting Recorded by:

Allison S Hickok

Allison S Hickok
Executive Staff Assistant

BOARD RESOLUTION: 2024-01
January 30, 2024

A RESOLUTION BY THE BOARD APPOINTING MS. TAMEKA GAINES HOLLY TO THE CIVIL SERVICE BOARD FOR AN INITIAL THREE-YEAR TERM SUBJECT TO CITY COUNCIL CONFIRMATION

WHEREAS, Article 17 of the Charter of the City of Jacksonville (the Charter) establishes a civil service system for employees of the City of Jacksonville's consolidated government; and

WHEREAS, Section 17.02 of the Charter creates the Civil Service Board (CSB) and provides that JEA shall appoint two members to the CSB; and

WHEREAS, there is presently a vacancy in one of JEA's appointed CSB positions; and

WHEREAS, the Board finds that Ms. Tameka Gaines Holly is qualified to serve on the CSB and desires to appoint Ms. Gaines Holly to the vacant JEA CSB position.

BE IT RESOLVED by the JEA Board of Directors that:

1. The recitals stated above are hereby incorporated into and made part of this Resolution, and such recitals shall serve as findings of fact.

2. The Board hereby appoints Ms. Tameka Gaines Holly to serve on the City of Jacksonville Civil Service Board for a three-year term, effective upon confirmation of the appointment by the Jacksonville City Council.

3. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change to tone, tenor or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.

4. This Resolution shall be effective upon approval by the Board.

Dated this 30th day of January 2024.

JEA Board Chair

JEA Acting Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

Tameka Gaines Holly is a Jacksonville native, specifically growing up on the city's Northside. She is a proud product of Duval County Public Schools, ultimately graduating from Jean Ribault High School.

Tameka holds a Bachelor of Science in Health Care Management from Florida A & M University, a Master of Public Health from the University of North Florida, a certification in Community Real Estate and Development from University of South Florida, and acquired an Executive Master of Public Policy from Jacksonville University, as the inaugural Minority Fellow for the Public Policy Institute.

Tameka has held a career in nonprofit management for over 20 years serving as a Chief Program Officer, Chief Compliance Officer, and Executive Director for local nonprofit agencies, as well as owning her own business management consulting firm. She currently serves as the Chief Operations Officer for the Northeast Florida Area Agency on Aging, also known as ElderSource, which provides services to seniors and persons living with a disability in the seven-county area of Northeast Florida.

As a community advocate who strongly believes in the transformation and empowerment of people and communities, Tameka has served civically for many years. She was recently appointed by the Mayor of the City of Jacksonville to serve as the Chair of the Eldercare Transition Subcommittee, a component of the city's Health Transition Committee. In 2015, she was also appointed by the then-Mayor of the City of Jacksonville to serve on the Prevention, Intervention, and At-Risk Youth Transition Subcommittee, Public Service Grant Council (PSGC), where she was the Chair of its Budget Subcommittee, and currently remains a member of the Strategic Partnerships Committee for the City of Jacksonville. She also serves on the Ethics committee for Baptist Health Jacksonville/South/Clay. Additionally, Tameka has served as the President of the Jean Ribault High School Parent, Teacher, Student Association (PTSA), a member of the School Advisory Council for many neighborhood schools, Friends of Northwest Jacksonville Schools, J.R.E. Lee Jacksonville Chapter of FAMU Alumni, Jacksonville University Public Policy Alumni, and Ribault Alumni Groups. Tameka is a member of Alpha Kappa Alpha Sorority, Inc., Leadership Jacksonville Class of 2014, and was recognized by the Jacksonville Business Journal as *Top 40 Under 40* in 2021*.*

Tameka is the proud wife of retired JSO officer and current National Guardsman Delaney E. Holly, Jr., and mother to Devonn, Dejuan, and Laila. Together, their family emphatically embraces faith, family, education, and service.

11019 Lydia Estates Dr. E.
Jacksonville, FL 32218
(904) 866-2928
Tameka@tgholly.com

Tameka Gaines Holly, MPP, MPH

CAREER SUMMARY

An accomplished executive with more than twenty years of a unique combination of executive management, strategic planning, organizational development, community development, and policy and advocacy expertise. Consistently displays exemplary problem-solving skills while utilizing analytical and interpersonal abilities to produce optimal outcomes. A proven leader with a strong track record of organizational success, including excellent verbal and written communication skills that promotes innovation, collaboration, and transformation, which yields clear direction and achieves vision.

SUMMARY OF QUALIFICATIONS

- Strategic Planning and Execution
- Organizational Growth and Development
- Community and Economic Development
- Training and Development
- Grant Writing and Capacity-Building
- Donor Relations
- Budget and Finance Management
- Compliance and Quality Management

PROFESSIONAL EXPERIENCE

ElderSource, Inc.
Chief Operations Officer *3/2020 – present*
Directs and leads day-to-day operations of the organization including, human resources, IT, emergency management, risk management, operations, and diversity, equity, inclusion, and belonging practices. Creates and oversees organization's strategic planning process, which provides management of aging and persons with disabilities services for seven counties in Northeast Florida. Builds and maintains stakeholder relationships to strengthen organization's network throughout Northeast Florida. Participates in contract management oversight of Providers in the Northeast Florida area. Creates and leads diversity, equity, inclusion, and belonging initiatives for organization and funded organizations. Provides leadership and advocacy at the federal, state and local levels for funding and policy to address the needs of older Americans and persons with disabilities. Creates, reviews and manages process improvement systems that promote quality, accountability, and transparency. Builds and maintains open communication and relationships with internal staff to encourage and empower initiative, independence, and growth.

Tameka Gaines Holly Consulting, LLC
President and CEO *7/2014-present*
Minority and woman-owned, small business specializing in business growth and development consulting services of strategic planning, community development, training and development, organizational development, technical writing, capacity-building, project planning, management and evaluation. Execution of a service model that increases revenue, drives optimal organizational operations, yields operational efficiency and effectiveness and enhances overall business performance. Core competencies include, but are not limited to, result-oriented, adaptable, analytical, cooperative, collaborative and innovation.

Tameka Gaines Holly for City Council District 8
City Council Candidate *1/2018-5/14/19*
Maintained a perspective to represent the voice of the people and serve as community advocate for the diverse needs of a largely minority and low-income area. Developed a strategy to continuously assess the

needs of the community and its residents. Conducted fundraising activities that raised over $90,000 in ten months. Crafted and communicated an economic empowerment, equitable resources, and accountability message that attracted diverse voters and donors. Built and maintained authentic relationships with voters, donors, community and faith-based organizations, community leaders, and government officials. Captured over 40 percent of local voters.

Transforming Communities Community Development Corporation
Chief Executive Officer *8/2015-12/2019*
Provided direction and leadership for the organization's mission, vision and strategic goals that supported economic empowerment, education, and community development. Cultivated relationships with key corporate and foundation donors. Identified and implemented projects that met and exceeded programmatic and financial community development goals. Attracted and retained a productive and qualified volunteer workforce. Provided support to organization's Board of Directors to enhance the ability to carry out mission. Provided leadership and oversight for developing, implementing and evaluating housing and economic development initiatives. Ensured the acquisition, flow of funds and management of costs that permitted the organization to make steady progress towards the achievement of its mission and that those funds were allocated properly to reflect present needs and future opportunities. Engaged a wide variety of community partners to bring community development planning and services to targeted disenfranchised neighborhoods.

Community Rehabilitation Center, Inc. (CRC)
Chief Program Officer/Corporate Compliance Officer *9/2004-6/2014*
Planned and directed the day-to-day administrative, programmatic and operational activities for the agency. Increased agency revenues by more than 45 percent and managed a staff of over 75 persons. Coordinated and developed the strategic planning process and plan for the existing and expansion of programmatic and business operations of the agency. Identified and assessed the emerging legislative and competitive trends and issues that impacted the agency's mission. Coordinated and implemented an agency-wide re-organization process that aligned with the expansion of services and vision of the agency. Lead the successful re-accreditation process to maintain certification. Developed, formulated and implemented internal policies, procedures and compliance plan that assured the adherence to established external laws, standards and guidelines. Provided ongoing compliance training to staff and board of directors to ensure integrity in agency operations. Researched, planned, submitted and implemented new and current programs for the agency through grant writing and other development activities, which yielded $20 million of federal, state and/or local funds for agency services through the following areas:

- <u>Project Management:</u> Researched, developed, implemented, and enforced the use of systems that facilitated smooth work flows, equitable and efficient work allocation, quality control, monitoring and evaluation, and communication within and among programs as well as between external organizations. Lead multidisciplinary teams to implement profitable and strategic outcomes.
- <u>Financial Management:</u> Coordinated and oversaw financial management, including development of budget; authorized and monitored expenditure of contract funds; identified opportunities for cost savings and created a sustainable revenue source and capturing system for agency.
- <u>Human Resources:</u> Conducted human resource assessment to determine staffing needs; hired all program staff; trained program staff in the development of program strategy and strong technical leadership that met program goals and objectives; managed program staff in the implementation of position duties; and evaluated program staff in the efficiency and effectiveness of meeting program goals and objectives.
- <u>Program Administration and Compliance:</u> Created, approved and/or submitted evaluation reports to funding entities, Executive Director and Board of Directors; completed and submitted continuation reports to funding entities to sustain program funds and goals and objectives; identified and engaged community partners to provide capacity-building in meeting program goals and objectives; provided

public relation services including marketing and recruitment to meet program goals and objectives; identified, engaged and selected EHR vendors to implement a health information technology system that aligned with program goals and agency processes; and implemented an electronic health record and established a health information technology system that created efficiency and effectiveness.

EDUCATION

Jacksonville University, Jacksonville, FL *Fall, 2020*
- Master of Public Policy (MPP)
- JU Public Policy Institute Minority Fellow

University of South Florida, Tampa, FL *Fall, 2016*
- Certificate, Community Real Estate Development

University of North Florida, Jacksonville, FL *Summer, 2009*
- Master of Public Health (MPH)

Florida Agricultural and Mechanical University, Tallahassee, FL *Summer, 2004*
- Bachelor of Science (BS), Health Care Management – Cum Laude

VOLUNTEER SERVICE & AWARDS

- Strategic Partnerships Steering Committee, Mayor's Office, City of Jacksonville, 2018-present
- Baptist Jacksonville/South/Clay Ethics Committee, 2021-present
- Financial Faith Community Development Corporation, 2021-present
- Public Service Grant Council, Budget Subcommittee Chair, City of Jacksonville, 2016-2019
- Jean Ribault High School Advisory Council (SAC), 2018-present
- Parent, Teacher, Student Association (PTSA) President, 2018-2022
- Northeast Florida Long-Term Recovery Organization (LTRO), 2017-2020
- *Top 40 Under 40*, Jacksonville Business Journal, 2021
- Prevention, Intervention & At-Risk Youth Subcommittee, Transition Team, City of Jacksonville, Office of the Mayor, 2015
- Congressional Women Leader's Recognition, National Women's Month, U. S. House of Representatives, Congresswoman Corrine Brown, 2014
- National Innovation Award, Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, 2013

ORGANIZATIONS

- Leadership Jacksonville, Class of 2014
- Alpha Kappa Alpha Sorority, Inc.
- J.R.E. Lee Chapter, Florida A & M University Alumni
- Master of Public Policy Alumni Association, Jacksonville University

Appendix A

Areas of emphasis

JEA 2023 audit results

EY

Areas of emphasis

Topic	Audit results
Revenue recognition • Operating revenues are defined as revenues generated from the sale of primary products or services through normal business operations. Nonoperating revenues include investment income, earnings from investments recorded on the equity method, contributions from developers. • Operating revenues reported in the accompanying statements of revenues, expenses, and changes in net position are shown net of discounts, estimated allowances for bad debts, and amounts transferred to stabilization funds. • Electric Enterprise and Water and Sewer Fund revenues are recorded as earned. • Operating revenues include amounts estimated for unbilled services provided during the reporting period.	• We believe that JEA's revenue recognition and sales commitments accounting policy and the application thereof are appropriate. • Additionally, we have reviewed the financial statements, including the disclosures relating to revenue recognition and sales commitments, and found them to be appropriate and in conformity with US GAAP. • We utilized data analytics in combination with detailed test of transactions to obtain a full understanding of the flow of revenue transactions.

Areas of emphasis

Topic	Audit results
Regulatory Accounts	• We tested the fair values of Regulatory accounts within fuel costs to be recovered and depreciation. For depreciation accounts, we performed an analytic regarding the calculation of JEA's recorded depreciation expense. For Costs To Be Recovered, we tested the Fuel CTBR roll-forward activity for fuel regulatory accounts. Through our procedures, there were no material issues identified.
Investments	• We tested the fair values as of the statement of net position date and confirmed investment accounts. We also performed compliance procedures as required by the provisions of Chapter 10.550, Rules of the Auditor General. Through our procedures, there were no material issues identified.
Capital Assets	• We tested the capital asset rollforward, which included specific procedures over CWIP additions, CWIP transfers, additions to capital assets and depreciation expense. Through our procedures, there were no issues identified.
Derivative Instruments and Hedging Activities	• For the interest rate swaps and fuel hedges, we independently corroborated the fair value of swaps with the assistance of our EY valuation professionals. We independently tested the hedge effectiveness of all the swaps in accordance with GASB 53.

Areas of emphasis

Topic	Audit results
Pension Plan Accounting and reporting – SJRPP Plan	• We obtained and tested the actuarial valuations, including assessing the reasonableness of the significant assumptions (i.e., discount rate, rate of return, etc.) of the Pension plan. We ensured all applicable disclosures were made in the notes to the financial statements and that such disclosures agreed to the actuary report in compliance with GASB 84 (SJRPP). We also tested the existence and valuation of pension plan investments.
Pension Plan Accounting and reporting – COJ Plan	• We obtained and tested the actuarial valuations, including assessing the reasonableness of the significant assumptions (i.e., discount rate, rate of return, etc.) of the COJ Pension Plan. We obtained several reports from EY's internal People Advisory Service group and from third-party Segal report. We ensured all applicable disclosures were made in the notes to the financial statements and that such disclosures agreed to the actuary report in compliance with GASB 68 (Pension). We also tested the existence and valuation of COJ Contributions and Census Data.
Commitments and contingencies	• We inquired with legal council and obtained legal letters for significant balances for both JEA and SJRPP. We ensured all applicable disclosures were made in the notes to the financial statements and that such disclosures we complete and accurate regarding topic areas such as pollution mediation and Plant Vogtle.

Appendix B

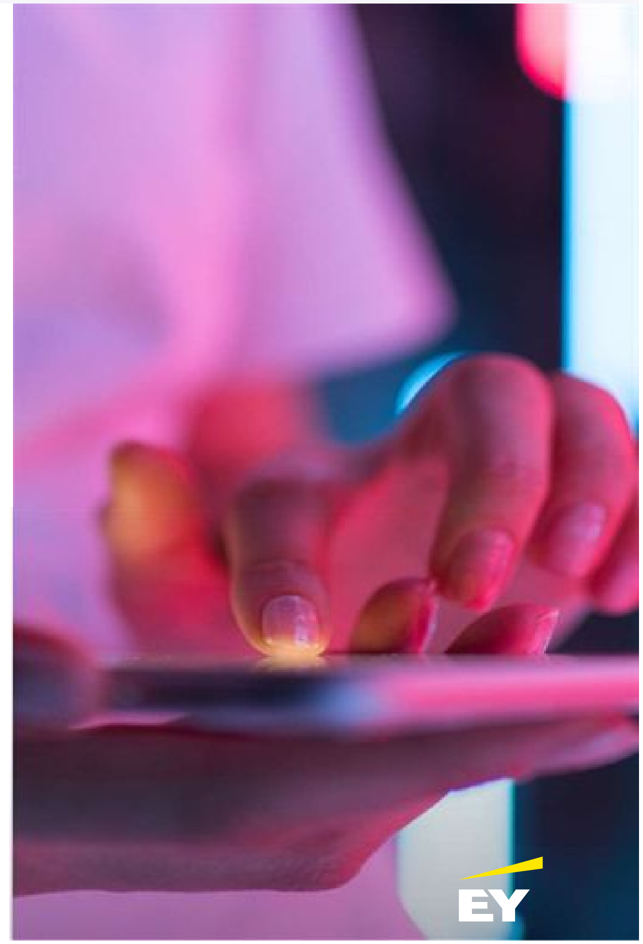
The Use of Internal Audit

JEA 2023 audit results

EY

Involvement of internal audit

Areas/significant classes of transactions where EY used the work of internal audit	Walkthroughs [1, 2]	Substantive procedures [1, 2]	Estimated hours	Actual hours incurred
Derivative swaps		X	35	-
Costs to be recovered		X	35	22
Expense test of transactions		X	35	33
Fixed assets		X	30	-
Fuel and purchased power		X	-	13
Officer expense testing		X	20	-
Revenue and accounts receivable	X		-	50
Regulatory assets	X		10	70
Purchasing, accounts payable and cash disbursements	X	X	35	40
Investments in TEA	X	X	-	71



1 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.

2 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.

EY | Building a better working world

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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.

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BOARD RESOLUTION 2024-04
January 30, 2024

APPROVAL OF JEA'S ENERGY MARKET RISK MANAGEMENT POLICY

WHEREAS, in efforts to maintain adequate supplies and reasonable costs for customers, JEA is exposed to volatility in electric energy and fuel prices, uncertainty in load and resource availability, counterparty creditworthiness, and other risks associated with transacting in wholesale energy markets; and

WHEREAS, JEA is subject to regulations governing energy market participants and maintains a comprehensive policy outlining certain duties and responsibilities that enable JEA to participate effectively in energy markets; and

WHEREAS, JEA staff have reviewed the policy and presented a set of amendments to align the policy with current staffing structures.

BE IT RESOLVED by the JEA Board of Directors that:

1. JEA's Energy Market Risk Management Policy is hereby approved as amended.

2. To the extent there are typographical, clerical, or administrative errors that do not change the tone, tenor, or context of this resolution, such errors may be revised without subsequent approval by the JEA Board of Directors.

3. This Resolution shall be effective upon approval by the Board.

Dated this 30th day of January 2024

JEA Board Chair

JEA Acting Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

JEA

Energy Market Risk Management Policy

Approved by the Board of Directors
3/18/2014

Revision Approved by the Board of Directors
9/20/2022

Revision Approved by the Board of Directors
1/30/2024

Table of Contents

Policy Introduction

During the course of business, JEA is exposed to volatility in electric energy and fuel prices, uncertainty in load and resource availability, the creditworthiness of its counterparties, and the risks associated with transacting in wholesale energy markets. To manage these risks and others in the wholesale energy markets, JEA has developed an Energy Market Risk Management ("EMRM") Policy (the "Policy").

Objectives of the Policy

1. Identify and discuss categories of risks inherent in operating in wholesale energy markets;
2. Establish the governance structure for EMRM activity;
3. Delineate the roles and oversight responsibilities of the groups and individuals responsible for implementing an EMRM program;
4. State required business practices;
5. Set exposure limits based on instrument structure, strategy goals, quantity, time horizon, underlying commodity value, and other considerations;
6. Define Credit Policy;
7. Set forth the monitoring and reporting requirements for the EMRM Program;
8. Define the products that may be used to manage the exposures.

Scope of the Policy

This Policy identifies risks inherent in operating in wholesale energy markets. Specifically, the Policy addresses Market Risk, Counterparty Risk, Volumetric Risk, Budget Risk, Collateralization Risk, Operative Risk, and Regulatory Risk arising from JEA's generating assets, load obligations, wholesale energy contracts, fuel supply contracts, and Financial and Physical Transactions. With respect to Financial and Physical Transactions, the Policy covers the Credit Risk associated with execution, as well as the recording, monitoring, and risk reporting associated with these transactions.

Policy Establishment, Authority, Approval and Revision

JEA's Board of Directors must approve this Policy, as well as any future changes to the Policy. Board approval shall not be required to amend, supplement or update the Policy appendices. On an annual basis, the Chief Financial Officer (CFO) will review this Policy and determine if it should be amended, supplemented or updated to account for business developments or for other appropriate business reasons.

Additional policies and procedures that may be developed to fully implement this Policy do not require Board approval provided that such policies and procedures do not conflict with this Policy. In the event that any policies or procedures conflict with this Policy, this Policy shall prevail.

Discussion of Risks

Market Risk

Market Risk is the exposure JEA faces due to changes in the value of market variables. Market Risk includes:

Price Risk

Price Risk is the exposure JEA faces as a result of changes in the market price for power, fuel, emissions allowances, and renewable energy credits/green tag allowances. Price Risk is typically the largest source of exposure and is managed by implementing a comprehensive EMRM Program that includes risk identification and measurement, strategy development and execution, and risk monitoring and reporting.

Basis Risk

Basis Risk is the exposure JEA faces as a result of less-than-perfect correlation between the underlying asset or item being hedged and the product/instrument used to hedge the asset or item. Basis risk is managed by ensuring there is a reasonable degree of correlation between the hedging product/instrument and the underlying asset/item being hedged and by balancing physical hedges with financial hedges. Basis Risk can result from difference in price changes due to differences in:

- Location – An example is using the NYMEX natural gas Futures contract which is priced at the Henry Hub to hedge an underlying exposure on the FGT pipeline;
- Products – An example is using the NYMEX WTI crude oil Futures contract to hedge an underlying exposure arising from the need to purchase fuel oil;
- Timing – An example is using the January NYMEX natural gas Future contract to hedge exposures to daily intra-month natural gas price swings in December.

Liquidity Risk

Liquidity Risk is the exposure caused by lack of marketability of a financial instrument or physical product at the prices consistent with recent sales. Liquidity Risk may be a problem because a given position may be very large relative to typical trading volumes or because market conditions are unsettled. Liquidity Risk can be identified by a wide bid-ask spread and large price movements in response to any attempt to buy or sell. Liquidity Risk is managed by ensuring there is a reasonable degree of liquidity in the hedging product/instrument, by monitoring the concentration of exposure in product/instruments at locations that are illiquid, and by adjusting the process used in risk measurement and strategy analysis to incorporate the illiquidity.

Counterparty Risk
Counterparty Risk is the risk associated with potential losses JEA could incur due to a counterparty not fulfilling contractual obligations. This risk can be realized through a physical or financial nonperformance by a counterparty. Although JEA is exposed to Counterparty Risk from a number of sources, for purposes of this Policy, Counterparty Risk will be restricted to the management of Counterparty Risk associated with Transactions in the wholesale fuel and energy markets. Counterparty Risk will be managed by the limits and control set forth in this Policy.

Volumetric Risk
Volumetric Risk is the exposure JEA faces due to deviation from expected levels in the amount of energy delivered or generated. It includes deviations in load (which could be caused by economic conditions, weather, etc.) as well as deviations caused by Operations Risk. Volumetric Risk is managed by identifying the impact it could have on JEA's financial and operating performance and developing strategies to manage the risk if warranted.

Budget Risk
Budget Risk is the risk associated with not collecting a budgeted variable fuel rate that is sufficient to cover JEA's fuel and purchase power costs of operation. This risk can be managed by monitoring the market uncertainty and the impact to the JEA portfolio. JEA manages this risk through the limit structure in this Policy and by employing a variable monthly fuel rate charge in customers' electric bills.

Collateralization Risk
Collateralization Risk is the exposure JEA faces from the potential mismatch that can occur between the timing in cash flow associated with the underlying item being hedged and the timing requirements for posting collateral. For example, if JEA were to hedge its need to purchase natural gas two years out by purchasing NYMEX natural gas Futures and the price of natural gas were to drop substantially before the gas was consumed, JEA would need to post additional collateral with its Futures Clearing Merchant prior to receiving revenue from the sale of the power generated at its natural gas-fired facilities.

Operative Risk
Operative Risk is the exposure JEA faces due to daily activities at the organization. Specifically, Operative Risk includes:

Operations Risk
Operations Risk is the exposure JEA faces due to failure of its assets to perform as expected. This risk includes exposure caused by unplanned outages, inaccurate load forecasts, delays in construction, failure of transmission or transportation systems, etc. Operations Risk is managed by proper maintenance and construction programs and proper operational planning. It is also managed by quantifying the risk impact on JEA's financial and operating condition and if warranted, taking steps to manage the risk.

Implementation Risk
Implementation Risk is the exposure that JEA faces from failed or inadequate management of processes, people, and systems related to its EMRM Program. Implementation Risk is managed by developing and enforcing policies and procedures, addressing transaction execution and processing, and by maintaining a segregation of responsibilities between transaction authorization/execution, risk monitoring, and reporting.

Regulatory Risk
Regulatory Risk is the risk associated with changes in federal, state, local, or market policy. With the Dodd-Frank Wall Street Reform Act and other applicable laws and regulations, JEA has the potential to transact products regulated by the Commodity Futures Trading Commission (CFTC) or other regulatory bodies within and outside of the United States. To ensure compliance with applicable regulators and regulations, JEA:

- Requires all employees participating in activities within the scope of this document to participate in annual compliance training, and
- Actively monitors regulatory bodies for regulations applicable to JEA.

Oversight Responsibilities and Organization Structure

Organizational Structure and Reporting Relationships
The JEA Board has delegated the responsibility to the Chief Executive Officer (CEO) to develop and implement JEA's EMRM Program. The Board's responsibilities with respect to JEA's EMRM Program include:

- Reviewing and approving this Policy and all revisions to this Policy.
- Understanding JEA's major financial energy market risk exposures.
- Delegating the oversight and maintenance of the Policy to JEA's Fuel and Purchase Power Committee (FPPC).
- Approving all Transactions outside of FPPC authorization limits.

FPPC

The FPPC is responsible for risk oversight for all energy market risk management activities for JEA. Additionally, the FPPC is responsible for ensuring all energy market risk management activities are in accordance with this Policy.

The CEO shall appoint the core members of the FPPC as set forth in Appendix B. The FPPC shall meet monthly and additionally as needed to review the performance and appropriateness of the energy market risk management activities given the current and anticipated future market and business environment. Decisions of the FPPC will be made by consensus and will be retained by Fuels Management Services (FMS) consistent with JEA Records Management Policies. Hedge recommendations and resulting Transactions will be documented in presentation materials and posted on the FMS web page on JEA's SharePoint site. Any materials used in the analysis or decision to enter into a swap including confirmation documents will be retained for a period of five years beyond the final termination date of each transaction.

The responsibilities of the FPPC relative to energy market risk management shall include:

- Keeping abreast of industry, market, and legislative developments that affect JEA's risk exposure.
- Monitoring energy market risk exposures on an aggregate level.
- Developing and approving all major strategies employed by JEA to manage energy market risk.
- Approving all specific energy market financial and physical activities to meet JEA's strategies.
- Approving the policies and procedures needed to implement this Policy, including amendments and updates to the appendices.
- Reviewing all exceptions to the Policy and exceedances of market and credit limits that are monitored by The Energy Authority (TEA).
- Designating the positions within JEA for whom this Policy applies and ensuring these individuals are aware of and understand their responsibilities for compliance with this Policy.
- Authorizing individuals in specific positions to commit JEA to energy market Transactions and ensuring that such individuals are appropriately trained. A list of positions within JEA authorized by the FPPC is contained in Appendix C and a list of individuals requiring training is maintained by FMS.
- Approving any changes to the list of approved energy market risk management products contained in Appendix D.

- Approving any changes to the approved Term, Maturity, and Notional Dollar Amounts in Appendix F below the level of CEO. The Notional Dollar Amount for the CEO is approved by the JEA Board. These Terms, Maturity, and Notional Dollar Amounts should be consistent with the Procurement Code Exemptions.
- Approving methodologies, models, metrics and assumptions for valuation and risk measurement for energy market risk.
- Reviewing the performance of the Qualified Independent Representative (QIR) annually over the preceding 12-months and arriving at a recommendation to either continue using the current QIR or select a replacement. Current JEA QIR selection is provided in Appendix E.
- Ensuring documentation of Transactions is maintained.
- Reviewing Transactions and risk reports furnished by TEA.

Business Practices

JEA has adopted the following Business Practices to help manage the Implementation Risk and sustain an effective EMRM Program:

Standards of Conduct and Compliance
No JEA employee shall use non-public information to the benefit of his or her own account.

Subject to existing and future laws and regulations and to the extent possible, employees shall refrain from disclosing pricing terms of Transactions with third parties.

JEA employees shall follow:

- JEA's Code of Ethics
- FERC Standards of Conduct.
- Any compliance documents that may be developed under the EMRM Program.

Training
FMS is responsible for ensuring employees that are authorized to commit JEA to energy market risk management strategies and execute Transactions receive adequate training and understand the implications of their commitments.

Trading Practices
All Transactions authorized or entered into by an employee of JEA must be entered into with the intent to manage risk and not with the intent to inflate volumes, revenues, or otherwise present a distorted representation of JEA's financial position.

No JEA employee or representative shall execute or authorize the execution of any Transaction if the purpose of the Transaction is to generate income by anticipating market movements. If any questions arise as to whether a particular Transaction constitutes speculation, the FPPC shall review the Transaction(s) to determine whether the Transaction(s) would constitute speculation.

After FPPC authorization, all Transactions will be executed in a timely and judicious manner with considerations for current market conditions.

All physical Transactions executed by JEA shall follow the approved Procurement Code Exemptions.

JEA's relationship with TEA is governed by the Operating Agreement and any policies referenced in the Operating Agreement. JEA personnel authorizing or directing TEA to enter into Transactions will understand the relevant provisions of these documents. After directing a representative of TEA to execute a financial transaction on behalf of JEA, a representative of JEA will participate in the execution of the financial transaction with the TEA representative and the JEA counterparty to actively monitor each financial transaction. Each employee or representative of JEA shall consent to recording by the JEA counterparty. If JEA incurs any swap reporting obligations, then JEA will report the swap to the appropriate swap data repository.

Individual Authorities

Only employees in positions approved by the FPPC as listed in Appendix C can commit JEA to energy market Transactions. Approved employees can only authorize TEA to execute Transactions for products for which they have approval and within the limits set forth in Appendix F of this EMRM Policy.

Transaction Methods

All Transactions must be confirmed over a recorded phone line, recorded via an instant messaging program, documented through email, or documented through a signed confirmation from both parties that meets state record retention statutes. All physical Transactions are executed under JEA's Procurement Code Exemptions.

Authorized Products

All Transactions must be for products on the Authorized Product List which is included in Appendix D. The FPPC will be responsible for authorizing all products and commodity types to be executed under a Master Agreement, Participation Agreement or some other non-industry standard Agreement.

JEA will work to ensure risks associated with transacting the product are understood and communicated and to make recommendations to the FPPC for approving products.

- New products will be recommended and must first be approved by the FPPC before trade execution.
- There will be a justification for the new product stating the business rationale and value to JEA.
- An identification of potential risks associated with the product and the risks the product creates.
- The FPPC will review new product justification and approve the product and quantitative and/or qualitative limits for use of the product if deemed desirable.

Authorized Counterparties
All Transactions must be executed under a Master Agreement, Participation Agreement or some other industry standard Agreement with an approved counterparty. The Treasurer will maintain all signed agreements with all counterparties approved for financial transactions. In addition, for Transactions executed by JEA for physical solid and liquid fuel supply needs, the potential supplier is required to have been accepted by Fuel Management Services on JEA's Responsible Bidders List.

Confirmations of Executed Transactions
Written confirmations will be required from counterparties, as defined in the agreement governing the Transaction between JEA and the counterparty, for all EMRM Transactions. Prior to receipt of written confirmations, all verbal commitments shall be memorialized as to instrument structure, quantity, time horizon, price and any other relevant terms; such internal documentation shall be time stamped and correlated to the ultimate written confirmation to or from the counterparty. Email use is permitted for all written confirmations.

Trade Recordkeeping (for both financial and physical transactions)
A paper or electronic trade ticket will be filled out for every trade executed. A trade ticket will contain, if applicable, the following information:

- Date of transaction;
- Counterparty;
- Transaction capacity (e.g., MW/hour or mmBtu/day) or volume;
- Buy or sell;
- Transaction price;
- Delivery point;
- For options, option type, strike and execution instructions;
- For financial swaps, the reference index;

- Starting/Ending delivery date and hour or schedule;
- Product type;
- Any other date, hour and/or capacity data needed to define a shaped product;
- Broker or electronic trading site and fee, if applicable;
- Type of transaction: swap, futures, options, etc.;
- The reporting counterparty when the trade is a swap and there is not a prearranged reporting relationship;
- Whether any swap qualifies for the trade option exemption or exception to clearing for end user.

Qualified Independent Representative (QIR)

a) JEA will enter into a contract with a firm or firms that will have the qualifications to act as a qualified independent representative to JEA in accordance with the requirements of Commodity Futures Trading Commission ("CFTC") Regulation §23.450 and its related safe harbor and in such contract such firm or firms will make representations and provide agreements to satisfy the requirements and safe harbors of CFTC Regulation in a manner satisfactory to JEA.

b) JEA shall utilize the services of such qualified independent representative when (i) entering into a new Swap transaction, (ii) modifying, terminating (in whole or in part), transferring or novating an existing Swap transaction, or (iii) discussing the possibility of the transactions in (i) and/or (ii) with a counterparty. JEA is not to rely on Swap Recommendations (if any) provided by a Swap Dealer.

c) JEA shall monitor the continued performance of each qualified independent representative.

Exposures and Limits

A risk limit structure is essential for ensuring that JEA manages its risk exposure within tolerances approved by the Board. The limit structure put forth in this document sets the exposures that JEA is willing to take when entering into Transactions covered under the Policy. JEA will manage its exposures by using locational and volume limits.

Volume Limits

The net volume of hedge transactions may not exceed the expected volume of the hedged commodity at the time hedges are executed.

Locational Limits
Electric transmission and fuels transportation Transactions must support the requirement of one of JEA's generation units, native load or transaction locations.

Swap Threshold Limits
JEA manages its swap exposure within the limit structures set forth by the CFTC. If the swap exposure reaches 75 percent of the swap exposure limit, TEA will contact the CFO who will notify the FPPC.

Exceedance of Limits
In the event a limit is exceeded, unless specified elsewhere in this Policy, FPPC will be notified as soon as possible by TEA. The CFO will report all exceptions to the Board quarterly.

Credit Policy

The Credit Policy is intended to identify, measure, manage, monitor and report on the Credit Risk associated with Transactions that subject JEA to financial exposure from the contractual default of a counterparty.

JEA, with TEA input, determines the credit quality of counterparties based upon various credit evaluation factors, including collateral requirements under certain circumstances.

In order to manage credit risk, JEA has established the following policies:

- Commodity Transactions will be entered into only with approved counterparties, approved by the CFO, that have sufficient unutilized credit to support the transaction.
- JEA counterparties will be reassessed at least annually or in the event of a material credit event for the counterparty.
- Credit risk status will be tracked by counterparty at the agreement level and the information made available to the FPPC on a monthly basis for risk oversight and more frequently when there is a material credit event for the contracted counterparty, the counterparty credit limit for an individual credit limit for a counterparty is exceeded or a material market event that causes credit exposure to increase significantly.

Measuring Credit Risk
Credit Risk measurement defines the process that will be used to determine credit exposure. In general, credit exposure is comprised of three components:

- The billed receivable and payable balance.
- The delivered and not yet billed receivable and payable balance.

- The value of the position against the market, i.e. the mark-to-market exposure.

Mark-to-market is used to measure JEA's risk exposure to counterparty default on a Transaction by determining the current market value of the Transaction. JEA accounts for the value of each Transaction by using counterparty mark-to-market position reports. Additionally, TEA and JEA calculate mark-to-market potions reports for comparison using NYMEX settle prices as a basis.

A credit report will be produced and made available for review on a daily basis by TEA. This credit report provides detail at an agreement level by counterparty. The FPPC will monitor overall credit risk and any credit exceptions at least monthly.

Until and unless a master netting and setoff agreement is in place with a counterparty, separate credit exposures for each counterparty will be calculated for each Master Agreement and will not be added together to derive the total credit exposures. Negative exposures under one Master Agreement will not offset a positive exposure under another Master Agreement.

Analysis and Extension of Credit Limits
Counterparty creditworthiness will be determined by both qualitative and quantitative factors. Factors shall include, but are not limited to:

- A company's debt credit ratings provided by the rating agencies.
- Financial data such as an analysis of the liquidity, leverage, profitability, and size.
- Subjective factors such as company's fuel diversity, overall size, energy market risk management policy and internal controls, geographic diversity, and market intelligence.

A credit limit is the amount of unsecured credit granted to a counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the mark to market differences in value of any collateral which the counterparty has provided JEA. Any net exposure above the collateral threshold, if any, will require the posting of collateral by a counterparty. Current unsecured counterparty credit limits are maintained by the Treasurer.

JEA's maximum counterparty credit limit for energy Transactions is $100,000,000 and applies to Transactions with maturity greater than one year.

Credit Exceptions

All personnel executing Transactions are constrained by these credit limits. If trading activity exceeds a counterparty's credit limit, trading that increases exposure will be suspended until the FPPC can review and make a determination regarding the counterparty.

All credit exceptions will be documented and reported to the FPPC and the Board as Policy Exceptions.

Reporting

The following reports will be developed by TEA and made available on the TEA portal to FPPC at the frequency listed below, and more frequently when there is a material credit event for the contracted counterparty; when the credit limit for an individual counterparty is exceeded; or when a material market event occurs that causes credit exposure to increase significantly.

- Transaction Activity – This report shows all transactions executed for a trade day; made available daily.
- Mark-to-market – This report shows all positions with volumes in the future against the current market value; made available daily.
- Policy Exceptions – This report details any exceptions to the Policy; made available daily.
- Counterparty Credit Exposure Report – This report shows exposures resulting from the transactions covered under this Policy and includes counterparty credit ratings; available daily.
- Risk Metric/Transaction Compliance Report – This report shows all exposures against Policy limits set forth in the Policy; made available daily.
- Swap Exposure Report – This report measures JEA energy swap exposures against the CFTC threshold limits for Swap Dealer Registration; made available daily.

Each quarter the CEO or CFO shall report JEA's financial and physical fuel and power transactions to the Board's Finance and Audit Committee, to include physical transactions greater than one year and all financial transactions.

Policy Acknowledgement

Policy Acknowledgement
All JEA employees participating in activities or Transactions covered by this Policy shall acknowledge at the end of the annual training module or sign, on an annual basis or upon any revision to this Policy, a statement approved by the FPPC that they

i. have read this Policy and any other applicable policies, processes, or procedures approved by JEA,
ii. understand this Policy and the related policies, processes, and procedures, and
iii. have and will continue to comply with this Policy and the related policies, processes, and procedures.
iv. taken the annual training.

The training module acknowledgement and/or a signed statement by all affected JEA employees will be maintained by Fuels Management Services and accessible to the Chief Compliance Officer.

Designated Counsel
Questions about the interpretation of any matters relating to this Policy should be referred to the CFO.

Appendices

A. Definitions

Basis Risk – The exposure an organization faces as a result of less-than-perfect correlation between the underlying asset or item being hedged and the product/instrument used to hedge the asset or item.

Bilateral Transaction - Any physical or financial transaction between two counterparties, neither of whom is an Exchange or market entity (e.g. MISO).

Budget Risk – The risk associated with not hitting or falling outside a tolerance band of an organization’s budget.

Capacity – The real power output rating of a generator or system, typically in megawatts, measured on an instantaneous basis.

Commodity - A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

Collateralization Risk – The exposure an organization faces from the potential mismatching in timing that can occur between the timing in cash flow associated with the underlying item being hedged and the timing requirements for posting collateral.

Counterparty Risk – The risk associated with potential losses JEA could incur due to a counterparty not fulfilling contractual obligations.

Credit Risk - The financial exposure JEA faces from a counterparty's refusal or inability to perform its contractual obligations.

FGT Pipeline – Florida Gas Transmission Pipeline

Financial Product – Any Future, Swap or Options contract, or any combination thereof, with any approved physical or Financial Product as the underlying commodity or instrument, which customarily settles financially and in which the primary intent is to settle the transaction financially.

Financial Transaction – Any contract with a Financial Product as the underlying instrument.

Future - A standardized contract which is traded on an organized exchange for delivery in the future of a specified underlying asset.

Hedging Transaction - A transaction designed to reduce the exposure of a specific outstanding position or portfolio; "fully hedged" equates to complete elimination of the targeted risk and "partially hedged" implies a risk reduction of less than 100%.

Implementation Risk – The exposure that an organization faces from failed or inadequate management of processes, people, and systems related to its EMRM Program.

Liquidity Risk - The exposure caused by lack of marketability of a financial instrument or physical product at the prices in line with recent sales.

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term "Major Swap Participant" is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Mark-to-Market – A measure of the current value of unrealized positions.

Market Risk – The exposure an organization faces due to changes in the value of market variables.

Master Agreement - An agreement reached between two parties that outlines agreed to terms and conditions that will govern transactions made pursuant to it. The document includes but is not limited to billing, deal confirmation, credit and collateral terms. Examples of types of Master Agreements include EEI, ISDA, GISB, Power, NAESB and WSPP.

Maturity - The time between the date on which a transaction is executed to the last date that power or gas will flow (in the case of physical transactions) or be settled financially (in the case of financial transactions).

NYMEX – Abbreviation for the New York Mercantile Exchange which is an exchange platform for commodity futures**.**

NYMEX Natural Gas – A natural gas futures traded on the NYMEX Exchange**.**

NYMEX WTI – Abbreviation for West Texas Intermediate, a light, sweet crude oil futures traded on the NYMEX Exchange**.**

Operating Agreement – The agreement between JEA and TEA that defines the relationship between the two entities**.**

Operations Risk – The exposure an organization faces due to failure of its assets to perform as expected.

Operative Risk – Operations or Implementation Risk.

Option - The right but not the obligation to buy or sell the underlying asset at a specified price for a specified period of time.

> **Call Option** – An option that gives the buyer of the option the right, but not the obligation, to buy the underlying asset at a specified price at a specified time in the future. The option seller has the obligation to provide the underlying asset if the option is exercised.
>
> **Put Option** – An option that gives the buyer of the option the right, but not the obligation, to sell the underlying asset at a specified price at a specified time in the future. The option seller has the obligation to take the underlying asset if the option is exercised.

Participation Agreement - a document used by an exchange or service provider to describe the terms and conditions by which such provider has agreed to provide the service to its members/participants.

Physical Product – Any commodity that has been approved by the FPPC.

Physical Transaction – Any contract or agreement for the purchase or sale of a commodity which customarily is delivered physically and in which the primary intent is to deliver the transaction physically.

Policy – JEA’s Energy Market Risk Management (“EMRM”) Policy.

Portfolio – A collection of transactions.

Price Risk – The exposure an organization faces as a result of changes in the market price for power, fuel and emissions allowances.

Principal – Execution of a Transaction under an Agreement where the executer is also a party on the agreement

Qualified Independent Representative (QIR) – a representative required of Special Entities before transacting swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Regulatory Risk – The risk of increased regulatory burden associated with participating in regulated markets.

Responsible Bidders List – Responsible fuel suppliers acceptable to Fuels Management Services and targeted by JEA in its fuel supply bid solicitations.

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term "Special Entity" is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term "Swap" is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term "Swap Dealer" is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Term – The total duration of a contract, defined as the number of days between the beginning flow date and ending flow date, inclusive.

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirement still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

Transaction – A Physical or Financial Transaction.

Value – An amount that represent the dollar magnitude of the Transaction.

Volumetric Risk – The exposure an organization faces due to deviation from expected levels in the amount of energy delivered or generated.

B. Composition of the Fuel and Purchase Power Committee as of January 30, 2024

Core Members

Chief Executive Officer (CEO)
Chief Financial Officer (CFO)
Vice President (VP), Electric Systems
Chief Operating Officer (COO)
Chief Compliance Officer (CCO)
Chief Strategy Officer
Senior Director, Energy Operations
Manager, Fuels Management Services
Vice President (VP), Financial Services

C. Authorized Personnel

The Authorized Personnel List is maintained by Fuels Management Services (FMS) and is available on the FMS Sharepoint page.

	Managing Director/CEO	Chief Financial Officer	Chief Operating Officer	VP, Financial Services	Vice President, Electric Systems	Manager Fuel Management Services	Sr. Director Energy Operations	Director, Electric System Operations	Manager Bulk Power Operations	Mgr. Nat.Gas Commerical Services	Electric Systems Engineer, BPO	Energy Operations Specialist	Staff/Associate Engineer, BPO	Certified/Associate System Operator	Fuels Specialist	Fuels Administrator, Senior	Fuels Administrator	Fuels Electric Systems Engineer	Fuels Staff/Associate Engineer
Physical Products																			
Power Products																			
Fixed Price Energy Commodity	x	x	x		x	x	x	x	x		x	x	x	x	x	x	x	x	x
Indexed Price Energy Commodity	x	x	x		x	x	x	x	x		x	x	x	x	x	x	x	x	x
Power Capacity	x	x	x		x		x	x	x		x	x	x	x					
Transmission	x	x	x		x		x	x	x		x	x	x	x					
Physical OTC Commodity Options	x	x	x		x	x	x	x	x		x	x	x	x	x	x	x	x	x
Natural Gas Products																			
Fixed Price Natural Gas Commodity	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Indexed Price Natural Gas Commodity	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Natural Gas Storage	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Transportation	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Physical OTC Commodity Options	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Crude Oil and Refined Products																			
Fixed Price Distillate Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Distillate Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Residual Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Residual Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Petroleum Coke Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Petroleum Coke Products	x	x	x		x	x	x								x	x	x	x	x
Coal Products																			
Fixed Price Coal Commodity	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Coal Commodity	x	x	x		x	x	x								x	x	x	x	x
Environmental Products																			
Air Emissions Allowances	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Limestone	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Limestone	x	x	x		x	x	x								x	x	x	x	x
RECs/Greentag Allowances	x	x	x		x	x	x	x	x						x	x	x	x	x
Financial Products																			
Power Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x	x	x										
Heat Rate Swap	x	x	x	x	x	x	x	x	x										
Financial OTC Option	x	x	x	x	x	x	x	x	x										
Natural Gas Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x												
Swing-Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												
Crude Oil and Refined Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												
Coal Products																			
OTC Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												

D. Authorized Product List

The purpose of the Authorized Product List is to ensure proper controls are in place to minimize risk when transacting under Master Agreements, Participation Agreements or some other standard industry agreement.

Approved products will be limited to purchases to meet load and/or sales incidental to load for the following:

Physical Products

Physical Power Products
1. Fixed Price Energy Commodity
2. Indexed Price Energy Commodity
3. Power Capacity
4. Transmission
5. Physical OTC Commodity Options

Physical Natural Gas Products
1. Fixed Price Natural Gas Commodity
2. Indexed Price Natural Gas Commodity
3. Natural Gas Storage
4. Transportation
5. Physical OTC Commodity Options

Physical Crude Oil and Refined Products
1. Fixed Price Distillate Fuel Oil Products
2. Indexed Price Distillate Fuel Oil Products
3. Fixed Price Residual Fuel Oil Products
4. Indexed Price Residual Fuel Oil Products
5. Fixed Price Petroleum Coke Products
6. Indexed Price Petroleum Coke Products

Physical Coal Products
1. Fixed Price Coal Commodity
2. Indexed Price Coal Commodity

Physical Environmental Products
1. Air Emission Allowances
2. Fixed Price Limestone
3. Indexed Price Limestone
4. Renewable Energy Credits/Greentag Allowances

Financial Products

Financial Power Products
Any of the instruments listed below or any combination thereof that has electric energy as the underlying commodity, and which: (a) is customarily settled financially, and (b) the primary intent of which is to settle financially. This excludes MISO Products and RTO Bilateral Transactions.
1. Fixed for Floating Swap
2. Heat Rate Swap
3. Financial OTC Option

Financial Natural Gas Products
Any of the instruments listed below or any combination thereof that has natural gas as the underlying commodity, and which: (a) is customarily settled financially, and (b) the primary intent of which is to settle financially.
1. Fixed for Floating Swap
2. Swing-Swap
3. Financial OTC Option

Financial Crude Oil and Refined Products
Any of the instruments listed below or any combination thereof, that has crude oil, residual fuel, or distillate as the underlying commodity, which: (a) is customarily settled financially, and (b) the primary intent of which is to settle the transaction financially.
1. Fixed for Floating Swap
2. Financial OTC Option

Financial Coal Products
Any of the instruments listed below or any combination thereof, that has coal as the underlying commodity, which: (a) is customarily settled financially, and (b) the primary intent of which is to settle the transaction financially.
1. OTC Swap
2. Financial OTC Option

E. Special Entity Representation Selection

JEA, a Special Entity under the Dodd-Frank Financial Reform Act, has selected The Energy Authority as its Qualified Independent Representative (QIR) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

F. Term, Maturity and Notional Dollar Limits
JEA employees shall not approve TEA to execute a Transaction beyond the maturity, term and notional dollar limits set for their position below. As of August 10, 2022.

Position	Maturity Limit (Days)	Term Limit (Days)	Notional Dollar Limit ($)
Managing Director/Chief Executive Officer	7,350	7,300	$100,000,000
Chief Financial Officer	3,725	3,675	$35,000,000
Chief Operating Officer	3,725	3,675	$35,000,000
Vice President, Electric Systems	3,725	3,675	$20,000,000
Vice President, Financial Services[3]	3,725	3,675	$20,000,000
Sr. Director, Energy Operations	1,925	1,875	$10,000,000
Director, Electric Systems Operations[1,2,3]	410	366	$7,500,000
Manager, Bulk Power Operations (BPO)[1,2,3]	410	366	$5,000,000
Manager, Fuels Management Services[3]	410	366	$5,000,000
Manager, Natural Gas Commerical Services[3]	61	31	$1,000,000
Electric Systems Engineer, BPO[1,2]	6	5	$1,000,000
Energy Operations Specialist[1,2]	6	5	$1,000,000
Staff/Associate Engineer, BPO[1,2]	6	5	$1,000,000
Fuels Specialist[3]	61	31	$1,000,000
Fuels Administrator, Senior[3]	61	31	$1,000,000
Fuels Administrator[3]	61	31	$1,000,000
Fuels Electric Systems Engineer[3]	61	31	$1,000,000
Fuels Staff/Associate Engineer[3]	61	31	$1,000,000
Certified System Operator On Duty[1,2]	6	5	$750,000
Associate System Operator On Duty[1,2]	6	5	$750,000

1. Limited to TEA authorized transactions.
2. Limited to current day through next business day natural gas transactions.
3. Prior approval is required based on appropriate procurement code exemptions.

Style Definition: TOC 1: Tab stops: 5.99", Right

Style Definition: TOC 2

JEA

Energy Market Risk Management Policy

Approved by the Board of Directors
3/18/2014

Revision Approved by the Board of Directors
9/20/2022

Revision Approved by the Board of Directors
[insert appropriate date]

~~Confidential~~

Table of Contents

Policy Introduction

During the course of business, JEA is exposed to volatility in electric energy and fuel prices, uncertainty in load and resource availability, the creditworthiness of its counterparties, and the risks associated with transacting in wholesale energy markets. To manage these risks and others in the wholesale energy markets, JEA has developed an Energy Market Risk Management ("EMRM") Policy (the "Policy").

Objectives of the Policy
~~The objectives of the Policy are the following:~~

1. Identify and discuss categories of risks inherent in operating in wholesale energy markets;
2. Establish the governance structure for EMRM activity;
3. Delineate the roles and oversight responsibilities of the groups and individuals responsible for implementing an EMRM program;
4. State required business practices;
5. Set exposure limits based on instrument structure, strategy goals, quantity, time horizon, underlying commodity value, and other considerations;
6. Define Credit Policy;
7. Set forth the monitoring and reporting requirements for the EMRM Program;
8. Define the products that may be used to manage the exposures.

Scope of the Policy
This Policy identifies risks inherent in operating in wholesale energy markets. Specifically, the Policy addresses Market Risk, Counterparty Risk, Volumetric Risk, Budget Risk, Collateralization Risk, ~~Regulatory Risk~~, ~~and~~ Operative Risk, and Regulatory Risk arising from JEA's generating assets, load obligations, wholesale energy contracts, fuel supply contracts, and Financial and Physical Transactions. With respect to Financial and Physical Transactions, the Policy covers the Credit Risk associated with execution, as well as the recording, monitoring, and risk reporting associated with these transactions.

Policy Establishment, Authority, Approval and Revision
JEA's Board of Directors must approve this Policy, as well as any future changes to the Policy. Board approval shall not be required to amend,

supplement or update the Policy appendices. On an annual basis, the Chief Financial Officer (CFO)~~,~~ ~~Chief Administrative (CAO) Compliance Officer (CCO) and Chief Operating Officer (COO)~~ will review this Policy and determine if it should be amended, supplemented or updated to account for business developments or for other appropriate business reasons.

Additional policies and procedures that may be developed to fully implement this Policy do not require Board approval provided that such policies and procedures do not conflict with this Policy. In the event that any policies or procedures conflict with this Policy, this Policy shall prevail.

Discussion of Risks

~~JEA is subjected to risk inherent in the business environment in which it operates. Exposure to risks inherent in the energy markets could result in a multitude of diverse positive or negative consequences for JEA. Market Risk, Counterparty Risk, Volumetric Risk, Budget Risk, Collateralization Risk, Operative Risk and Regulatory Risk are among the most critical and identifiable of the risks relevant to JEA, as they pertain to the scope of this Policy.~~

Market Risk

Market Risk is the exposure JEA faces due to changes in the value of market variables. ~~Specifically~~ Market Risk includes:

Price Risk

Price Risk is the exposure JEA faces as a result of changes in the market price for power, fuel, emissions allowances, and renewable energy credits/green tag allowances. Price Risk is typically the largest source of exposure and is managed by implementing a comprehensive EMRM Program that includes risk identification and measurement, strategy development and execution, and risk monitoring and reporting.

Basis Risk

Basis Risk is the exposure JEA faces as a result of less-than-perfect correlation between the underlying asset or item being hedged and the product/instrument used to hedge the asset or item. Basis risk is managed by ensuring there is a reasonable degree of correlation between the hedging product/instrument and the underlying asset/item being hedged and by balancing physical hedges with financial hedges. Basis Risk can result from difference in price changes due to differences in:

- Location – An example is using the NYMEX natural gas Futures contract which is priced at the Henry Hub to hedge an underlying exposure on the FGT pipeline;
- Products – An example is using the NYMEX WTI crude oil Futures contract to hedge an underlying exposure arising from the need to purchase fuel oil;
- Timing – An example is using the January NYMEX natural gas Future contract to hedge exposures to daily intra-month natural gas price swings in December.

Liquidity Risk

Liquidity Risk is the exposure caused by lack of marketability of a financial instrument or physical product at the prices consistent with recent sales. Liquidity Risk may be a problem because a given position may be very large relative to typical trading volumes or because market conditions are unsettled. Liquidity Risk can be identified by a wide bid-ask spread and large price movements in response to any attempt to buy or sell. Liquidity Risk is managed by ensuring there is a reasonable degree of liquidity in the hedging product/instrument, by monitoring the concentration of exposure in product/instruments at locations that are illiquid, and by adjusting the process used in risk measurement and strategy analysis to incorporate the illiquidity.

Counterparty Risk

Counterparty Risk is the risk associated with potential losses JEA could incur due to a counterparty not fulfilling contractual obligations. This risk can be realized through a physical or financial nonperformance by a counterparty. Although JEA is exposed to Counterparty Risk from a number of sources, for purposes of this Policy, Counterparty Risk will be restricted to the management of Counterparty Risk associated with Transactions in the wholesale fuel and energy markets. Counterparty Risk will be managed by the limits and control set forth in this Policy.

Volumetric Risk

Volumetric Risk is the exposure JEA faces due to deviation from expected levels in the amount of energy delivered or generated. It includes deviations in load (which could be caused by economic conditions, weather, etc.) as well as deviations caused by Operations Risk. Volumetric Risk is managed by identifying the impact it could have on JEA's financial and operating performance and developing strategies to manage the risk if warranted.

Budget Risk
Budget Risk is the risk associated with not collecting a budgeted variable fuel rate that is sufficient to cover JEA's fuel and purchase power costs of operation. This risk can be managed by monitoring the market uncertainty and the impact to the JEA portfolio. JEA manages this risk through the limit structure in this Policy and by employing a variable monthly fuel rate ~~mechanism~~ charge in customer~~'~~s' electric bills.

Collateralization Risk
Collateralization Risk is the exposure JEA faces from the potential mismatch that can occur between the timing in cash flow associated with the underlying item being hedged and the timing requirements for posting collateral. For example, if JEA were to hedge its need to purchase natural gas two years out by purchasing NYMEX natural gas Futures and the price of natural gas were to drop substantially before the gas was consumed, JEA would need to post additional collateral with its Futures Clearing Merchant prior to receiving revenue from the sale of the power generated at its natural gas-fired facilities.

Operative Risk
Operative Risk is the exposure JEA faces due to daily activities at the organization. Specifically, Operative Risk includes:

Operations Risk
Operations Risk is the exposure JEA faces due to failure of its assets to perform as expected. This risk includes exposure caused by unplanned outages, inaccurate load forecasts, delays in construction, failure of transmission or transportation systems, etc. Operations Risk is managed by proper maintenance and construction programs and proper operational planning. It is also managed by quantifying the risk impact on JEA's financial and operating condition and if warranted, taking steps to manage the risk.

Implementation Risk
Implementation Risk is the exposure that JEA faces from failed or inadequate management of processes, people, and systems related to its EMRM Program. Implementation Risk is managed by developing and enforcing policies and procedures, addressing transaction execution and processing, and by maintaining a segregation of responsibilities between transaction authorization/execution, risk monitoring, and reporting.

Regulatory Risk
Regulatory Risk is the risk associated with changes in federal, state, local, or market policy. With the Dodd-Frank Wall Street Reform Act and other applicable laws and regulations, JEA has the potential to transact products regulated by the Commodity Futures Trading Commission (CFTC) or other regulatory bodies within and outside of the United States. To ensure compliance with applicable regulators and regulations, JEA:

- Requires all employees participating in activities within the scope of this document to participate in annual compliance training, and
- Actively monitors regulatory bodies for regulations applicable to JEA.

Oversight Responsibilities and Organization Structure

Organizational Structure and Reporting Relationships
The JEA Board has delegated the responsibility to the ~~Managing Director/~~Chief Executive Officer (~~MD/~~CEO) to develop and implement JEA's EMRM Program. The Board's responsibilities with respect to JEA's EMRM Program include:

- Reviewing and approving this Policy and all revisions to this Policy.
- Understanding JEA's major financial energy market risk exposures.
- Delegating the oversight and maintenance of the Policy to JEA's Fuel and Purchase Power Committee (FPPC).
- Approving all Transactions outside of FPPC authorization limits.

FPPC
The FPPC is responsible for risk oversight for all energy market risk management activities for JEA. Additionally, the FPPC is responsible for ensuring all energy market risk management activities are in accordance with this Policy.

The ~~MD/~~CEO shall appoint the core members of the FPPC as set forth in Appendix B. ~~The list of core members shall include the Chief Administrative Officer who is responsible for ensuring compliance with this Policy. The complete list of the core FPPC members is set forth in Appendix B.~~ The FPPC shall meet monthly and additionally as needed to review the performance and appropriateness of the energy market risk management activities given the current and anticipated future market and business environment. Decisions of the FPPC will be made by consensus and will be retained by Fuels Management Services (FMS) consistent with

JEA Records Management Policies. ~~-~~Hedge recommendations and resulting Transactions will be documented in presentation materials and posted on the FMS web page on JEA's SharePoint site. ~~-~~Any materials used in the analysis or decision to enter into a swap including confirmation documents will be retained for a period of five years beyond the final termination date of each transaction.

The responsibilities of the FPPC relative to energy market risk management shall include:

- Keeping abreast of industry, market, and legislative developments that affect JEA's risk exposure.
- Monitoring energy market risk exposures on an aggregate level.
- Developing and approving all major strategies employed by JEA to manage energy market risk.
- Approving all specific energy market financial and physical activities to meet JEA's strategies.
- Approving the policies and procedures needed to implement this Policy, including amendments and updates to the appendices.
- Reviewing all exceptions to the Policy and exceedances of market and credit limits that are monitored by The Energy Authority (TEA)~~EA~~.
- Designating the positions within JEA for whom this Policy applies and ensuring these individuals are aware of and understand their responsibilities for compliance with this Policy.
- Authorizing individuals in specific positions to commit JEA to energy market Transactions and ensuring that such individuals are appropriately trained. A list of positions within JEA authorized by the FPPC is contained in Appendix C and a list of individuals requiring training is maintained by FMS.
- Approving any changes to the list of approved energy market risk management products contained in Appendix D.
- Approving any changes to the approved Term, Maturity, and Notional Dollar Amounts in Appendix F below the level of ~~MD/~~CEO. The Notional Dollar Amount for the ~~MD/~~CEO is approved by the JEA Board. These Terms, Maturity, and Notional Dollar Amounts should be consistent with the Procurement Code Exemptions.
- Approving methodologies, models, metrics and assumptions for valuation and risk measurement for energy market risk.
- Reviewing the performance of the Qualified Independent Representative (QIR) annually over the preceding 12-months and

arriving at a recommendation to either continue using the current QIR or select a replacement. Current JEA QIR selection is provided in Appendix E.

- Ensuring documentation of Transactions is maintained.
- Reviewing Transactions and risk reports furnished by TEA.

Business Practices

JEA has adopted the following Business Practices ~~are set forth~~ to help manage the Implementation Risk and ~~are required for~~ sustain an effective EMRM Program~~.~~: ~~JEA has adopted the following business practices:~~

Standards of Conduct and Compliance
No ~~employee of~~ JEA employee shall use non-public information to the benefit of his or her own account.

Subject to existing and future laws and regulations and to the extent possible, employees shall refrain from disclosing pricing terms of Transactions with third parties.

JEA employees shall follow:

- JEA's Code of Ethics ~~as set forth in JEA Ethical Business Conduct Guidelines.~~
- FERC Standards of Conduct.
- Any compliance documents that may be developed under the EMRM Program.

Training
FMS is responsible for ~~It is the responsibility of the FPPC to~~ ensur~~e~~ing employees that are authorized ~~able~~ to commit JEA to energy market risk management strategies and execute Transactions receive ~~have received~~ adequate training and understand the implications of their commitments.

Trading Practices
All Transactions authorized or entered into by an employee of JEA must be entered into with the intent to manage risk and not with the intent to inflate volumes, revenues, or otherwise present a distorted representation of JEA's financial position.

No JEA employee or representative shall execute or authorize the execution of any Transaction if the purpose of the Transaction is to generate income by anticipating market movements. -If any questions arise as to whether a particular Transaction constitutes speculation, the FPPC shall review the Transaction(s) to determine whether the Transaction(s) would constitute speculation.

After FPPC authorization, all Transactions will be executed in a timely and judicious manner with considerations for current market conditions.

All physical Transactions executed by JEA shall follow the ~~MD/CEO~~ approved Procurement Code Exemptions.

JEA's relationship with TEA is governed by the Operating Agreement and any policies referenced in the Operating Agreement. -JEA personnel authorizing or directing TEA to enter into Transactions will understand the relevant provisions of these documents. -After directing a representative of TEA to execute a financial transaction on behalf of JEA, a representative of JEA will participate in the execution of the financial transaction with the TEA representative and the JEA counterparty to actively monitor each financial transaction. Each employee or representative of JEA shall consent to recording by the JEA counterparty. -If JEA incurs any swap reporting obligations, then JEA will report the swap to the appropriate swap data repository.

Individual Authorities
Only employees in positions approved by the FPPC as listed in Appendix C can commit JEA to energy market Transactions. -Approved employees can only authorize TEA to execute Transactions for products for which they have approval and within the limits set forth in Appendix F of this EMRM Policy.

Transaction Methods
All Transactions must be confirmed over a recorded phone line, recorded via an instant messaging program, documented through email, or documented through a signed confirmation from both parties that meets state record retention statutes. -All physical Transactions are executed under JEA's Procurement Code Exemptions.

Authorized Products
All Transactions must be for products on the Authorized Product List which is included in Appendix D. -The FPPC will be responsible for authorizing all products and commodity types to be executed under a Master Agreement, Participation Agreement or some other non-industry standard Agreement. JEA will work to ensure risks associated with transacting the product are understood and communicated and to make recommendations to the FPPC for approving products.

- New products will be recommended and must first be approved by the FPPC before trade execution.
- There will be a justification for the new product stating the business rationale and value to JEA.
- An identification of potential risks associated with the product and the risks the product creates.
- The FPPC will review new product justification and approve the product and quantitative and/or qualitative limits for use of the product if deemed desirable.

Authorized Counterparties
All Transactions must be executed under a Master Agreement, Participation Agreement or some other industry standard Agreement with an approved counterparty. The Treasurer will maintain all signed agreements with all counterparties approved for financial transactions. In addition, for Transactions executed by JEA for physical solid and liquid fuel supply needs, the potential supplier is required to have been accepted by Fuel Management Services on JEA's Responsible Bidders List.

Confirmations of Executed Transactions
Written confirmations will be required from counterparties, as defined in the agreement governing the Transaction between JEA and the counterparty, for all EMRM Transactions. -Prior to receipt of written confirmations, all verbal commitments shall be memorialized as to instrument structure, quantity, time horizon, price and any other relevant terms; such internal documentation shall be time stamped and correlated to the ultimate written confirmation to or from the counterparty. Email use is permitted for all written confirmations.

Trade Recordkeeping (for both financial and physical transactions)
A paper or electronic trade ticket will be filled out for every trade executed. A trade ticket will contain, if applicable, the following information:

- Date of transaction;
- Counterparty;
- Transaction capacity (e.g., MW/hour or mmBtu/day) or volume;
- Buy or sell;
- Transaction price;
- Delivery point;
- For options, option type, strike and execution instructions;
- For financial swaps, the reference index;
- Starting/Ending delivery date and hour or schedule;
- Product type;
- Any other date, hour and/or capacity data needed to define a shaped product;
- Broker or electronic trading site and fee, if applicable;
- Type of transaction: swap, futures, options, etc.;
- The reporting counterparty when the trade is a swap and there is not a prearranged reporting relationship;
- Whether any swap qualifies for the trade option exemption or exception to clearing for end user.

Qualified Independent Representative (QIR)

a) JEA will enter into a contract with a firm or firms that will have the qualifications to act as a qualified independent representative to JEA in accordance with the requirements of Commodity Futures Trading Commission ("CFTC") Regulation §23.450 and its related safe harbor and in such contract such firm or firms will make representations and provide agreements to satisfy the requirements and safe harbors of CFTC Regulation in a manner satisfactory to JEA.

b) JEA shall utilize the services of such qualified independent representative when (i) entering into a new Swap transaction, (ii) modifying, terminating (in whole or in part), transferring or novating an existing Swap transaction, or (iii) discussing the possibility of the transactions in (i) and/or (ii) with a counterparty. JEA is not to rely on Swap Recommendations (if any) provided by a Swap Dealer.

c) JEA shall monitor the continued performance of each qualified independent representative.

Exposures and Limits

A risk limit structure is essential for ensuring that JEA manages its risk exposure within tolerances approved by the Board. The limit structure put forth in this document sets the exposures that JEA is willing to take when entering into Transactions covered under the Policy. JEA will manage its exposures by using locational and volume limits.

Volume Limits
The net volume of hedge transactions may not exceed the expected volume of the hedged commodity at the time hedges are executed.

Locational Limits
Electric transmission and fuels transportation Transactions must support the requirement of one of JEA's generation units, native load or transaction locations.

Swap Threshold Limits
JEA manages its swap exposure within the limit structures set forth by the CFTC. If the swap exposure reaches 75 percent~~%~~ of the swap exposure limit, TEA will contact the CFO who will notify the FPPC.

Exceedance of Limits
In the event a limit is exceeded, unless specified elsewhere in this Policy, FPPC will be notified as soon as possible by TEA. The CFO will report all exceptions to the Board quarterly.

Credit Policy

~~It is the intent of the~~ The Credit Policy is intended to identify, measure, manage, monitor and report on the Credit Risk associated with Transactions that subject JEA to financial exposure from the contractual default of a counterparty.

JEA, with TEA input, determines the credit quality of counterparties based upon various credit evaluation factors, including collateral requirements under certain circumstances.

In order to manage credit risk, JEA has established the following policies:

- Commodity Transactions will be entered into only with approved counterparties, approved by the CFO, that have sufficient unutilized credit to support the transaction.
- JEA counterparties will be reassessed at least annually or in the event of a material credit event for the counterparty.
- ~~The status of c~~Credit risk status will be tracked by counterparty at the agreement level and the information made available to the FPPC on a monthly basis for risk oversight and more frequently when there is a material credit event for the contracted counterparty, the counterparty credit limit for an individual credit limit for a counterparty is exceeded or a material market event that causes credit exposure to increase significantly.

Measuring Credit Risk

Credit Risk measurement defines the process that will be used to determine credit exposure. In general, credit exposure is comprised of three components:

- The billed receivable and payable balance.
- The delivered and not yet billed receivable and payable balance.
- The value of the position against the market, i.e. the mark-to-market exposure.

Mark-to-market is used to measure JEA's risk exposure to counterparty default on a Transaction by determining the current market value of the Transaction. JEA accounts for the value of each Transaction by using counterparty mark-to-market position reports. Additionally, TEA and JEA calculate mark-to-market potions reports for comparison using NYMEX settle prices as a basis.

A credit report will be produced and made available for review on a daily basis by TEA. This credit report provides detail at an agreement level by counterparty. The FPPC will monitor overall credit risk and any credit exceptions at least monthly.

Until and unless a master netting and setoff agreement is in place with a counterparty, separate credit exposures for each counterparty will be calculated for each Master Agreement and will not be added together to derive the total credit exposures. Negative exposures under one Master

Agreement will not offset a positive exposure under another Master Agreement.

Analysis and Extension of Credit Limits
Counterparty ~~The~~ creditworthiness ~~of a counterparty~~ will be determined by both qualitative and quantitative factors. Factors shall include, but are not limited to:

- A company's debt credit ratings provided by the rating agencies.
- Financial data such as an analysis of the liquidity, leverage, profitability, and size.
- Subjective factors such as company's fuel diversity, overall size, energy market risk management policy and internal controls, geographic diversity, and market intelligence.

A credit limit is the amount of unsecured credit granted to a counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the mark to market differences in value of any collateral which the counterparty has provided JEA. Any net exposure above the collateral threshold, if any, will require the posting of collateral by a counterparty. Current unsecured counterparty credit limits are maintained by the Treasurer.

JEA's maximum counterparty credit limit for energy Transactions is $100,000,000 and applies to Transactions with maturity greater than one year.

Credit Exceptions
All personnel executing Transactions are constrained by these credit limits. If trading activity exceeds a counterparty's credit limit, trading that increases exposure will be suspended until the FPPC can review and make a determination regarding the counterparty.

All credit exceptions will be documented and reported to the FPPC and the Board as Policy Exceptions.

Reporting

The following reports will be developed by TEA and made available on the TEA portal to FPPC at the frequency listed below, and more frequently when there is a material credit event for the contracted counterparty; when the credit limit for an individual counterparty is exceeded; or when a material market event occurs that causes credit exposure to increase significantly. ~~These reports can be found on TEA's portal.~~

- Transaction Activity – This report shows all transactions executed for a trade day; made available daily.
- Mark-to-market – This report shows all positions with volumes in the future against the current market value; made available daily.
- Policy Exceptions – This report details any exceptions to the Policy; made available daily.
- Counterparty Credit Exposure Report – This report shows exposures resulting from the transactions covered under this Policy and includes counterparty credit ratings; available daily.
- Risk Metric/Transaction Compliance Report – This report shows all exposures against Policy limits set forth in the Policy; made available daily.
- Swap Exposure Report – This report measures JEA energy swap exposures against the CFTC threshold limits for Swap Dealer Registration; made available daily.

Each quarter the CEO or CFO shall report JEA's financial and physical fuel and power transactions to the Board's Finance and Audit Committee, to include physical transactions greater than one year and all financial transactions. ~~The following report will be created and updated by FMS and provided quarterly:~~

~~• Finance and Operations Committee Report – The Vice President, Electric Systems will report JEA's financial and physical fuel and power transactions on a quarterly basis. This report will include physical transactions greater than one year and all financial transactions.~~

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Policy Acknowledgement and Distribution

Policy Acknowledgement

All JEA employees participating in activities or Transactions covered by this Policy shall acknowledge at the end of the annual training module or sign, on an annual basis or upon any revision to this Policy, a statement approved by the FPPC that they

i. have read this Policy and any other applicable policies, processes, or procedures approved by JEA,
ii. understand this Policy and the related policies, processes, and procedures, and
iii. have and will continue to comply with this Policy and the related policies, processes, and procedures.
iv. taken the annual training.

The training module acknowledgement and/or a signed statement by all affected JEA employees will be maintained by Fuels Management Services and accessible to the Chief Compliance Officer. ~~the CAO.~~

~~Policy Distribution~~

~~JEA's EMRM Policy may be distributed outside JEA with the consent of the MD/CEO or CFO provided that such persons or entities receiving this Policy agree to keep this Policy confidential and not disclose it to other parties.~~

Designated Counsel

Questions about the interpretation of any matters relating to this Policy should be referred to the CFO~~ or CACO~~. ~~The CFO and/or or the CAO will provide clarification and explanation on any updates to this Policy.~~

~~All Legal matters stemming from this Policy will be referred to JEA's legal counsel.~~

Appendices

A. Definitions

Basis Risk – The exposure an organization faces as a result of less-than-perfect correlation between the underlying asset or item being hedged and the product/instrument used to hedge the asset or item.

Bilateral Transaction - Any physical or financial transaction between two counterparties, neither of whom is an Exchange or market entity (e.g. MISO).

Budget Risk – The risk associated with not hitting or falling outside a tolerance band of an organization's budget.

Capacity – The real power output rating of a generator or system, typically in megawatts, measured on an instantaneous basis.

Commodity - A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

Collateralization Risk – The exposure an organization faces from the potential mismatching in timing that can occur between the timing in cash flow associated with the underlying item being hedged and the timing requirements for posting collateral.

Counterparty Risk – The risk associated with potential losses JEA could incur due to a counterparty not fulfilling contractual obligations.

Credit Risk - The financial exposure JEA faces from a counterparty's refusal or inability to perform its contractual obligations.

FGT Pipeline – Florida Gas Transmission Pipeline

Financial Product – Any Future, Swap or Options contract, or any combination thereof, with any approved physical or Financial Product as the underlying commodity or instrument, which customarily settles financially and in which the primary intent is to settle the transaction financially.

Financial Transaction – Any contract with a Financial Product as the underlying instrument.

Future - A standardized contract which is traded on an organized exchange for delivery in the future of a specified underlying asset.

Hedging Transaction - A transaction designed to reduce the exposure of a specific outstanding position or portfolio; "fully hedged" equates to complete elimination of the targeted risk and "partially hedged" implies a risk reduction of less than 100%.

Implementation Risk – The exposure that an organization faces from failed or inadequate management of processes, people, and systems related to its EMRM Program.

Liquidity Risk - The exposure caused by lack of marketability of a financial instrument or physical product at the prices in line with recent sales.

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term "Major Swap Participant" is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Mark-to-Market – A measure of the current value of unrealized positions.

Market Risk – The exposure an organization faces due to changes in the value of market variables.

Master Agreement - An agreement reached between two parties that outlines agreed to terms and conditions that will govern transactions made pursuant to it. The document includes but is not limited to billing, deal confirmation, credit and collateral terms. Examples of types of Master Agreements include EEI, ISDA, GISB, Power, NAESB and WSPP.

Maturity - The time between the date on which a transaction is executed to the last date that power or gas will flow (in the case of physical transactions) or be settled financially (in the case of financial transactions).

NYMEX – Abbreviation for the New York Mercantile Exchange which is an exchange platform for commodity futures**.**

NYMEX Natural Gas – A natural gas futures traded on the NYMEX Exchange**.**

NYMEX WTI – Abbreviation for West Texas Intermediate, a light, sweet crude oil futures traded on the NYMEX Exchange**.**

Operating Agreement – The agreement between JEA and TEA that defines the relationship between the two entities**.**

Operations Risk – The exposure an organization faces due to failure of its assets to perform as expected.

Operative Risk – Operations or Implementation Risk.

Option - The right but not the obligation to buy or sell the underlying asset at a specified price for a specified period of time.

> **Call Option** – An option that gives the buyer of the option the right, but not the obligation, to buy the underlying asset at a specified price at a specified time in the future. The option seller has the obligation to provide the underlying asset if the option is exercised.
>
> **Put Option** – An option that gives the buyer of the option the right, but not the obligation, to sell the underlying asset at a specified price at a specified time in the future. The option seller has the obligation to take the underlying asset if the option is exercised.

Participation Agreement - a document used by an exchange or service provider to describe the terms and conditions by which such provider has agreed to provide the service to its members/participants.

Physical Product – Any commodity that has been approved by the FPPC.

Physical Transaction – Any contract or agreement for the purchase or sale of a commodity which customarily is delivered physically and in which the primary intent is to deliver the transaction physically.

Policy – JEA's Energy Market Risk Management ("EMRM") Policy.

Portfolio – A collection of transactions.

Price Risk – The exposure an organization faces as a result of changes in the market price for power, fuel and emissions allowances.

Principal – Execution of a Transaction under an Agreement where the executer is also a party on the agreement

Qualified Independent Representative (QIR) – a representative required of Special Entities before transacting swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Regulatory Risk – The risk of increased regulatory burden associated with participating in regulated markets.

Responsible Bidders List – Responsible fuel suppliers acceptable to Fuels Management Services and targeted by JEA in its fuel supply bid solicitations.

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term "Special Entity" is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term "Swap" is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term "Swap Dealer" is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Term – The total duration of a contract, defined as the number of days between the beginning flow date and ending flow date, inclusive.

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirement still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

Transaction – A Physical or Financial Transaction.

Value – An amount that represent the dollar magnitude of the Transaction.

Volumetric Risk – The exposure an organization faces due to deviation from expected levels in the amount of energy delivered or generated.

B. Composition of the Fuel and Purchase Power Committee as of February 17, 2022

Core Members

~~Managing Director (MD)/~~Chief Executive Officer (CEO)
Chief Financial Officer (CFO)
Vice President (VP), Electric Systems
Chief Operating Officer (COO)
Chief Compliance Officer ~~Administrative Officer~~ (C~~A~~CO)
Chief Strategy Officer
Senior Director, Energy Operations
Manager, Fuels Management Services
Vice President (VP), Financial Services

C. Authorized Personnel

Authorized Personnel List is maintained by Fuels Management Services (FMS) and is available on the FMS Sharepoint page. ~~The following is the Authorized Personnel List as of March 8, 2022.~~

	Managing Director/CEO	Chief Financial Officer	Chief Operating Officer	VP, Financial Services	Vice President, Electric Systems	Manager Fuel Management Services	Sr. Director Energy Operations	Director, Electric System Operations	Manager Bulk Power Operations	Mgr. Nat.Gas Commerical Services	Electric Systems Engineer, BPO	Energy Operations Specialist	Staff/Associate Engineer, BPO	Certified/Associate System Operator	Fuels Specialist	Fuels Administrator, Senior	Fuels Administrator	Fuels Electric Systems Engineer	Fuels Staff/Associate Engineer
Physical Products																			
Power Products																			
Fixed Price Energy Commodity	x	x	x		x	x	x	x	x		x	x	x	x	x	x	x	x	x
Indexed Price Energy Commodity	x	x	x		x	x	x	x	x		x	x	x	x	x	x	x	x	x
Power Capacity	x	x	x		x		x	x	x		x	x	x	x					
Transmission	x	x	x		x		x	x	x		x	x	x	x					
Physical OTC Commodity Options	x	x	x		x	x	x	x	x		x	x	x	x	x	x	x	x	x
Natural Gas Products																			
Fixed Price Natural Gas Commodity	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Indexed Price Natural Gas Commodity	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Natural Gas Storage	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Transportation	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Physical OTC Commodity Options	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Crude Oil and Refined Products																			
Fixed Price Distillate Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Distillate Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Residual Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Residual Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Petroleum Coke Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Petroleum Coke Products	x	x	x		x	x	x								x	x	x	x	x
Coal Products																			
Fixed Price Coal Commodity	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Coal Commodity	x	x	x		x	x	x								x	x	x	x	x
Environmental Products																			
Air Emissions Allowances	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Limestone	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Limestone	x	x	x		x	x	x								x	x	x	x	x
RECs/Greentag Allowances	x	x	x		x	x	x	x	x						x	x	x	x	x
Financial Products																			
Power Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x	x	x										
Heat Rate Swap	x	x	x	x	x	x	x	x	x										
Financial OTC Option	x	x	x	x	x	x	x	x	x										
Natural Gas Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x												
Swing-Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												
Crude Oil and Refined Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												
Coal Products																			
OTC Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												

D. Authorized Product List

The purpose of the Authorized Product List is to ensure proper controls are in place to minimize risk when transacting under Master Agreements, Participation Agreements or some other standard industry agreement

Approved products will be limited to purchases to meet load and/or sales incidental to load for the following:

Physical Products

Physical Power Products
1. Fixed Price Energy Commodity
2. Indexed Price Energy Commodity
3. Power Capacity
4. Transmission
5. Physical OTC Commodity Options

Physical Natural Gas Products
1. Fixed Price Natural Gas Commodity
2. Indexed Price Natural Gas Commodity
3. Natural Gas Storage
4. Transportation
5. Physical OTC Commodity Options

Physical Crude Oil and Refined Products
1. Fixed Price Distillate Fuel Oil Products
2. Indexed Price Distillate Fuel Oil Products
3. Fixed Price Residual Fuel Oil Products
4. Indexed Price Residual Fuel Oil Products
5. Fixed Price Petroleum Coke Products
6. Indexed Price Petroleum Coke Products

Physical Coal Products
1. Fixed Price Coal Commodity
2. Indexed Price Coal Commodity

Physical Environmental Products
1. Air Emission Allowances
2. Fixed Price Limestone
3. Indexed Price Limestone

4. Renewable Energy Credits/Greentag Allowances

Financial Products

Financial Power Products

Any of the instruments listed below or any combination thereof that has electric energy as the underlying commodity, and which: (a) is customarily settled financially, and (b) the primary intent of which is to settle financially. This excludes MISO Products and RTO Bilateral Transactions.

1. Fixed for Floating Swap
2. Heat Rate Swap
3. Financial OTC Option

Financial Natural Gas Products

Any of the instruments listed below or any combination thereof that has natural gas as the underlying commodity, and which: (a) is customarily settled financially, and (b) the primary intent of which is to settle financially.

1. Fixed for Floating Swap
2. Swing-Swap
3. Financial OTC Option

Financial Crude Oil and Refined Products

Any of the instruments listed below or any combination thereof, that has crude oil, residual fuel, or distillate as the underlying commodity, which: (a) is customarily settled financially, and (b) the primary intent of which is to settle the transaction financially.

1. Fixed for Floating Swap
2. Financial OTC Option

Financial Coal Products

Any of the instruments listed below or any combination thereof, that has coal as the underlying commodity, which: (a) is customarily settled financially, and (b) the primary intent of which is to settle the transaction financially.

1. OTC Swap
2. Financial OTC Option

E. Special Entity Representation Selection

JEA, a Special Entity under the Dodd-Frank Financial Reform Act, has selected The Energy Authority as its Qualified Independent Representative (QIR) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

F. Term, Maturity and Notional Dollar Limits
JEA employees shall not approve TEA to execute a Transaction beyond the maturity, term and notional dollar limits set for their position below. As of August 10, 2022.

Position	**Maturity Limit (Days)**	**Term Limit (Days)**	**Notional Dollar Limit ($)**
Managing Director/Chief Executive Officer	7,350	7,300	$100,000,000
Chief Financial Officer	3,725	3,675	$35,000,000
Chief Operating Officer	3,725	3,675	$35,000,000
Vice President, Electric Systems	3,725	3,675	$20,000,000
Vice President, Financial Services[3]	3,725	3,675	$20,000,000
Sr. Director, Energy Operations	1,925	1,875	$10,000,000
Director, Electric Systems Operations[1,2,3]	410	366	$7,500,000
Manager, Bulk Power Operations (BPO)[1,2,3]	410	366	$5,000,000
Manager, Fuels Management Services[3]	410	366	$5,000,000
Manager, Natural Gas Commerical Services[3]	61	31	$1,000,000
Electric Systems Engineer, BPO[1,2]	6	5	$1,000,000
Energy Operations Specialist[1,2]	6	5	$1,000,000
Staff/Associate Engineer, BPO[1,2]	6	5	$1,000,000
Fuels Specialist[3]	61	31	$1,000,000
Fuels Administrator, Senior[3]	61	31	$1,000,000
Fuels Administrator[3]	61	31	$1,000,000
Fuels Electric Systems Engineer[3]	61	31	$1,000,000
Fuels Staff/Associate Engineer[3]	61	31	$1,000,000
Certified System Operator On Duty[1,2]	6	5	$750,000
Associate System Operator On Duty[1,2]	6	5	$750,000

1. Limited to TEA authorized transactions.
2. Limited to current day through next business day natural gas transactions.

3. Prior approval is required based on appropriate procurement code exemptions.

BOARD RESOLUTION: 2023-05
January 30, 2024

A RESOLUTION BY THE JEA BOARD OF DIRECTORS RATIFYING ACKNOWLEDGEMENT AND EXECUTION OF AMENDMENT NO. 2 TO THE AMENDED AND RESTATED COLLATERAL AGENCY AND ACCOUNTS AGREEMENT AND TO BLOCKED ACCOUNT CONTROL AGREEMENT

RECITALS

WHEREAS, the MEAG Power SPVJ, LLC (MEAG) and the United States Department of Energy (DOE) have entered an Amended and Restated Loan Guarantee Agreement, dated March 22, 2019 (as amended); and

WHEREAS, the MEAG, DOE and a collateral agent have entered an Amended and Restated Collateral Agency and Accounts Agreement (Accounts Agreement), dated March 22, 2019, (as amended); and

WHEREAS, MEAG, DOE, the collateral agent, and the financial institution(s) have entered into a Blocked Account Control Agreement (Blocked Account Agreement), dated June 24, 2015 (as amended);and

WHEREAS, DOE and MEAG have executed a Consent and Waiver providing for MEAG's sale of production tax credits; and

WHEREAS, MEAG, DOE, the collateral agent, and the financial institution(s), in connection with the Blocked Account Agreement, have agreed to amend the Accounts Agreement and the Blocked Account Agreement related to such sale; and

WHEREAS, DOE requests JEA review, acknowledge, and execute Amendment No. 2 to the Amended and Restated Collateral Agency and Accounts Agreement and to Blocked Account Control Agreement.

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

1. The above recitals are incorporated by reference into the body of this resolution and are incorporated as findings of fact.

2. The Board hereby ratifies acknowledgement and execution by the Managing Director/CEO, on behalf of the Board, of Amendment No. 2 to the Amended and Restated Collateral Agency and Accounts Agreement and to Blocked Account Control Agreement as attached hereto as Exhibit 1 and incorporated herein.

3. To the extent there are typographical, clerical, or administrative errors that do not affect the tone, tenor, or context of this resolution, such errors may be corrected without further authorization from the Board of Directors.

4. This Resolution shall be effective immediately upon approval by the Board.

Dated this 30th day of January, 2024.

JEA Board Chair

JEA Acting Board Secretary

Form Approved:

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

EXHIBIT 1

Norton Rose Fulbright
Draft of October 31, 2023

AMENDMENT NO. 2 TO AMENDED AND RESTATED COLLATERAL AGENCY AND ACCOUNTS AGREEMENT AND TO BLOCKED ACCOUNT CONTROL AGREEMENT

This Amendment No. 2 to Amended and Restated Collateral Agency and Accounts Agreement and to Blocked Account Control Agreement, dated as of [__], 2023 (this "Agreement"), is among MEAG Power SPVJ, LLC, a limited liability company organized and existing under the laws of the State of Georgia (the "Borrower"), the U.S. Department of Energy, an agency of the United States of America, acting by and through the Secretary of Energy (or appropriate authorized representative thereof) ("DOE") and Citibank, N.A. ("Citi"), as successor-in-interest to PNC Bank, National Association, doing business as Midland Loan Services, a division of PNC Bank, National Association ("Midland") pursuant to the Removal, Appointment, Acceptance, Assignment and Assumption Agreement and Omnibus Amendment dated as of May 19, 2023, by and among Midland, Citi, DOE, and the Borrower (the "Assignment and Assumption Agreement"), as the collateral agent (in such capacity, together with its successors and permitted assigns, the "Collateral Agent") and as the Financial Institution (as defined below).

WHEREAS, the Borrower and DOE have entered into that certain Amended and Restated Loan Guarantee Agreement, dated as of March 22, 2019 (such agreement, as amended, amended and restated, restated, supplemented or otherwise modified from time to time, the "Loan Guarantee Agreement");

WHEREAS, the Borrower, DOE and the Collateral Agent have entered into that certain Amended and Restated Collateral Agency and Accounts Agreement, dated as of March 22, 2019 and amended pursuant to the Assignment and Assumption Agreement (such agreement, as further amended, amended and restated, restated, supplemented or otherwise modified from time to time, the "Accounts Agreement");

WHEREAS, the Borrower, DOE, the Collateral Agent and Citi, as successor-in-interest to PNC Bank, National Association, as the financial institution (in such capacity, together with its successors and permitted assigns, the "Financial Institution") have entered into that certain Blocked Account Control Agreement, dated as of June 24, 2015, and amended pursuant to the Assignment and Assumption Agreement (such agreement, as further amended, amended and restated, restated, supplemented or otherwise modified from time to time, the "Blocked Account Agreement");

WHEREAS, the Borrower has entered into a Consent and Waiver, dated as of the date of this Agreement, pursuant to which DOE has consented to the sale by the Borrower of production tax credits; and

WHEREAS, the Borrower, DOE, the Collateral Agent and, in connection with the Blocked Account Agreement, the Financial Institution desire to amend the Accounts Agreement and the Blocked Account Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Definitions.

Capitalized terms used and not defined in this Agreement have the meanings provided in the Accounts Agreement or, if not defined therein, the Loan Guarantee Agreement. Unless otherwise indicated, all section references are to the Accounts Agreement.

Section 2. Amendments.

(a) The following definitions shall be added to Section 1.01 of the Accounts Agreement in alphabetical order:

> "“DOE PTC Proceeds Account 2036” means the “SPVJ DOE PTC Proceeds Account 2036” described in Exhibit A (*Project Accounts*), or any replacement account therefor established pursuant to the terms hereof.".
>
> "“DOE PTC Proceeds Account 2039” means the “SPVJ DOE PTC Proceeds Account 2039” described in Exhibit A (*Project Accounts*), or any replacement account therefor established pursuant to the terms hereof.".
>
> "“PTC Revenues” means all payments received by or on behalf of the Borrower in exchange for the transfer, sale, assignment or other disposition of nuclear production tax credits under 26 U.S.C. §45J (or any successor provision).".

(b) The Borrower, DOE and the Collateral Agent by their respective signatures below hereby agree that Section 4.03(a)(i) of the Accounts Agreement shall be amended by inserting the phrase “, each payment of PTC Revenues,” directly after the words “the Borrower PPA”.

(c) The Borrower, DOE and the Collateral Agent by their respective signatures below hereby agree that Section 4.03(c) of the Accounts Agreement shall be amended by inserting the phrase “, the DOE PTC Proceeds Account 2036 and the DOE PTC Proceeds Account 2039” directly after the words “DOE Reserve & Contingency Account”.

(d) Section 4.03(d) of the Accounts Agreement shall be amended and restated in its entirety as follows:

> “(d) DOE Revenue Account Excess Deposits. If, following the end of each calendar month, (1) amounts deposited in or credited to the DOE Revenue Account during such calendar month, including investment earnings thereon but excluding amounts deposited for the future payment of Operating Costs due and payable annually (e.g., ad valorem taxes, DOE Maintenance Fee), exceed the amounts required to pay Operating Costs during such month

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and to make all other transfers contemplated in Section 4.03(b)(i) and (2) there are no deficiencies in any of the Project Accounts described in Section 4.03(b)(i)(B)-(D), then:

(i) if no PTC Revenues have ever been deposited into the DOE Revenue Account, then pursuant to a Funds Withdrawal/Transfer Certificate from the Borrower to the Collateral Agent that is countersigned by DOE (which countersignature or notice of refusal to countersign shall be provided by DOE within a reasonable period of time):

(A) so long as no JEA payment default under the First Sponsor PPA has occurred and is continuing, such excess amounts may, at the Borrower's direction, be applied to pay any Permitted Reimbursement; and

(B) during the continuance of any JEA payment default under the First Sponsor PPA, all such excess amounts shall be retained in the DOE Revenue Account; and

(ii) if any PTC Revenues have been deposited into the DOE Revenue Account:

(A) *first*, pursuant to a Funds Withdrawal/Transfer Certificate submitted simultaneously with (or incorporated into) the Funds Withdrawal/Transfer Certificate referenced in Section 4.03(b)(i) by the Borrower to the Collateral Agent that is countersigned by DOE (which countersignature or notice of refusal to countersign shall be provided by DOE within a reasonable period of time), the Borrower will request an amount equal to fifty percent (50%) of all PTC Revenues deposited into the DOE Revenue Account in the most recent calendar month (or if less, the amount of PTC Revenues remaining in the DOE Revenue Account), with the calculation of such amount certified by the Borrower in the applicable Funds Withdrawal/Transfer Certificate, to be transferred as follows:

(I) forty-two percent (42%) of such amount to the DOE PTC Proceeds Account 2036; and

(II) fifty-eight percent (58%) of such amount to the DOE PTC Proceeds Account 2039; and

(B) *second*, after making any transfers required pursuant to the *first* priority above, if the Borrower certifies in writing a calculation (included in the Funds Withdrawal/Transfer Certificate referenced below) demonstrating that the amounts requested to be transferred as a Permitted Reimbursement are to be paid by Borrower to Sponsor pursuant to Section 5.3 of the Borrower PPA based on Borrower's reasonable projection of an annual billing adjustment in favor of Sponsor; then pursuant to a Funds Withdrawal/Transfer Certificate from the Borrower to the Collateral Agent that is countersigned by DOE (which countersignature or notice of refusal to countersign shall be provided by DOE within a reasonable period of time):

(I) so long as no JEA payment default under the First Sponsor PPA has occurred and is continuing, such excess amounts may, at the Borrower's direction, be applied to pay any Permitted Reimbursement; and

(II) during the continuance of any JEA payment default under the First Sponsor PPA, all such excess amounts shall be retained in the DOE Revenue Account."

(e) Section 4.04(c) of the Accounts Agreement shall be amended by inserting ", *fourth*, from the DOE PTC Proceeds Account 2036, and *fifth*, from the DOE PTC Proceeds Account 2039" directly after the words "DOE Reserve & Contingency Account".

(f) A new Section 4.11A shall be added as follows to the Accounts Agreement, inserted immediately following the end of Section 4.11 of the Accounts Agreement:

"SECTION 4.11A DOE PTC Proceeds Account 2036.

(a) Deposits to DOE PTC Proceeds Account 2036. The Borrower shall cause amounts to be deposited to the DOE PTC Proceeds Account 2036 pursuant to Section 4.03(d)(ii)(A)(I) (*DOE Revenue Account Excess Deposits*).

(b) Withdrawals from DOE PTC Proceeds Account 2036 At Any Time. Withdrawals from the DOE PTC Proceeds Account 2036 shall be made from time to time:

(i) pursuant to a Funds Withdrawal/Transfer Certificate delivered pursuant to Section 4.03(c) (*Operating Costs Deficiencies*), if all amounts required to be applied to the payment of Operating Expenses (as defined in the Bond Resolution) pursuant to clause (a) of subsection 2 and clause (a) of subsection 3 of Section 512 (Initial Power Purchaser Arrearages Fund) and clause (a) of subsection 2 of Section 513 (Additional Units PPA Project Participant Arrearages Fund) of the Bond Resolution have been so applied and if the amounts deposited in or credited to the DOE Revenue Account and the Local Account, together with any transfers to be made from the DOE Reserve & Contingency Account pursuant to Section 4.06(b)(ii) (*Withdrawals from DOE Reserve & Contingency Account*), are at any time insufficient to pay Operating Costs due during the then-current calendar month; and

(ii) from time to time following the Borrower's written instructions to the Collateral Agent pursuant to a Funds Withdrawal/Transfer Certificate or at the direction of the Collateral Agent (acting at the written direction of DOE), if at any

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time the amount deposited in or credited to the DOE Debt Service Payment Account, together with any transfers to be made from the DOE Reserve & Contingency Account pursuant to Section 4.06(b)(iii) (*Withdrawals from DOE Reserve & Contingency Account*), is less than the amount required to be deposited therein pursuant to Section 4.04(a)(i) (*Deposits to DOE Debt Service Payment Account*), an amount necessary to make up such deficiency shall be transferred to the DOE Debt Service Payment Account; and

(iii) if an Event of Default has occurred and is continuing, at the direction of the Collateral Agent (acting at the written direction of DOE).

(c) Withdrawals from DOE PTC Proceeds Account 2036 During Second Sponsor PPA Period. From and after January 1, 2036, after any transfers required to be made pursuant to Section 4.11A(b), and provided that no Event of Default or Potential Default has occurred and is continuing, the following withdrawals shall be made from the DOE PTC Proceeds Account 2036:

(i) through [March 31, 2039][1] if, following the end of each calendar month, (1) amounts deposited in or credited to the DOE Revenue Account during such calendar month, including investment earnings thereon but excluding amounts deposited for the payment of Operating Costs due and payable annually (e.g., ad valorem taxes, DOE Maintenance Fee), exceed the amounts required to pay Operating Costs during such month and to make all other transfers contemplated in Section 4.03(b)(i) and (2) there are no deficiencies in any of the Project Accounts described in Section 4.03(b)(i)(B)-(D), then the Borrower may from time to time in its sole discretion direct the Collateral Agent to direct the Depositary Bank to withdraw amounts in the DOE PTC Proceeds Account 2036, including investment earnings thereon, following delivery of a written instruction to the Collateral Agent pursuant to a Funds Withdrawal/Transfer Certificate submitted simultaneously with (or incorporated into) the Funds Withdrawal/Transfer Certificate referenced in Section 4.03(b)(i), countersigned by DOE (which countersignature or notice of refusal to countersign shall be provided by DOE within a reasonable period of time), to be transferred to the Debt Service Account in the Debt Service Fund (as defined in and established pursuant to the Bond Resolution) in an amount that the Borrower certifies in a written calculation (included in the Funds Withdrawal/Transfer Certificate) would otherwise be funded on or before the next

[1] NTD: Subject to final confirmation from MEAG that the first month Participants are responsible for debt service on the guaranteed loans is April 2039.

succeeding Payment Date with proceeds of payments made to the Sponsor under the Second Sponsor PPA; and

(ii) in the first Funds Withdrawal/Transfer Certificate delivered by the Borrower in [April 2039][2], the Borrower shall direct that all amounts then on deposit in the DOE PTC Proceeds Account 2036 be transferred to the DOE PTC Proceeds Account 2039. The DOE PTC Proceeds Account 2036 shall be closed following the transfers required pursuant to this Section 4.11A(c)(ii).

(d) Timing of Transfers. The Collateral Agent shall promptly (but no more than two (2) Business Days following its receipt of a Funds Withdrawal/Transfer Certificate countersigned by DOE (which countersignature or notice of refusal to countersign shall be provided by DOE within a reasonable period of time)) direct the Depositary Bank to transfer such amounts as indicated in such Funds Withdrawal/Transfer Certificate or advise the Borrower of any non-compliance of such Funds Withdrawal/Transfer Certificate with the terms of this Section 4.11A.

(g) A new Section 4.11B shall be added as follows to the Accounts Agreement, inserted immediately following the end of Section 4.11A of the Accounts Agreement:

"SECTION 4.11B DOE PTC Proceeds Account 2039.

(a) Deposits to DOE PTC Proceeds Account 2039. The Borrower shall cause amounts to be deposited to the DOE PTC Proceeds Account 2039 pursuant to Section 4.03(d)(ii)(A)(II) (*DOE Revenue Account Excess Deposits*) and Section 4.11A(c)(ii) (*Withdrawals from DOE PTC Proceeds Account 2036 During Second Sponsor PPA Period*).

(b) Withdrawals from DOE PTC Proceeds Account 2039 At Any Time. Withdrawals from the DOE PTC Proceeds Account 2039 shall be made from time to time:

(i) pursuant to a Funds Withdrawal/Transfer Certificate delivered pursuant to Section 4.03(c) (*Operating Costs Deficiencies*), if all amounts required to be applied to the payment of Operating Expenses (as defined in the Bond Resolution) pursuant to clause (a) of subsection 2 and clause (a) of subsection 3 of Section 512 (Initial Power Purchaser Arrearages Fund) and clause (a) of subsection 2 of Section 513 (Additional Units PPA Project Participant Arrearages Fund) of the Bond Resolution have been so applied and if the amounts deposited in or credited to the DOE Revenue Account and the Local Account, together with any transfers to be made from the DOE Reserve & Contingency Account pursuant to Section 4.06(b)(ii) (*Withdrawals from DOE Reserve & Contingency Account*) and from the DOE PTC Proceeds Account 2036 pursuant to Section 4.11A(b)(i)

[2] NTD: See FN above.

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(Withdrawals from DOE PTC Proceeds Account 2036 At Any Time), are at any time insufficient to pay Operating Costs due during the then-current calendar month;

(ii) from time to time following the Borrower's written instructions to the Collateral Agent pursuant to a Funds Withdrawal/Transfer Certificate or at the direction of the Collateral Agent (acting at the written direction of DOE), if at any time the amount deposited in or credited to the DOE Debt Service Payment Account, together with any transfers to be made from the DOE Reserve & Contingency Account pursuant to Section 4.06(b)(iii) *(Withdrawals from DOE Reserve & Contingency Account)* and from the DOE PTC Proceeds Account 2036 pursuant to Section 4.11A(b)(ii) *(Withdrawals from DOE PTC Proceeds Account 2036 At Any Time)*, is less than the amount required to be deposited therein pursuant to Section 4.04(a)(i) *(Deposits to DOE Debt Service Payment Account)*, an amount necessary to make up such deficiency shall be transferred to the DOE Debt Service Payment Account; and

(iii) if an Event of Default has occurred and is continuing, at the direction of the Collateral Agent (acting at the written direction of DOE).

(c) Withdrawals from DOE PTC Proceeds Account 2039 During Second Sponsor PPA Period. From and after [April 1, 2039][3] if, following the end of each calendar month, (1) amounts deposited in or credited to the DOE Revenue Account during such calendar month, including investment earnings thereon but excluding amounts deposited for the payment of Operating Costs due and payable annually (e.g., ad valorem taxes, DOE Maintenance Fee), exceed the amounts required to pay Operating Costs during such month and to make all other transfers contemplated in Section 4.03(b)(i) and (2) there are no deficiencies in any of the Project Accounts described in Section 4.03(b)(i)(B)-(D), then the Borrower may from time to time in its sole discretion direct the Collateral Agent to direct the Depositary Bank to withdraw amounts in the DOE PTC Proceeds Account 2039, including investment earnings thereon, following delivery of a written instruction to the Collateral Agent pursuant to a Funds Withdrawal/Transfer Certificate submitted simultaneously with (or incorporated into) the Funds Withdrawal/Transfer Certificate referenced in Section 4.03(b)(i), countersigned by DOE (which countersignature or notice of refusal to countersign shall be provided by DOE within a reasonable period of time) to be transferred to the DOE Debt Service Payment Account in an amount that the Borrower certifies in a written calculation (included in the Funds Withdrawal/Transfer Certificate) would otherwise be funded on or before the next succeeding Payment Date with proceeds of payments made to the Sponsor under the Second Sponsor PPA.

(d) Timing of Transfers. The Collateral Agent shall promptly (but no more than two (2) Business Days following its receipt of a Funds Withdrawal/Transfer Certificate countersigned by DOE (which countersignature or notice of refusal to countersign shall be

[3] NTD: See FNs above.

provided by DOE within a reasonable period of time)) direct the Depositary Bank to transfer such amounts as indicated in such Funds Withdrawal/Transfer Certificate or advise the Borrower of any non-compliance of such Funds Withdrawal/Transfer Certificate with the terms of this Section 4.11B.

(h) Schedule I hereto shall replace the list of bank accounts under Exhibit A of the Accounts Agreement in its entirety.

(i) Schedule I hereto shall replace the list of bank accounts under Schedule I of the Blocked Account Agreement in its entirety.

Section 3. Representations and Warranties of Borrower.

Borrower by its signature below hereby represents and warrants, as of the date hereof, that:

(a) it is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Georgia, and has all requisite corporate power and authority to execute, deliver, perform and observe the terms and conditions of this Agreement;

(b) this Agreement is a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, subject to Bankruptcy Laws and general principles of equity, regardless of whether enforcement is considered in a proceeding at law or in equity; and

(c) the Borrower has duly authorized, executed and delivered this Agreement, and neither its execution and delivery hereof nor its consummation of the transactions contemplated hereby nor its compliance with the terms hereof (i) contravenes its Organizational Documents, (ii) contravenes any Governmental Rules where such contravention would reasonably be expected to have a Material Adverse Effect or a material adverse effect on the completion or operation of the Project, (iii) contravenes or results in any breach or constitutes any default under any Governmental Judgment, where such contravention, breach or default would reasonably be expected to have a Material Adverse Effect or a material adverse effect on the completion or operation of the Project, (iv) contravenes or results in any breach or constitutes any default under any agreement or instrument to which it is a party or by which it or any of its revenues, properties or assets may be bound, except where such contravention, breach or default would not reasonably be expected to have a Material Adverse Effect or a material adverse effect on the completion or operation of the Project, (v) results in or requires the creation of any Lien upon any of its revenues, properties or assets, or (vi) requires the consent or approval of any Person which has not been obtained.

Section 4. Miscellaneous.

(a) This Agreement is a Loan Document. The Accounts Agreement and the Blocked Account Agreement, as amended by this Agreement, are and shall continue to be in full force and effect and are hereby in all respects ratified.

(b) This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the Federal law of the United States of America. To the extent that Federal law does not specify the appropriate rule of decision for a particular matter at issue, it is the intention and agreement of the parties hereto that the law of the State of New York (without giving effect to its conflict of laws principles (except Section 5-1401 of the New York General Obligations Law)) shall be adopted as the governing Federal rule of decision.

(c) This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument.

(d) Delivery of an executed counterpart of a signature page of this Agreement by telecopy or portable document format ("PDF") shall be effective as delivery of a manually executed counterpart of this Agreement.

(e) By its execution below, DOE directs the Collateral Agent and the Financial Institution to execute and deliver this Agreement.

(f) It is expressly understood and agreed by the parties hereto that (a) this Agreement is being executed and delivered by Citibank, N.A., as Collateral Agent, not in its individual capacity but solely as Collateral Agent in conclusive reliance upon the direction delivered to it; (b) the Collateral Agent is not responsible for the validity or sufficiency of this Agreement; (c) the Collateral Agent has not verified or made any investigation as to the accuracy or completeness of, nor has any responsibility for, the recitals contained herein. For all purposes of this Agreement, the Collateral Agent shall be entitled to all of the rights, protections, immunities, indemnities and privileges as afforded to the Collateral Agent under the Accounts Agreement as if the same were fully set forth herein.

(g) It is expressly understood and agreed by the parties hereto that (a) this Agreement is being executed and delivered by Citibank, N.A., as Financial Institution, not in its individual capacity but solely as Financial Institution; (b) the Financial Institution is not responsible for the validity or sufficiency of this Agreement; (c) the Financial Institution has not verified or made any investigation as to the accuracy or completeness of, nor has any responsibility for, the recitals contained herein. For all purposes of this Agreement, the Financial Institution shall be entitled to all of the rights, protections, immunities, indemnities and privileges as afforded to the Financial Institution under the Blocked Account Agreement as if the same were fully set forth herein.

[*Remainder of page intentionally blank. Signature pages follow.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers or representatives as of the day and year first above written.

U.S. DEPARTMENT OF ENERGY

By: ______________________________
Name:
Title:

[Amendment No. 2 to Accounts Agreement & Blocked Account Agreement – SPVJ - Signature Page]

MEAG Power SPVJ, LLC,
as Borrower

By: **MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA**, as its Sole Member

By: ___________________________________
Name:
Title:

[*Amendment No. 2 to Accounts Agreement & Blocked Account Agreement - SPVJ - Signature Page*]

CITIBANK, N.A., acting through its Agency and Trust Division, not in its individual capacity, but solely as Collateral Agent

By: ______________________________
Name:
Title:

[*Amendment No. 2 to Accounts Agreement & Blocked Account Agreement - SPVJ - Signature Page*]

CITIBANK, N.A., acting through its Agency and Trust Division, not in its individual capacity, but solely
as Financial Institution, only with respect to Section 2(i) and Section 4

By: ______________________________
Name:
Title:

[*Amendment No. 2 to Accounts Agreement & Blocked Account Agreement – SPVJ - Signature Page*]

Acknowledged and Accepted:

JEA,

By: ______________________
Name: JAY C. STOWE
Title: CEO

Form Approved:

By: ______________________
Office of General Counsel

[*Amendment No. 2 to Accounts Agreement & Blocked Account Agreement – SPVJ - Signature Page*]

SCHEDULE I

Project Accounts

Name of Account	Account No.
SPVJ DOE Advance Proceeds Account	13555500
SPVJ DOE Construction Account	13555600
SPVJ DOE Debt Service Payment Account	13555700
SPVJ DOE Debt Service Reserve Account	13555900
SPVJ DOE Reserve & Contingency Account	13556000
SPVJ DOE Extraordinary Proceeds Account	13556100
SPVJ DOE Revenue Account	13556300
JEA Surplus Market Revenue Account	13556400
JEA Surplus Arrearages Payment Account	13556500
SPVJ DOE Prepayment Account	13556700
SPVJ DOE PTC Proceeds Account 2036	13764500
SPVJ DOE PTC Proceeds Account 2039	13764700

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BOARD RESOLUTION: 2023-06
January 30, 2024

A RESOLUTION BY THE JEA BOARD OF DIRECTORS AUTHORIZING THE MANAGING DIRECTOR/CEO TO EXECUTE AMENDMENT NO. 2 TO THE AMENDED AND RESTATED POWER PURCHASE AGREEMENT BETWEEN MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA (MEAG) AND JEA

RECITALS

WHEREAS, JEA and MEAG (collectively "the Parties) entered into an Amended and Restated Power Purchase Agreement (PPA) dated December 14, 2014, subsequently amended on August 12, 2020 (Amendment No. 1), providing for JEA to purchase power output from two additional nuclear generating units under construction at Plant Vogtle in exchange for assuming a proportionate share of the construction risks; and

WHEREAS, among other things, the PPA sets forth JEA's payment terms, conditions, and obligations, including the payment of debt service for capital improvements to each of the additional units following their respective dates of operation; and

WHEREAS, the Parties desire to further amend and restate the PPA to revise the provisions governing the issuance and payment of debt service for capital improvements to the additional units following their respective dates of commercial operation.

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

1. The above recitals are incorporated by reference into the body of this resolution and are incorporated as findings of fact.
2. The Board hereby authorizes the Managing Director/CEO, on behalf of the Board, to execute Amendment No. 2 to the Amended and Restated Power Purchase Agreement with MEAG in substantially the same form and format as the agreement attached hereto as Exhibit 1, and incorporated herein.
3. To the extent there are typographical, clerical, or administrative errors that do not affect the tone, tenor, or context of this resolution, such errors may be corrected without further authorization from the Board of Directors.
4. This Resolution shall be effective immediately upon approval by the Board.

Dated this 30th day of January, 2024.

______________________________ JEA Board Chair

______________________________ JEA Acting Board Secretary

Form Approved:

____
Office of General Counsel

Page 2

VOTE	
In Favor	
Opposed	
Abstained	

Draft October 12, 2023

[AMENDMENT NO. 2[1] TO]

AMENDED AND RESTATED

POWER PURCHASE AGREEMENT

between

Municipal Electric Authority of Georgia

as Seller

and

JEA

as Buyer

Dated as of December __, 2014

Plant Vogtle Additional Units PPA Project (Project J)

[1] Note to Draft: The changes in this redline will be set forth in an amendment to the Amended and Restated Power Purchase Agreement.

4135-7669-7419

This AMENDED AND RESTATED POWER PURCHASE AGREEMENT ("Agreement") is entered into effective as of December __, 2014 (the "Execution Date"), between the Municipal Electric Authority of Georgia, a public body corporate and politic, a public corporation and an instrumentality of the State of Georgia, created by the provisions of Georgia Law, Ga. L. 1975, p. 107, *et seq.*, codified at O.C.G.A. §§ 46-3-110, *et seq.*, as amended from time to time ("MEAG") and JEA, a body politic and corporate organized and existing under the laws of the State of Florida and an independent agency of the City of Jacksonville, Florida ("Buyer"). MEAG and Buyer are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, MEAG owns an undivided ownership interest in two additional nuclear generating units under construction at Plant Vogtle in Burke County, Georgia, a portion of which ownership interest is known as the "Plant Vogtle Additional Units PPA Project" or "Project J," a portion of which ownership interest is known as the "Plant Vogtle Additional Units PPA-2 Project" or "Project P" and the remainder of which ownership interest is known as the "Plant Vogtle Additional Units Non-PPA Project" or "Project M";

WHEREAS, MEAG desires to sell the Output (such term, and all other capitalized terms used in these Recitals without definition, having the respective meanings assigned thereto in Section 104 hereof) of the Plant Vogtle Additional Units PPA Project for the Term of this Agreement, and Buyer desires to purchase such Output predicated upon the understanding that the sale of the Output by MEAG to Buyer will require Buyer to assume a proportionate share of the related construction risk;

WHEREAS, the Parties entered into a Power Purchase Agreement, dated as of May 12, 2008, as amended by Amendment No. 1 to Power Purchase Agreement, dated as of April 24, 2009 and by Amendment No. 2 to Power Purchase Agreement, dated as of January 26, 2010 (as so amended, and as the same may be further amended prior to the Effective Date, the "Original Agreement"), relating to the Plant Vogtle Additional Units PPA Project;

WHEREAS, as an additional source of financing, MEAG may decide to obtain one or more loans with respect to the Plant Vogtle Additional Units PPA Project (the "DOE Guaranteed Loan") to be made by FFB and guaranteed by DOE pursuant to Title XVII of the Energy Policy Act of 2005;

WHEREAS, in the event that MEAG does decide to obtain the DOE Guaranteed Loan, in order to obtain the DOE Guaranteed Loan, MEAG will transfer the portion of its undivided ownership interest in the Additional Units that currently constitutes a part of the Plant Vogtle Additional Units PPA Project to the PPA Project Entity;

WHEREAS, MEAG will simultaneously with the execution and delivery of this Agreement enter into the PPA Project Entity Power Purchase Agreement with the PPA Project Entity, for the purchase and sale of all of the Output for resale to Buyer under this Agreement and to the Additional Units PPA Participants under the Power Sales Contracts during the respective terms of this Agreement and the Power Sales Contracts; and

WHEREAS, the Parties desire to amend and restate the Original Agreement on the terms and conditions hereof in connection with the foregoing.

AGREEMENT

NOW THEREFORE, in consideration of the above recitals, mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

ARTICLE I

EFFECTIVENESS; TERM; TERMINATION OR AMENDMENT; DEFINITIONS AND INTERPRETATION

SECTION 101. EFFECTIVENESS. Notwithstanding anything to the contrary herein, this Agreement shall become fully binding and enforceable on the Execution Date; provided, that the obligations of the Parties hereunder shall not commence, the terms and conditions hereof other than this Section 101 shall not be effective, and the Original Agreement shall not be amended and restated by this Agreement, in each case, until the occurrence of the "Effective Date." The Effective Date shall occur automatically, without any further action, consent or agreement of the Parties, on the date (if any) on which (a) the "DOE Guarantee" (as defined in the DOE Loan Guarantee Agreement) shall be issued by DOE and (b) both MEAG and Buyer shall have approved in writing the final Credit Subsidy Cost established under (and as defined in) the DOE Loan Guarantee Agreement.

In the event, however, that (a) the Effective Date shall not occur on or before January 1, 2017 or (b) the DOE Loan Guarantee Agreement and the other DOE Loan Documents shall be terminated prior to the making of any Advance, then this Agreement shall be null and void and without further force or effect, and the Original Agreement shall continue in full force and effect.

SECTION 102. TERM. This Agreement shall commence upon the execution by the last signatory and, subject to Section 101, shall remain in full force and effect until midnight Eastern

Prevailing Time on the twentieth (20th) anniversary of the Commercial Operation Date of the second of the Additional Units (the "Term") or until the Parties' remaining obligations under this Agreement shall have been fully performed and satisfied, whichever event occurs later, but in no event shall such Term extend beyond fifty (50) years from the Execution Date.

SECTION 103. TERMINATION OR AMENDMENT OF AGREEMENT.

(a) Subject to Section 101, this Agreement shall not be terminated by either Party under any circumstances.

(b) This Agreement, on which purchasers of PPA Bonds and DOE shall have relied as an inducement to purchase and hold the PPA Bonds and to guarantee the DOE Guaranteed Loan, respectively, shall not be amended, modified, or otherwise altered in any manner except as provided in this Agreement. So long as any of the PPA Bonds or the DOE Secured Obligations are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the PPA Project Bond Resolution and the DOE Loan Documents, respectively, and no undisbursed commitments remain available under the DOE Loan Documents, this Agreement shall not be amended, modified, or otherwise altered in any manner that will (i) reduce the payments pledged as security for the Debt Service on all the PPA Bonds and as security for the DOE Secured Obligations or extend the time of such payments provided herein, (ii) adversely impact, in the opinion of nationally-recognized tax counsel retained by MEAG, (A) the exclusion from gross income for federal income tax purposes of the interest on the PPA Bonds of any Series the interest on which is intended to be so excluded or (B) the eligibility of MEAG to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on any Build America Bonds, or (iii) in any manner impair or adversely affect the rights of the owners from time to time of the PPA Bonds or the rights of the DOE Secured Parties pursuant to the DOE Loan Documents. Subject to the foregoing and any other limitations contained in the PPA Project Bond Resolution or the DOE Loan Documents, any amendment of this Agreement must be in writing and duly executed by both MEAG and Buyer.

SECTION 104. <u>DEFINITIONS</u>. As used herein:

"Act" shall mean that certain Act of the 1975 session of the General Assembly of the State of Georgia, compiled and published in Georgia Law 1975, p. 107, *et seq.*, codified at O.C.G.A. §§ 46-3-110 through 46-3-155.

"Additional Units" shall mean the two 1102 megawatts Nominally Rated additional nuclear units being constructed at Plant Vogtle, in Burke County, Georgia, pursuant to the Development Agreement.

"Additional Units Non-PPA Participant" shall mean a Participant that is a party to a Plant Vogtle Additional Units Non-PPA Power Sales Contract and any other party as assignee of such Power Sales Contract pursuant to Section 702 thereof. "Additional Units Non-PPA Participants" shall mean all Participants that are parties to Plant Vogtle Additional Units Non-PPA Power Sales Contracts. The terms "an Additional Units Non-PPA Participant" or "each Additional Units Non-PPA Participant" shall mean any one of the Additional Units Non-PPA Participants or each of the Additional Units Non-PPA Participants, as the case may be.

"Additional Units Participants" shall collectively mean the Additional Units PPA Participants, the Additional Units PPA-2 Participants and the Additional Units Non-PPA Participants.

"Additional Units PPA Participant" shall mean a Participant that is a party to a Plant Vogtle Additional Units PPA Power Sales Contract and any other party as assignee of such

Power Sales Contract pursuant to Section 702 thereof. "Additional Units PPA Participants" shall mean all Participants that are parties to Plant Vogtle Additional Units PPA Power Sales Contracts. The terms "an Additional Units PPA Participant" or "each Additional Units PPA Participant" shall mean any one of the Additional Units PPA Participants or each of the Additional Units PPA Participants, as the case may be.

"Additional Units PPA-2 Participant" shall mean a Participant that is a party to a Plant Vogtle Additional Units PPA-2 Power Sales Contract and any other party as assignee of such Power Sales Contract pursuant to Section 702 thereof. "Additional Units PPA-2 Participants" shall mean all Participants that are parties to Plant Vogtle Additional Units PPA-2 Power Sales Contracts. The terms "an Additional Units PPA-2 Participant" or "each Additional Units PPA-2 Participant" shall mean any one of the Additional Units PPA-2 Participants or each of the Additional Units PPA-2 Participants, as the case may be.

"Advance" shall mean, for all purposes of this Agreement, one or more advances or borrowings of the DOE Guaranteed Loan made pursuant to the DOE Loan Documents from FFB on a particular date, as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of the making thereof, whether or not such advances or borrowings constitute a separate "Advance" for purposes of (and as defined in) the DOE Loan Guarantee Agreement. In the event that such advances or borrowings shall constitute two or more separate "Advances" for purposes of (and as defined in) the DOE Loan Guarantee Agreement, such advances or borrowings may be aggregated for the purpose of establishing level monthly Debt Service pursuant to Section 401(d) hereof.

"Agent" means the Georgia Power Company or a replacement or successor agent, in its capacity as agent for the co-owners of Plant Vogtle under the Ownership Agreement.

"Amortized Reserve Funds" mean any reserve funds maintained by MEAG pursuant to the PPA Project Bond Resolution or by or on behalf of the PPA Project Entity pursuant to the DOE Accounts Agreement funded with the proceeds of PPA Bonds or Advances, subject to the exception set forth in Section 207(a) of this Agreement that reserve funds may be funded with funds other than proceeds of the PPA Bonds or Advances under the stated circumstances, and as to which Buyer is required to pay its Obligation Share of the principal of such PPA Bonds or such Advances during the Term of this Agreement.

"Ancillary Services" means reactive supply and voltage support service (as defined by the transmission provider's open access transmission tariff) and such other services the Additional Units may provide that are customarily characterized in the industry as ancillary services.

"Annual Period" means, with respect to an Additional Unit, each 12-month period from July 1 to June 30 of the immediately subsequent year.

"Applicable Law" means all national, state, provincial, local or municipal laws, statutes, codes, acts, treaties, ordinances, orders, judgments, writs, decisions, decrees, injunctions, rules, regulations, governmental approvals, licenses, permits, directives, requirements, or other legal or regulatory determination of any Governmental Authority, including any of the foregoing that are enacted, amended, or issued after the Execution Date and which become effective during the Term of this Agreement.

"Assumed Completion Date" means (a) in the case of the first unit of the Additional Units, December 31, 2018 and (b) in the case of the second unit of the Additional Units, December 31, 2019, it being understood that such dates are to be used solely for purposes of Sections 401(d)(1) and 401(f)(1) hereof and do not imply any expectations on the part of either

Party hereto as to the expected Commercial Operation Date of either unit of the Additional Units as of the Execution Date of this Agreement.

"Build America Bonds" shall mean any PPA Bonds with respect to which MEAG has irrevocably elected, pursuant to Section 54AA(g) of the Internal Revenue Code of 1986, as amended, or any other similar federal program creating subsidies for municipal borrowers for which MEAG qualifies, to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on such PPA Bonds.

"Buyer's Billing Statement" shall mean the written statement prepared or caused to be prepared monthly by MEAG that shall be based upon the Plant Vogtle Additional Units PPA Project Annual Budget or upon the amended Plant Vogtle Additional Units PPA Project Annual Budget, which shall show the monthly amount to be paid to MEAG by Buyer under this Agreement.

"Buyer's Electric System Bond Resolution" shall mean the resolution adopted by Buyer on March 30, 1982 authorizing the issuance of Buyer's Electric System Revenue Bonds, Series One.

"Buyer's Obligation Share" or "Obligation Share" shall mean one hundred percent (100%).

"Capacity" means electrical capacity in MW attributable to the PPA Project Entity's Ownership Interest commencing on the applicable Commercial Operation Date.

"Commercial Operation" shall mean achieving "Commercial Operation" within the meaning of the Operating Agreement.

"Commercial Operation Date" shall mean, with respect to an Additional Unit, the date on which such Additional Unit achieves Commercial Operation.

"Construction Fund" shall mean the Construction Fund established in Section 502 of the PPA Project Bond Resolution.

"Costs of Acquisition and Construction" shall mean, to the extent not included in the Plant Vogtle Additional Units PPA Project Annual Costs, all actual costs and expenses incurred by or for the account of MEAG or the PPA Project Entity for the planning, designing, acquiring, constructing, and installing the PPA Project Entity's Ownership Interest, including any major renewals, replacements, repairs, additions, betterments or improvements necessary, in the opinion of MEAG or the PPA Project Entity, to keep the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom, placing the PPA Project Entity's Ownership Interest in operation, disposing of the PPA Project Entity's Ownership Interest, and obtaining governmental approvals, certificates, permits and licenses with respect thereto heretofore or hereafter paid or incurred by, or for the account of, MEAG or the PPA Project Entity, as applicable, including the following:

(1) working capital reserves in such reasonable amounts as may be established by MEAG or the PPA Project Entity for the PPA Project Entity's Ownership Interest (including working capital reserves held in (a) funds or accounts established under the PPA Project Bond Resolution and (b) accounts established under the DOE Accounts Agreement);

(2) acquisition of initial inventories or prepayment of Fuel for the PPA Project Entity's Ownership Interest and working capital and reserves therefor and working capital and reserves for additional inventories or prepayment of Fuel for the PPA Project Entity's Ownership Interest held by, or for the account of, either MEAG or the PPA Project Entity;

(3) charges related to processing, design, fabrication, transportation, disposal and storage of Fuel for the PPA Project Entity's Ownership Interest, including the following: (a)

Fuel storage facilities, including Spent Fuel Storage Facilities, and (b) working capital and reserves related to acquisition, processing, design, fabrication, transportation, disposal and storage of Fuel for the PPA Project Entity's Ownership Interest;

(4) reserves for renewals and replacements, retirement from service, or disposal of any facility of the PPA Project Entity's Ownership Interest and contingencies held by, or for the account of, either MEAG or the PPA Project Entity;

(5) training and testing costs incurred by MEAG or the PPA Project Entity attributable to the PPA Project Entity's Ownership Interest;

(6) preliminary investigation and development costs, engineering fees, contractors' fees, costs of labor, materials, equipment, utility services and supplies and legal costs attributable to the PPA Project Entity's Ownership Interest and the Plant Vogtle Additional Units PPA Project;

(7) all costs of insurance applicable to the period of construction of the PPA Project Entity's Ownership Interest; and

(8) amounts necessary to provide funds for contribution to the PPA Project Entity to repay Advances when due (whether at the maturity of principal or upon prepayment) on the DOE Guaranteed Loan and to reacquire from the PPA Project Entity the PPA Project Entity's Ownership Interest at such time as (a) the principal of, and interest and prepayment premiums, if any, due or to become due on, and all other amounts due with respect to, the DOE Guaranteed Loan shall have been paid, at the times and in the manner stipulated in the DOE Loan Guarantee Agreement and the other DOE Loan Documents, as applicable and (b) the PPA Project Entity shall have satisfied all of its obligations under the DOE Loan Guarantee Agreement and the other

DOE Loan Documents, as applicable (and no undisbursed commitments remain available thereunder).

Costs of Acquisition and Construction shall also include all other costs, except Financing Costs, incurred by MEAG or the PPA Project Entity and properly allocable to planning, designing, acquiring, constructing and installing the PPA Project Entity's Ownership Interest and the establishment of the Plant Vogtle Additional Units PPA Project including (i) all costs associated with the transfer to the PPA Project Entity of the PPA Project Entity's Ownership Interest and the entry by the PPA Project Entity into the DOE Loan Guarantee Agreement and the other DOE Loan Documents, (ii) the Additional Costs as described and defined in Section 2.2 of the Development Agreement attributable to the PPA Project Entity's Ownership Interest, (iii) amounts required to reimburse Buyer and the Additional Units PPA Participants for amounts paid by them in respect of the payment of the principal of maturing PPA BANs and/or PPA Take-Out Bonds, and (iv) amounts required to be repaid, reimbursed or otherwise paid by MEAG to Buyer pursuant to any provision of this Agreement at the end of the Term hereof.

"Debt Service" shall mean, with respect to any period, the aggregate of the amounts required by the PPA Project Bond Resolution or the DOE Loan Documents to be paid by MEAG or the PPA Project Entity, respectively, during said period into any fund or funds created by the PPA Project Bond Resolution or any account or accounts created by the DOE Accounts Agreement, as applicable, for the sole purpose of paying (i) the principal (including the sinking fund or equivalent payment installments and the amounts in respect of principal pursuant to Section 401(e) or 401(i)) of, and premium, if any, and interest on, PPA Bonds or the DOE Guaranteed Loan, as applicable, and all other amounts due with respect to the DOE Guaranteed Loan and (ii) any payments on Qualified Hedging Contracts, including any swap premium or swap termination payment, or Reimbursement Obligations, from time to time outstanding as the same shall become due; provided, however, that Debt Service shall not include any acceleration of the maturity of any PPA Bonds or the DOE Guaranteed Loan, including any redemption of any PPA Bonds or any prepayment of Advances prior to maturity at the election of MEAG or the PPA Project Entity, respectively, or any acceleration resulting from the exercise of remedies by the holders of any PPA Bonds or any trustee acting on behalf of such holders or by the DOE Secured Parties, respectively; and provided, further, that in the case of any swap premium or swap termination payment, the amount of such swap premium or swap termination payment included in Debt Service shall be only the portion of such swap premium or termination payment that, in the opinion of a mutually agreed-upon nationally-recognized independent financial advisor experienced in interest rate swaps or similar measures, is allocable to the Term of this Agreement. The swap premium or swap termination payment allocable to the Term of this Agreement shall be determined by such financial advisor based upon an economic analysis performed in a manner consistent with industry practice with the objective of a fair allocation of the payments reflecting the respective remaining time periods of Buyer and the Additional Units PPA Participants.

"Debt Service Fund" has the meaning set forth in the PPA Project Bond Resolution.

"Debt Service Reserve Account" has the meaning set forth in the PPA Project Bond Resolution.

"Development Agreement" shall mean the Plant Vogtle Owners Agreement Authorizing Development, Construction, Licensing and Operation of Additional Generating Units dated as of May 13, 2005.

"DOE" shall mean the United States Department of Energy, as guarantor of the DOE Guaranteed Loan.

"DOE Accounts Agreement" shall mean the Collateral Agency and Accounts Agreement to be entered into among DOE, the DOE Collateral Agent and the PPA Project Entity.

"DOE Collateral Agent" shall mean PNC Bank, National Association, doing business as Midland Loan Services, a division of PNC Bank, National Association, or any successor thereto, in its capacity as Collateral Agent for DOE.

"DOE Debt Service Reserve Account" shall mean the account by that name established pursuant to the DOE Accounts Agreement.

"DOE Debt Service Reserve Requirement" shall have the meaning assigned to the term "Debt Service Reserve Requirement" in the DOE Loan Guarantee Agreement.

"DOE Guaranteed Loan" shall have the meaning given to such term in the recitals hereto.

"DOE Loan Documents" shall have the meaning assigned to the term "Loan Documents" in the DOE Loan Guarantee Agreement.

"DOE Loan Guarantee Agreement" shall mean the Loan Guarantee Agreement to be entered into between the PPA Project Entity and DOE.

"DOE Secured Obligations" shall have the meaning assigned to the term "Secured Obligations" in the DOE Loan Guarantee Agreement.

"DOE Secured Parties" shall mean DOE and the DOE Collateral Agent, as their respective interests may appear.

"Eastern Prevailing Time" means the prevailing time (*i.e.*, Standard Time or Daylight Savings Time) on any given day in the Eastern Time Zone.

"Effective Date" shall have the meaning assigned to such term in Section 101 hereof.

"Energy" shall mean the actual hourly electric energy as measured in MWh attributable to the PPA Project Entity's Ownership Interest commencing on the applicable Commercial Operation Date.

"Engineering, Procurement and Construction Agreement" means the Engineering, Procurement and Construction Agreement between Georgia Power Company, for itself and as Agent for Oglethorpe Power Corporation, MEAG and the City of Dalton, Georgia, acting by and through its Board of Water, Light and Sinking Fund Commissioners, as Owners, and a consortium consisting of Westinghouse Electric Company LLC and Stone & Webster, Inc., as Contractor for Units 3 & 4 at the Vogtle Electric Generating Plant Site in Waynesboro, Georgia, dated as of April 8, 2008.

"Environmental Attributes" means any and all credits, benefits, emissions reductions, environmental air quality credits, emission reduction credits, renewable energy credits, offsets, and allowances attributable to the generation, purchase, sale, or use of the Output from the PPA Project Entity's Ownership Interest commencing on the applicable Commercial Operation Date of an Additional Unit, including tags, certificates, credits, allowances, offsets, and similar products or rights attributable to the generation, purchase, sale, or use of the Output of the PPA Project Entity's Ownership Interest commencing on the applicable Commercial Operation Date of an Additional Unit that can be used to claim responsibility for, ownership of, or any avoidance or reduction of emissions or pollutants, including mercury, nitrogen oxide, sulfur oxide, carbon dioxide, carbon monoxide, particulate matter or similar pollutants or contaminants of air, water or soil, under any governmental, regulatory or voluntary program, including the United Nations Framework Convention on Climate Change and related Kyoto Protocol or other program. Notwithstanding the foregoing and any other provision in this Agreement, Environmental

Attributes do not include: (i) any state or federal production tax credits, other than the "Production Tax Credit," as defined hereunder; (ii) any investment tax credits and any other tax credits associated with the PPA Project; (iii) any state, federal or private cash payments or grants relating in any way to the PPA Project or the Output thereof; and (iv) any state, federal or private grants or other benefits related to the PPA Project.

"Execution Date" shall have the meaning assigned to such term in the preamble to this Agreement.

"Federal Financing Bank" or "FFB" shall mean the Federal Financing Bank, a body corporate and instrumentality of the United States of America.

"Financial Advisor" shall have the meaning assigned to such term in Section 401(j) hereof.

"Financing Costs" shall mean all financing costs related to the Plant Vogtle Additional Units PPA Project that may be financed from the proceeds of PPA Bonds or the DOE Guaranteed Loan, including the following:

(1) costs of issuance, including underwriting fees, bank commitment and letter of credit fees, legal and financial advisory fees, bond insurance and indemnity fees, and any payments on Qualified Hedging Contracts including (a) any periodic "net" payments accruing in whole or in part prior to and during construction and for such additional period as MEAG may reasonably determine to be necessary in connection with the placing of the PPA Project Entity's Ownership Interest in operation, and (b) any swap premium or swap termination payment;

(2) interest accruing in whole or in part on PPA Bonds or the DOE Guaranteed Loan prior to and during construction (or, in the case of PPA Bonds issued or

Advances made to finance Fuel, interest accruing in whole or in part on such PPA Bonds or such Advances prior to the loading of such Fuel in the reactor) and for such additional period as MEAG may reasonably determine to be necessary in connection with the placing of the PPA Project Entity's Ownership Interest in operation in accordance with the provisions of the PPA Project Bond Resolution, including any major renewals, replacements, repairs, additions, betterments or improvements or modifications with respect to the PPA Project Entity's Ownership Interest of a particular Additional Unit undertaken following the Commercial Operation Date of such Additional Unit;

(3) the deposit or deposits from the proceeds of PPA Bonds issued, or Advances made, to finance such costs in any fund or account established pursuant to the PPA Project Bond Resolution or the DOE Loan Documents to meet Debt Service reserve requirements for PPA Bonds or the DOE Guaranteed Loan, or replenishment of such funds if drawn down; and

(4) any other fees, costs and expenses of financing for the PPA Bonds or the DOE Guaranteed Loan.

"Fixed Costs" shall mean, with respect to any period, all fixed costs related to the Plant Vogtle Additional Units PPA Project attributed to such period, as defined by and provided in Section 205(b)(1) of this Agreement.

"Fuel" shall mean the nuclear materials required for the operation of the Plant Vogtle Additional Units, including the initial nuclear fuel cores.

"Fuel Costs" shall mean all costs incurred by MEAG or the PPA Project Entity during any Power Supply Year that are allocable to the acquisition, processing, design, fabrication, transportation, delivering, reprocessing, storage and disposal of Fuel for the PPA Project Entity's

Ownership Interest, including the initial nuclear fuel cores, and further including prepayments of such costs or transfers to reserves established for such costs related to future Power Supply Years, less appropriate credits related to such costs, and including those portions of administrative and general expenses incurred by MEAG and the PPA Project Entity that are properly and reasonably allocable to acquisition and management of Fuel for the PPA Project Entity's Ownership Interest, and, to the extent that any such costs have been paid for through a Nuclear Fuel Construction Fund-Revolving Account that initially was funded through proceeds of PPA Bonds or Advances (or, in the event that MEAG determined that it was practically or economically infeasible for MEAG to issue PPA Bonds or for the PPA Project Entity to satisfy the conditions to the making of Advances for such purpose, through billings to Buyer hereunder), the amount of such costs that are amortized during the Power Supply Year.

"Governmental Authority" means any national, state, provincial, local or municipal government, any political subdivision thereof or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law; provided, however, that "Governmental Authority" shall not in any event include either Party.

"JEA Market Disruption" means, as the context requires, (1) the inability of MEAG to issue investment grade PPA Bonds solely as a result of the creditworthiness of Buyer, which determination shall be made in writing by a nationally-recognized investment bank or financial institution acting as an underwriter for the proposed bond offering and (2) the inability of the PPA Project Entity to satisfy the conditions for an Advance under the DOE Loan Guarantee Agreement solely as a result of either the creditworthiness of Buyer or an action or inaction on the part of Buyer; provided, however, that in the case of clause (2), MEAG must use its best efforts to cause the PPA Project Entity to request an Advance under the DOE Loan Guarantee Agreement in good faith and if MEAG causes the PPA Project Entity to make the request for an Advance but despite MEAG's and the PPA Project Entity's best efforts, DOE nonetheless does not approve the Advance, then that will constitute a JEA Market Disruption for purposes of clause (2), but not clause (1), above.

"kW" means kilowatt.

"kWh" means kilowatt-hour.

"MEAG's Interest" shall have the meaning set forth in **Exhibit A** hereto.

"MW" means megawatt.

"MWh" means megawatt-hour.

"Nominally Rated" means the net electrical unit output, as measured on the high voltage side of the main step-up transformer, guaranteed by the Contractor under the Engineering, Procurement and Construction Agreement.

"Non-amortized Reserve Funds" mean any reserve funds maintained by MEAG pursuant to the PPA Project Bond Resolution or by or on behalf of the PPA Project Entity pursuant to the DOE Accounts Agreement funded with the proceeds of PPA Bonds or Advances, subject to the exception set forth in Section 207(a) of this Agreement that reserve funds may be funded with funds other than proceeds of the PPA Bonds or Advances under the stated circumstances, and as to which Buyer is not required to pay its Obligation Share of the principal of such PPA Bonds or such Advances during the Term of this Agreement.

"Non-PPA Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by MEAG pursuant to or as permitted by the provisions of the Non-PPA Project Bond Resolution to finance or refinance the Costs of Acquisition and Construction and Financing

Costs (as such terms are defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) of the Plant Vogtle Additional Units Non-PPA Project, whether or not any issue of such bonds, notes or other evidences of indebtedness shall be subordinated as to payment to any other issue of such bonds, notes or other evidences of indebtedness, and shall include refunding Non-PPA Bonds issued pursuant to the provisions of the Plant Vogtle Additional Units Non-PPA Power Sales Contracts.

"Non-PPA Project Bond Resolution" shall mean the Plant Vogtle Additional Units Non-PPA Project Bond Resolution adopted by MEAG and accepted by the Trustee thereunder for the benefit of the owners of the Non-PPA Bonds that provides for the issuance of such Non-PPA Bonds, as the same is proposed to be amended and restated by the Second Amended and Restated Plant Vogtle Additional Units Non-PPA Project Bond Resolution to be adopted by MEAG.

"Non-PPA Project Entity" shall mean MEAG Power SPVM LLC, a limited liability company organized under the laws of the State of Georgia formed by MEAG for the sole purpose of owning and operating the Non-PPA Project Portion of the Additional Units and that is a wholly-owned, direct subsidiary of MEAG.

"Non-PPA Project Portion" shall mean 33.870736 percent of MEAG's Interest, which portion shall include 169.458 MWs of the output of the Additional Units, based upon the nominal ratings of the Additional Units.

"Nuclear Fuel Construction Fund-Revolving Account" shall mean a non-amortizing reserve fund funded from PPA Bond proceeds or, under the circumstances set forth in Section 207(a) of this Agreement, from revenues derived from either year-end distributions or billings to Buyer under this Agreement at the amount projected to be necessary to handle nuclear fuel working capital needs over unit operations and established pursuant to Section 502(4) of the PPA Project Bond Resolution.

"Nuclear Managing Board Agreement" shall mean the Second Amended and Restated Nuclear Managing Board Agreement dated as of April 21, 2006.

"Operating Agreement" shall mean the Plant Alvin W. Vogtle Nuclear Units Amended and Restated Operating Agreement dated as of April 21, 2006.

"Other Costs" shall mean, with respect to any period, all costs other than Fixed Costs, related to the Plant Vogtle Additional Units PPA Project attributed to such period, as defined by and provided in Section 205(b)(2) of this Agreement.

"Output of the PPA Project Entity's Ownership Interest" or "Output" shall mean the Capacity, Energy, and Ancillary Services actually generated by, attributable to, or resulting from the PPA Project Entity's Ownership Interest and any Environmental Attributes and Production Tax Credit attributable to the PPA Project Entity's Ownership Interest which are purchased by MEAG from the PPA Project Entity pursuant to the PPA Project Entity Power Purchase Agreement for resale hereunder and under the Power Sales Contracts.

"Ownership Agreement" shall mean the Plant Alvin W. Vogtle Additional Units Ownership Participation Agreement dated as of April 21, 2006.

"Participant" shall mean any political subdivision of the State of Georgia that is authorized by Section 46-3-130 of the Act to make contracts for the payment of such rates, tolls, fees and charges as may be prescribed by MEAG for the use of services and facilities of the projects and which has entered into such contracts, and shall include any commission or agency of such political subdivision that operates or conducts or exercises jurisdiction over any essential function of such Participant's electric distribution system.

"Person" means any individual, partnership, corporation, limited liability company, joint venture, firm, association, joint-stock company, trust, unincorporated organization, or other enterprise (whether or not incorporated), or any Governmental Authority.

"Plant Vogtle Additional Units Non-PPA Power Sales Contracts" shall mean the Plant Vogtle Additional Units Non-PPA Power Sales Contracts, by and between MEAG and the Additional Units Non-PPA Participants, which Power Sales Contracts relate to the Plant Vogtle Additional Units Non-PPA Project.

"Plant Vogtle Additional Units Non-PPA Project" or "Non-PPA Project" shall mean: (1) a percentage of MEAG's Interest in an amount equal to the Non-PPA Project Portion thereof and (2) working capital for the Non-PPA Project Portion required by MEAG during construction of the Additional Units and for the placing of the Additional Units in operation, and working capital for the Non-PPA Project Portion for operation of the Additional Units; provided, however, that in the event that the amendment and restatement of the Non-PPA Project Bond Resolution provided for in the Second Amended and Restated Plant Vogtle Additional Units Non-PPA Project Bond Resolution to be adopted by MEAG shall become effective, then "Plant Vogtle Additional Units Non-PPA Project" or "Non-PPA Project" shall mean (i) all of MEAG's right, title and interest (whether direct or indirect) in and to the output of such percentage undivided ownership interest in MEAG's Interest and (ii) working capital for the Non-PPA Project Portion required by MEAG or the Non-PPA Project Entity during construction of the Additional Units and for the placing of the Additional Units in operation, and working capital for the Non-PPA Project Portion for operation of the Additional Units. The Non-PPA Project is referred to sometimes as "Project M."

"Plant Vogtle Additional Units Non-PPA Project Annual Costs" shall mean, with respect to a Power Supply Year, to the extent not paid as a part of the Costs of Acquisition and Construction (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts), all costs and expenses of MEAG or the Non-PPA Project Entity paid by MEAG or the Non-PPA Project Entity during such Power Supply Year allocable to the Plant Vogtle Additional Units Non-PPA Project, which costs and expenses shall include those items of cost and expense referred to in Section 308 of the Plant Vogtle Additional Units Non-PPA Power Sales Contracts as the Plant Vogtle Additional Units Non-PPA Project Annual Fixed Costs and Plant Vogtle Additional Units Non-PPA Project Other Annual Costs.

"Plant Vogtle Additional Units PPA Power Sales Contracts" or "Power Sales Contracts" shall mean the Amended and Restated Plant Vogtle Additional Units PPA Power Sales Contracts, by and between MEAG and the Additional Units PPA Participants, which Power Sales Contracts relate to the Plant Vogtle Additional Units PPA Project. A draft of the Plant Vogtle Additional Units PPA Power Sales Contracts, in substantially the same form as the draft presented to and approved by the MEAG Board in substantially final form, is attached as **Exhibit H** to this Agreement.

"Plant Vogtle Additional Units PPA Project" or "PPA Project" shall mean: (1) all of MEAG's right, title and interest (whether direct or indirect) in and to the Output of the PPA Project Entity's Ownership Interest, such right, title and interest of MEAG being available to MEAG pursuant to the PPA Project Entity Power Purchase Agreement, and (2) working capital for the PPA Project Portion required by MEAG or the PPA Project Entity during construction of the Additional Units and for the placing of the Additional Units in operation, and working capital for the PPA Project Portion for operation of the Additional Units. The PPA Project is referred to sometimes as "Project J."

"Plant Vogtle Additional Units PPA Project Annual Budget" shall mean, with respect to a Power Supply Year, the budget or amended budget adopted by MEAG pursuant to Section 201 of the Power Sales Contracts, which budget shall contain itemized estimates of the Plant Vogtle Additional Units PPA Project Annual Costs and all revenues, income or other funds to be applied to such Plant Vogtle Additional Units PPA Project Annual Costs and shall separately show the Debt Service costs relating to the Plant Vogtle Additional Units PPA Project and shall include separately such itemized estimates for Fixed Costs and for Other Costs.

"Plant Vogtle Additional Units PPA Project Annual Costs" shall mean, with respect to a Power Supply Year, to the extent not paid as a part of the Costs of Acquisition and Construction, all costs and expenses of MEAG or the PPA Project Entity paid by MEAG or the PPA Project Entity during such Power Supply Year allocable to the Plant Vogtle Additional Units PPA Project, which costs and expenses shall include those items of cost and expense referred to in Section 205(b) hereof as the Plant Vogtle Additional Units PPA Project Annual Fixed Costs and Plant Vogtle Additional Units PPA Project Other Annual Costs.

"Plant Vogtle Additional Units PPA-2 Power Sales Contracts" shall mean the Plant Vogtle Additional Units PPA-2 Power Sales Contracts, by and between MEAG and the Additional Units PPA-2 Participants, which Power Sales Contracts relate to the Plant Vogtle Additional Units PPA-2 Project.

"Plant Vogtle Additional Units PPA-2 Project" or "PPA-2 Project" shall mean: (1) a percentage of MEAG's Interest in an amount equal to the PPA-2 Project Portion thereof and (2) working capital for the PPA-2 Project Portion required by MEAG during construction of the

Additional Units and for the placing of the Additional Units in operation, and working capital for the PPA-2 Project Portion for operation of the Additional Units; provided, however, that in the event that the amendment and restatement of the PPA-2 Project Bond Resolution provided for in the Second Amended and Restated Plant Vogtle Additional Units PPA-2 Project Bond Resolution to be adopted by MEAG shall become effective, then “Plant Vogtle Additional Units PPA-2 Project” or “PPA-2 Project” shall mean (i) all of MEAG’s right, title and interest (whether direct or indirect) in and to the output of such percentage undivided ownership interest in MEAG’s Interest and (ii) working capital for the PPA-2 Project Portion required by MEAG or the PPA-2 Project Entity during construction of the Additional Units and for the placing of the Additional Units in operation, and working capital for the PPA-2 Project Portion for operation of the Additional Units. The PPA-2 Project is referred to sometimes as “Project P.”

“Power Supply Year” shall mean the calendar year, except that the first Power Supply Year shall begin on the earliest of (i) the date an Additional Unit is first declared to be in Commercial Operation; (ii) the date to which all interest is capitalized on PPA Bonds and the DOE Guaranteed Loan; (iii) the date which is twelve (12) months prior to the date on which the first annual principal installment on any of the PPA Bonds is due; (iv) the date which is three (3) months prior to the date on which the first quarterly principal installment on the DOE Guaranteed Loan is due; or (v) the date on which any Plant Vogtle Additional Units PPA Project Annual Costs become payable.

“PPA BANs” shall mean the PPA Bonds, if any, issued by MEAG as permitted by the provisions of the PPA Project Bond Resolution and Section 403(a) hereof to finance or refinance a portion of the Costs of Acquisition and Construction and Financing Costs of the Plant Vogtle Additional Units PPA Project on an interim basis prior to (a) the issuance of other PPA Bonds or

(b) the making of Advances under the DOE Guaranteed Loan, in either such case, satisfying the structuring requirements of Section 401(d) hereof, which PPA BANs (i) shall be issued in the form of notes the principal of which is intended to, and all or a portion of the interest on which may, be paid with moneys which are not Revenues (as defined in the PPA Project Bond Resolution), including the proceeds of other PPA Bonds (including other PPA BANs or PPA Take-Out Bonds) and (ii) which notes may be in the form of, among other items, a promissory note evidencing obligations under a revolving credit facility or letter of credit facility, commercial paper notes or other short-term notes, medium-term notes, or notes subject to tender for purchase at the option of the holder thereof. Notwithstanding any other provision of this Agreement, PPA BANs shall not be subject to the structuring requirements of Section 401(d) hereof.

"PPA Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by MEAG pursuant to or as permitted by the provisions of the PPA Project Bond Resolution to finance or refinance the Costs of Acquisition and Construction and Financing Costs of the Plant Vogtle Additional Units PPA Project, whether or not any issue of such bonds, notes or other evidences of indebtedness shall be subordinated as to payment to any other issue of such bonds, notes or other evidences of indebtedness, and shall include refunding PPA Bonds issued pursuant to the provisions of the Plant Vogtle Additional Units PPA Power Sales Contracts. PPA Bonds may be in the form of, among other items, a promissory note evidencing obligations under a revolving credit facility or letter of credit facility, commercial paper notes or other short-term notes, medium-term notes, or notes subject to tender for purchase at the option of the holder thereof.

"PPA Project Bond Resolution" shall mean the Plant Vogtle Additional Units PPA Project Bond Resolution adopted by MEAG and accepted by the Trustee thereunder for the benefit of the owners of the PPA Bonds that provides for the issuance of such PPA Bonds, as the same is proposed to be amended and restated by the Second Amended and Restated Plant Vogtle Additional Units PPA Project Bond Resolution to be adopted by MEAG (the "Second Amended and Restated PPA Project Bond Resolution"). Notwithstanding the previous sentence, neither the draft Second Amended and Restated PPA Project Bond Resolution attached as **Exhibit G** to this Agreement nor the final Second Amended and Restated PPA Project Bond Resolution shall be revised or amended in any manner that modifies or alters the rights or obligations of Buyer under this Agreement without Buyer's prior consent.

"PPA Project Entity" shall mean MEAG Power SPVJ LLC, a limited liability company organized under the laws of the State of Georgia formed by MEAG for the sole purpose of owning and operating the PPA Project Portion of the Additional Units and that is a wholly-owned, direct subsidiary of MEAG.

"PPA Project Entity Power Purchase Agreement" means the Wholesale Power Sales Agreement, to be entered into between the PPA Project Entity, as seller, and MEAG, as buyer.

"PPA Project Entity's Ownership Interest" shall mean a percentage of MEAG's Interest in the Additional Units in an amount equal to the PPA Project Portion, which, upon the Effective Date, will be transferred to the PPA Project Entity and which includes 9.3466423 percent of the output of the Additional Units.

"PPA Project Portion" shall mean 41.174636 percent of MEAG's Interest, which portion shall include 206.000 MWs of the Output of the Additional Units, based upon the nominal ratings of the Additional Units.

"PPA Take-Out Bonds" shall mean the PPA Bonds, if any, issued by MEAG as permitted by the provisions of the PPA Project Bond Resolution and Section 403(c) hereof to refund PPA BANs. Notwithstanding any other provision of this Agreement, PPA Take-Out Bonds shall not be subject to the structuring requirements of Section 401(d) hereof.

"PPA-2 Project Bond Resolution" shall mean the Plant Vogtle Additional Units PPA-2 Project Bond Resolution adopted by MEAG and accepted by the Trustee thereunder for the benefit of the owners of the PPA-2 Bonds (as defined therein) that provides for the issuance of such PPA Bonds, as the same is proposed to be amended and restated by the Second Amended and Restated Plant Vogtle Additional Units PPA-2 Project Bond Resolution to be adopted by MEAG.

"PPA-2 Project Entity" shall mean MEAG Power SPVP LLC, a limited liability company organized under the laws of the State of Georgia formed by MEAG for the sole purpose of owning and operating the PPA-2 Project Portion of the Additional Units and that is a wholly-owned, direct subsidiary of MEAG.

"PPA-2 Project Portion" shall mean 24.954628 percent of MEAG's Interest, which portion shall include 124.850 MWs of the output of the Additional Units, based upon the nominal ratings of the Additional Units.

"Pre-Commercial Generation" shall mean a portion of each Additional Unit's Output prior to each Additional Unit's Commercial Operation Date in an amount equal to the PPA Project Portion thereof.

"Production Tax Credit" means production tax credits calculated in accordance with Section 213 of this Agreement arising under 26 U.S.C. § 45, as in effect from time to time during the Term of this Agreement, or any successor or other provision providing for a federal tax credit determined by reference to electric energy produced from nuclear resources and any correlative state tax credit determined by reference to electric energy produced from nuclear resources for which the PPA Project Entity's Ownership Interest is eligible.

"Project Agreements" shall collectively mean the Development Agreement, the Nuclear Managing Board Agreement, the Operating Agreement, and the Ownership Agreement.

"Prudent Utility Practice" at a particular time shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior to such time, or any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts having due regard for manufacturers' warranties and the requirements of governmental agencies of competent jurisdiction.

"Qualified Hedging Contract" has the meaning set forth in the PPA Project Bond Resolution.

"Reimbursement Obligation" has the meaning set forth in the PPA Project Bond Resolution.

"Revenue Fund" has the meaning set forth in the PPA Project Bond Resolution.

"Series" shall mean, for all purposes of this Agreement, any or all PPA Bonds issued upon original issuance on a particular date, as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of issuance thereof, whether or not such PPA Bonds constitute a separate "Series" of Bonds for purposes of (and as defined in) the PPA Project Bond Resolution. In the event that the PPA Bonds of any such Series shall constitute two or more separate "Series" of Bonds for purposes of (and as defined in) the PPA Project Bond Resolution, the PPA Bonds of such Series may be (i) aggregated for the purpose of establishing level monthly Debt Service pursuant to Section 401(d) or 401(f) hereof, as applicable, or (ii) aggregated or disaggregated for purpose of establishing monthly Debt Service pursuant to Section 401(e) or 401(i).

"Spent Fuel Storage Facilities" means, with respect to each Additional Unit, the spent fuel storage facilities for such Additional Unit, including [spent fuel casks, the pads on which spent fuel casks may be placed, any accompanying facilities and the road and related improvements to access such pad].[2]

"Term" shall have the meaning assigned to such term in Section 102 hereof.

"Trustee" has the meaning set forth in the PPA Project Bond Resolution.

"Uniform System of Accounts" means the Uniform System of Accounts prescribed for Public Utilities and Licensees subject to the provisions of the Federal Power Act as set forth in 18 C.F.R. Part 101.

SECTION 105. <u>RULES OF INTERPRETATION</u>. In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

(a) Headings and any rendering of text in bold and italics are for convenience and reference purposes only and do not affect the meaning or interpretation of this Agreement;

(b) Words importing the singular include the plural and vice versa and the masculine, feminine and neuter genders include all genders;

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[2] Note to Draft: MEAG to confirm facilities description.

(c) The words “hereof,” “herein,” and “hereunder” and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) A reference to a document or agreement, including this Agreement, shall mean such document, agreement or this Agreement including any amendment or supplement to, or replacement, novation or modification of, such document, agreement or this Agreement, but disregarding any amendment, supplement, replacement, novation or modification made in breach of such document, agreement or this Agreement;

(e) A reference to a Person includes that Person’s successors and permitted assigns;

(f) The term “including” means “including without limitation” and any list of examples following such term shall in no way restrict or limit the generality of the work or provision in respect of which such examples are provided;

(g) References to any statute, code or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or reenacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;

(h) In the event of a conflict, a mathematical formula describing a concept or defining a term shall prevail over words describing a concept or defining a term;

(i) References to any amount of money shall mean a reference to the amount in United States Dollars;

(j) The expression “and/or” when used as a conjunction shall connote “any or all of”;

(k) Words, phrases or expressions not otherwise defined herein that (i) have a well-known and generally accepted meaning in Prudent Utility Practice shall have such meaning in this Agreement or (ii) do not have a well-known and generally accepted meaning in Prudent

Utility Practice but that have well-known and generally accepted technical or trade meanings, shall have such recognized meanings; and

(l) Capitalized terms not specifically defined herein or in a referenced document shall have their normal meanings in the context in which they are used.

SECTION 106. DOE GUARANTEED LOAN AND ADVANCES. MEAG and Buyer acknowledge and agree that, for all purposes of this Agreement, any reference to:

(a) the ability of the PPA Project Entity to borrow funds from FFB as contemplated by the DOE Loan Documents shall include the requirement that all conditions precedent to the making of an Advance under the DOE Guaranteed Loan must be satisfied, including the limitations on use of the proceeds of such Advance for Eligible Project Costs (as defined in the DOE Loan Guarantee Agreement) and the requirement that such Advance be requested during the Availability Period (as defined in the DOE Loan Guarantee Agreement);

(b) the use of proceeds of the DOE Guaranteed Loan or an Advance means the use of such proceeds to the extent permitted under, and in compliance with, the DOE Loan Documents; and

(c) Advances made means Advances made during the Availability Period for Eligible Project Costs.

ARTICLE II

PURCHASE AND SALE

SECTION 201. PURCHASE AND SALE. In accordance with and subject to the terms and conditions of this Agreement (including Section 101), commencing on the Commercial

Operation Date of the first of the Additional Units and continuing through the end of the Term, MEAG shall sell to Buyer, and Buyer shall purchase from MEAG, Buyer's Obligation Share of the Output for the following periods: (i) for the first unit of the Additional Units, a period of twenty (20) years commencing on the Commercial Operation Date of the first unit, and (ii) for the second unit of the Additional Units, a period of twenty (20) years commencing on the Commercial Operation Date of the second unit. This Agreement and the PPA Project Entity Power Purchase Agreement are intended to be "back-to-back" power purchase agreements during the Term of this Agreement such that all of the Output shall be purchased by MEAG from the PPA Project Entity pursuant to the PPA Project Entity Power Purchase Agreement and resold to Buyer pursuant to the terms and conditions hereof. For the avoidance of doubt and notwithstanding anything to the contrary herein, and to confirm the understanding of the Parties, if Buyer has satisfied its payment and performance obligations under and in accordance with this Agreement, MEAG is required to purchase such Output from the PPA Project Entity under and in accordance with the PPA Project Entity Power Purchase Agreement and as long as all the payment and performance obligations of MEAG to the PPA Project Entity have been satisfied under the PPA Project Entity Power Purchase Agreement, the PPA Project Entity is required to sell and provide such Output to MEAG and MEAG in turn is required to sell and provide such Output to Buyer for the full periods set forth in the first sentence of this Section 201.

SECTION 202. OBLIGATION TO TAKE OUTPUT OF THE PPA PROJECT ENTITY'S OWNERSHIP INTEREST. Notwithstanding anything in this Agreement to the contrary, Buyer shall be obligated to take all Output during the periods described herein as and when any such Output shall be produced, and Buyer shall have no right to dispatch or schedule the operation of the PPA Project Entity's Ownership Interest or any facility thereof.

SECTION 203. <u>BUYER'S ADDITIONAL COMPENSATION OBLIGATION</u>.

(a) ***<u>General</u>.*** As part of its payment obligations set forth in Article II of this Agreement, Buyer shall pay MEAG the amounts described in this Section 203 ("Buyer's Additional Compensation Obligation"). In February of each calendar year during the Term of this Agreement, the Billing Statement provided by MEAG under Section 302 of this Agreement shall include charges, if any, for the total amount of Buyer's Additional Compensation Obligation incurred during the preceding calendar year calculated as set forth in this Section.

(b) ***<u>Calculation of Buyer's Additional Compensation Obligation</u>.*** Buyer's Additional Compensation Obligation shall be calculated by multiplying the total amount of Energy delivered to Buyer under this Agreement from each Additional Unit at the Delivery Point (as defined in Section 604(a) of this Agreement) during the preceding calendar year by a fixed rate for each MWh determined as follows:

(1) For each Additional Unit, during the first through the fifth calendar year following such Additional Unit's Commercial Operation Date, the fixed rate shall be: $0.50/MWh.

(2) For each Additional Unit, during the sixth through the tenth calendar year following such Additional Unit's Commercial Operation Date, the fixed rate shall be: $1.50/MWh.

(3) For each Additional Unit, during the eleventh through the fifteenth calendar year following such Additional Unit's Commercial Operation Date, the fixed rate shall be: $2.50/MWh.

(4) For each Additional Unit, during the sixteenth through the twenty-first calendar year following such Additional Unit's Commercial Operation Date, the fixed rate shall be: $3.50/MWh.

SECTION 204. BUYER'S PAYMENT OBLIGATIONS.

(a) ***General.*** Subject to the other provisions of this Agreement relating to the payment of Debt Service, Buyer's obligation to pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs with respect to the first unit of the Additional Units to achieve Commercial Operation shall commence upon the Commercial Operation Date of that unit, and Buyer's obligation to pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs with respect to the second unit of the Additional Units to achieve Commercial Operation shall commence upon the Commercial Operation Date of that unit.

(b) ***Debt Service Generally.*** Except (i) in the case of PPA Bonds issued in accordance with the provisions of Section 401(e) hereof (which only are to be issued following the Commercial Operation Date of the applicable Additional Unit), (ii) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof and (iii) with respect to PPA BANs and PPA Take-Out Bonds (Buyer's obligation in respect of the payment of Debt Service on which is governed by the provisions of the penultimate sentence of the first paragraph of Section 204(e) hereof), Buyer's obligation to pay (1) the interest component of Debt Service of each Series of PPA Bonds and each Advance attributable to each Additional Unit shall continue for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (2) the principal component of Debt Service of each Series of PPA Bonds and each Advance attributable to each Additional Unit shall continue for a period of two hundred forty (240) months from and including the month in which such obligation shall commence.

Notwithstanding the foregoing and any other provision of this Agreement, in the event that MEAG shall issue PPA Bonds of any Series in the form of a promissory note evidencing obligations under a revolving credit facility or letter of credit facility, commercial paper or other short-term notes, medium-term notes, or notes subject to tender for purchase at the option of the holders thereof and such PPA Bonds cannot be rolled over at maturity or remarketed or are tendered to MEAG for payment or must be paid at maturity or termed-out in advance of their scheduled amortization dates (determined as provided in Section 401(d), 401(e), 401(f) or 401(i) hereof, as applicable), whether before or after the applicable Commercial Operation Date, then Buyer shall be responsible for paying the principal of such PPA Bonds when due.

In the event that Buyer shall pay to MEAG any amount in respect of the principal of PPA Bonds as provided in the preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to pay Costs of Acquisition and Construction and Financing Costs of the Plant Vogtle Additional Units PPA Project, it shall include in such borrowing an amount sufficient to reimburse Buyer for all amounts paid by it in respect of such principal that theretofore have not been reimbursed by MEAG less the otherwise applicable principal portion of any Debt Service otherwise billable by MEAG with respect thereto, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its commercially reasonable judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

In the event that MEAG and the PPA Project Entity do not, for any reason, borrow funds sufficient to reimburse Buyer as provided in the preceding paragraph, at the end of the Term of this Agreement, Buyer shall be refunded the portion of such principal so paid and not theretofore reimbursed in excess of the amount thereof that would have been payable by Buyer had such PPA Bonds been paid in accordance with their scheduled amortization (determined as aforesaid); provided, however, that if all or any portion of the proceeds of such PPA Bonds was used to fund a Non-amortized Reserve Fund (including the Nuclear Fuel Construction Fund-Revolving Account), then, at the end of the Term of this Agreement, Buyer shall be refunded the entirety of such principal so paid and not theretofore reimbursed with respect to such PPA Bonds that funded such Non-amortized Reserve Fund(s).

(c) ***Debt Service on PPA Bonds Issued to Finance Capital Improvements and Spent Fuel Storage Facilities.*** (i) In the case of PPA Bonds issued in accordance with the provisions of Section 401(e) hereof to finance the Costs of Acquisition and Construction and Financing Costs of "capital improvements," as such term is defined in Section 401(e) hereof, for a particular Additional Unit (which only are to be issued following the Commercial Operation Date of the applicable Additional Unit), Buyer's obligation to pay the interest and principal components of Debt Service of each such Series of PPA Bonds attributable to such Additional Unit shall commence in accordance with Section 401(e) on the January 1 of the calendar year following the end of the Annual Period in which such Costs of Acquisition and Construction and Financing Costs were incurred and shall continue until the last day on which Buyer is entitled to its Obligation Share of the Output of such Additional Unit pursuant to the terms of this Agreement.

(ii) In the case of PPA Bonds issued in accordance with the provisions of Section 401(i) hereof to finance the Costs of Acquisition and Construction and Financing Costs of Spent Fuel Storage Facilities with respect to a particular Additional Unit, Buyer's obligation to pay the interest and principal components of Debt Service of each such Series of PPA Bonds attributable to the Spent Fuel Storage Facilities for such Additional Unit shall commence on the January 1 of the calendar year following the end of the Annual Period in which such Costs of Acquisition and Construction and Financing Costs were incurred and shall continue until the last day on which Buyer is entitled to its Obligation Share of the Output of such Additional Unit pursuant to the terms of this Agreement.

(d) ***Debt Service on Refunding PPA Bonds***. In the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof, Buyer's obligation to pay (i) the interest component of Debt Service of each Series of such refunding PPA Bonds shall continue only for the same number of months for which Buyer would have been obligated to pay the interest component of Debt Service on the PPA Bonds and/or the portion of the principal of the DOE Guaranteed Loan refunded or repaid thereby (hereinafter referred to in this Section 204(d) as the "Refunded PPA Debt") had such Refunded PPA Debt not been so refunded or repaid, and (ii) the principal component of Debt Service of each such Series of refunding PPA Bonds shall continue only for the same number of months for which Buyer would have been obligated to pay the principal component of Debt Service on the Refunded PPA Debt had such Refunded PPA Debt not been so refunded or repaid.

(e) ***Commencement of Payment Obligations***. Notwithstanding the foregoing and any other provision in this Agreement but subject to the other provisions of this Agreement relating to the payment of Debt Service, Buyer's obligation to pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs shall commence simultaneously with the commencement of the obligation of the Additional Units Non-PPA Participants to pay their respective shares of the Plant Vogtle Additional Units Non-PPA Project Annual Costs under the

Plant Vogtle Additional Units Non-PPA Power Sales Contracts, which obligation may commence prior to the Commercial Operation Date of either Additional Unit as described in Section 211 hereof. Notwithstanding the foregoing and any other provision of this Agreement, if it becomes practically or economically infeasible for MEAG to issue PPA Bonds due to a JEA Market Disruption, but it is practically and economically feasible for MEAG to issue Non-PPA Bonds, MEAG may commence billing Buyer its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs without simultaneously billing the Additional Units Non-PPA Participants for their respective Obligation Shares (as defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) of the Plant Vogtle Additional Units Non-PPA Project Annual Costs. Notwithstanding the foregoing and any other provision of this Agreement relating to the billing and payment of Plant Vogtle Additional Units PPA Project Annual Costs, in the event that MEAG shall not have sufficient funds to pay in full the principal of or interest on any PPA BANs or PPA Take-Out Bonds when due (including as a result of the inability of MEAG and the PPA Project Entity, for any reason, to borrow funds in an amount sufficient to refund any PPA BANs or PPA Take-Out Bonds at or prior to their respective due dates (whether through the issuance of other PPA Bonds (including, in the case of PPA BANs, PPA Take-Out Bonds) or otherwise), Buyer shall be obligated to pay to MEAG fifty percent (50%) of the amount of such shortfall, which amount shall be payable on or before the due date of such principal and/or interest, whether before or after the applicable Commercial Operation Date. In furtherance of the foregoing, MEAG agrees that (i) it will provide periodic notice to Buyer as to MEAG’s expected ability to refund the principal of any PPA BANs or PPA Take-Out Bonds on or prior to the respective due dates thereof, not less than ninety (90) and thirty (30) days prior to such respective due dates and (ii) if, at any time prior to the respective due dates of the principal of such PPA BANs or PPA Take-Out Bonds, it shall determine that neither it nor the PPA Project Entity will be able to borrow funds in an amount sufficient to refund such principal, it promptly will provide notice to Buyer as to such determination; provided, however, that MEAG's failure to provide any such notice to Buyer shall not affect Buyer's obligation as stated in the preceding sentence, which obligation shall be absolute and unconditional.

In the event that Buyer shall pay to MEAG any amount in respect of the principal of PPA BANs and/or PPA Take-Out Bonds as provided in the preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to pay Costs of Acquisition and Construction and Financing Costs of the Plant Vogtle Additional Units PPA Project, it shall include in such borrowing an amount sufficient to reimburse Buyer and the Additional Units PPA Participants for all amounts paid by them in respect of such principal that theretofore have not been reimbursed by MEAG less the otherwise applicable principal portion of any Debt Service otherwise billable by MEAG with respect thereto, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its sole judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

In the case of any such PPA BANs and/or PPA Take-Out Bonds that were issued to finance or refinance Costs of Acquisition and Construction and Financing Costs of "capital improvements," as such term is defined in Section 401(e) hereof, for a particular Additional Unit following the Commercial Operation Date thereof, in the event that any amounts paid by Buyer in respect of the principal thereof exceeds the otherwise applicable principal portion of any Debt Service otherwise billable by MEAG with respect thereto pursuant to Section 401(e) that theretofore have not been reimbursed by MEAG, at the end of the Term of this Agreement, Buyer shall be entitled to a payment from MEAG of such excess, but without interest thereon.

(f) ***Amounts Payable in Advance; Adjustments for Prior Months.*** Buyer shall pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs in advance for each month of each Power Supply Year as set forth in the Plant Vogtle Additional Units PPA Project Annual Budget or amended Plant Vogtle Additional Units PPA Project Annual Budget for the respective month and reflected in the monthly Buyer's Billing Statement for the respective month in accordance with Section 302 of this Agreement. In each monthly Buyer's Billing Statement, MEAG may charge or credit Buyer for any adjustment to the Buyer's Billing Statement for prior monthly periods required to reflect any other actual cost incurred or credit received by MEAG during any respective prior monthly period.

(g) ***Buyer's Obligation.*** Buyer shall pay its Obligation Share of Plant Vogtle Additional Units PPA Project Annual Costs whether or not the PPA Project Entity's Ownership Interest is completed or is operating or operable, and whether or not its Output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction, whether by offset or otherwise, and shall not be conditioned upon the performance or non-performance by any party of any agreement for any cause whatsoever. Buyer shall pay the Buyer's Additional Compensation Obligation only in the event the PPA Project Entity's Ownership Interest is operating, and Buyer shall not be responsible for paying the Buyer's Additional Compensation Obligation during periods in which the Output of the PPA Project Entity's Ownership Interest is suspended, interrupted, or terminated.

(h) ***Nature of Buyer's Payment Obligations.*** Buyer hereby agrees that amounts payable to MEAG under this Agreement (i) shall constitute a Contract Debt (as that term is defined in Buyer's Electric System Bond Resolution), payable as a Cost of Operation and

Maintenance of Buyer's Electric System (as those terms are defined in Buyer's Electric System Bond Resolution), and (ii) shall be paid by Buyer as a cost of purchased power and energy for Buyer's wholesale and retail load and otherwise as an expense of operation and maintenance of Buyer's Electric System.

SECTION 205. PLANT VOGTLE ADDITIONAL UNITS PPA PROJECT ANNUAL COSTS.

(a) ***General.*** MEAG shall determine all of the Plant Vogtle Additional Units PPA Project Annual Costs, exclusive of costs paid from the proceeds of PPA Bonds or Advances, commencing with the first Power Supply Year, or such earlier time as MEAG shall determine in accordance with Section 205(b) of this Agreement. Such annual costs shall include the costs payable by MEAG or the PPA Project Entity under the Project Agreements and such other costs incurred by MEAG or the PPA Project Entity as set forth in Section 205(b) hereunder that are billed to Buyer pursuant to that Section. MEAG is expressly authorized to bill in accordance with Section 205(b) hereunder some or all of the Debt Service costs that are payable during construction and prior to the Commercial Operation Date of any of the Additional Units.

(b) ***Plant Vogtle Additional Units PPA Project Annual Costs.*** The Plant Vogtle Additional Units PPA Project Annual Costs for the generating and related facilities of the PPA Project Entity's Ownership Interest shall include the following items of cost and expense:

(1) "Plant Vogtle Additional Units PPA Project Annual Fixed Costs", which means all fixed costs allocable to the Plant Vogtle Additional Units PPA Project incurred by MEAG or the PPA Project Entity, including:

(A) Amounts that MEAG or the PPA Project Entity is required to pay for taxes or payments in lieu thereof attributable to the PPA Project Entity's Ownership Interest and/or the Plant Vogtle Additional Units PPA Project;

(B) Amounts required for renewals and replacements attributable to the PPA Project Entity's Ownership Interest, or payment or deposit of such amounts into any reserve fund or account;

(C) Amounts to be set aside by MEAG or the PPA Project Entity for the retirement from service or disposal of the facilities of the PPA Project Entity's Ownership Interest in accordance with the methodology set forth in **Exhibit B** hereto; provided, however, that Buyer's responsibility for such amounts that are incurred during the term of this Agreement plus such amounts that are estimated to be incurred after the term of this Agreement shall not exceed fifty percent (50%) of the total amount of such costs incurred during the term of this Agreement and estimated to be incurred after the term of this Agreement;

(D) Amounts that MEAG or the PPA Project Entity is required under the PPA Project Bond Resolution or the DOE Loan Documents to pay or deposit into any fund or account established by the PPA Project Bond Resolution or the DOE Loan Documents for the payment of Debt Service on the PPA Bonds or the DOE Guaranteed Loan, as applicable;

(E) Amounts (not otherwise included under any item of this Section 205(b)) for the Plant Vogtle Additional Units PPA Project that MEAG or the PPA Project Entity is required under the PPA Project Bond Resolution or the DOE Loan Documents, as applicable, to pay or deposit during any Power Supply Year into any other fund or account established by the PPA Project Bond Resolution or the DOE Loan Documents, as applicable, or payment or deposit of such amounts into any such fund or account established outside the PPA Project Bond Resolution or the DOE Loan Documents; provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such payments or deposits, the related financing costs shall also be included herein;

(F) Amounts for payment or deposit into any fund or account outside the pledge of the PPA Project Bond Resolution or the DOE Loan Documents attributable to costs or reserves of the Plant Vogtle Additional Units PPA Project, including such amounts established by MEAG in the Plant Vogtle Additional Units PPA Project Annual Budget to provide reasonable reserves for the payment of the PPA Project Entity's share of costs required pursuant to either the Ownership Agreement or the Operating Agreement; provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such payments or deposits, the related financing costs shall also be included herein;

(G) Amounts for payment of Additional Costs (as that term is described and defined in Section 2.2 of the Development Agreement) attributable to the PPA Project Entity's Ownership Interest incurred during any Power Supply Year, which expenditures, to the extent they are capital expenditures, shall be treated as capital costs under Section 206(b); and

(H) Without duplication, all fixed costs required to be paid by the PPA Project Entity (whether to DOE, as operating expenses or otherwise) in the DOE Loan Documents other than such costs and expenses set forth in Section 205(b)(2).

(2) "Plant Vogtle Additional Units PPA Project Other Annual Costs", which means all Plant Vogtle Additional Units PPA Project Annual Costs other than the Plant Vogtle Additional Units PPA Project Annual Fixed Costs allocable to the Plant Vogtle Additional Units PPA Project incurred by MEAG or the PPA Project Entity, including:

(A) All costs of producing and delivering Capacity and Energy from the PPA Project Entity's Ownership Interest to Buyer including (i) Fuel Costs and other ordinary operation and maintenance costs and provisions for reserves therefor, administrative and general costs, insurance and overhead costs and any charges payable by MEAG or the PPA Project Entity in connection with the Output of the PPA Project Entity's Ownership Interest, (ii) working capital reasonably required for operation of the Plant Vogtle Additional Units PPA Project, and (iii) a share, determined by MEAG to be allocable to the Plant Vogtle Additional Units PPA Project in accordance with the methodology set forth in **Exhibit C** hereto, of all operation and maintenance costs related to the operation and conducting of the business of MEAG, including salaries, fees for legal, engineering, and other services and all other expenses properly related to the conduct of the affairs of MEAG;

(B) Except to the extent funded by PPA Bonds or reserves held by MEAG or the PPA Project Entity, amounts required to pay the costs of or to provide reserves for (i) extraordinary operating and maintenance costs attributable to the Plant Vogtle Additional Units PPA Project including the prevention or correction of any unusual loss or damage to keep the facilities of the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom; provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such operating and maintenance costs, or reserves therefor, the related financing costs shall also be included herein; (ii) any major renewals, replacements, repairs, additions, betterments and improvements to the Additional Units necessary, in the opinion of MEAG or the PPA Project Entity, to keep the facilities of the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom, which expenditures, to the extent they are capital expenditures, shall be treated as capital costs under Section 206(b); provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such renewals, replacements, repairs, additions, betterments and improvements, or reserves therefor, the related financing costs shall also be included herein; and (iii) any major additions, improvements, repairs or modifications to any such facility, or any retirements or disposals of any such facility, required by any Governmental Authority having jurisdiction over the Additional Units or for which the PPA Project Entity shall be responsible by virtue of any obligation of the PPA Project Entity arising out of any contract to which the PPA Project Entity may be a party relating to ownership of the Additional Units or any facility thereof, including the Project Agreements, to the extent that MEAG or the PPA Project Entity is not reimbursed therefor from the proceeds of insurance or funds for such payments are not available to MEAG or the PPA Project Entity therefor from any funds or accounts established by MEAG or by or on behalf of the PPA Project Entity, or funds for such payment are not provided or to be provided by the issuance of PPA Bonds pursuant to Article IV of this Agreement, which expenditures, to the extent they are capital expenditures, shall be treated as capital costs under

Section 206(b); provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such additions, improvements, repairs, modifications, retirements or disposals, or reserves therefor, the related financing costs shall also be included herein; and

(C) Without duplication, all amounts required to be paid by the PPA Project Entity (whether to DOE, as operating expenses or otherwise) in the DOE Loan Documents other than fixed costs as set forth in Section 205(b)(1).

SECTION 206. TREATMENT OF CAPITAL COSTS; CERTAIN INTEREST EXPENSES.

(a) ***Financing of Capital Costs with PPA Bonds and Advances.*** Except as provided in Section 206(b), (c) and (d) hereunder, MEAG shall finance or cause the PPA Project Entity to finance capital costs attributable to the PPA Project Entity's Ownership Interest and incurred by the PPA Project Entity during the term of this Agreement with proceeds of PPA Bonds or Advances, as applicable. At a minimum, all costs treated by the Agent as capital costs pursuant to the Ownership Agreement shall be treated as "capital costs" for purposes of this Section 206. Additionally, MEAG or the PPA Project Entity, as applicable, may also elect to treat as capital costs for purposes of this Section any other cost item which the Agent has treated as an expense item so long as MEAG re-characterizes such costs under the Plant Vogtle Additional Units Non-PPA Project Power Sales Contracts.

(b) ***Exception for Financing of Capital Costs Where Practically or Economically Infeasible.*** During any period when (i) MEAG determines it is practically or economically infeasible for (x) MEAG to issue PPA Bonds and Non-PPA Bonds, (y) the PPA Project Entity to satisfy the conditions to the making of an Advance and (z) the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) to finance capital costs attributable to the Non-PPA Project Entity's Ownership Interest and the Plant Vogtle Additional Units Non-PPA Project, or (ii) MEAG determines it is practically or economically infeasible for (x) MEAG to issue PPA Bonds and (y) the PPA Project Entity to satisfy the conditions to the making of an Advance to finance capital costs attributable to the PPA Project Entity's Ownership Interest, in both such cases, due to a JEA Market Disruption, but it is practically and economically feasible for MEAG to issue Non-PPA Bonds attributable to the Plant Vogtle Additional Units Non-PPA Project or for the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) to finance capital costs attributable to the Plant Vogtle Additional Units Non-PPA Project, and MEAG or the PPA Project Entity incurs capital costs during the term of this Agreement, MEAG or the PPA Project Entity shall finance such capital costs from a reserve fund maintained for the payment of renewals and replacements; provided, however, that, for any portion of such capital costs attributable to the PPA Project Entity's Ownership Interest that cannot be financed by such a reserve fund, MEAG shall bill Buyer its Obligation Share of such costs (including such costs incurred by the PPA Project Entity and billed to MEAG) pursuant to Sections 205(b)(1)(B) or 205(b)(2)(B)(ii) – (iii) hereof; and provided, further, that MEAG shall not bill Buyer its Obligation Share of such capital costs prior to the Commercial Operation Date of the first Additional Unit.

In the event that Buyer shall pay to MEAG any amount in respect of its Obligation Share of such capital costs as provided in the preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to pay such capital costs, it shall include in such borrowing an amount sufficient to reimburse Buyer for all amounts paid by it in respect of such capital costs that theretofore have not been reimbursed by MEAG, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its commercially reasonable judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

In the event that any such costs theretofore have not been reimbursed by MEAG, at the end of the Term of this Agreement, Buyer shall be entitled to a payment from MEAG calculated as follows. First, MEAG shall determine a separate imputed debt service for all such repair or replacement items having comparable estimated economic useful lives that are constructed or acquired with respect to each Additional Unit during a particular calendar year based upon the following assumptions: (i) that PPA Bonds were issued to finance Buyer's Obligation Share of such capital costs on July 1 of such calendar year at an interest rate equal to the average of the Bond Buyer Weekly 25 Revenue Bond Index as published in *The Bond Buyer* updated weekly on Thursday (Bloomberg ticker symbol is BBWK25RV) for such year (or, if such index shall cease to be published, at an interest rate equal to the average for such calendar year of such generally accepted alternate index as MEAG shall select with the written consent of Buyer, which consent shall not be unreasonably withheld); (ii) that such PPA Bonds were amortized over the shorter of (X) the term of the applicable Additional Unit's combined construction and operating license, or (Y) the estimated economic useful life of the repair or replacement item(s); and (iii) that such PPA Bonds were structured upon a fully-amortizing level debt service basis for the assumed term, with the first principal installment of such PPA Bonds coming due on January 1 of the second full calendar year following the date on which such capital costs are incurred. Second, with respect to each such renewal or replacement item (or group of renewal or replacement items having comparable estimated useful lives), at the end of the Term of this Agreement, MEAG shall reimburse Buyer the difference between the capital costs paid by Buyer and the total principal payments that would have become due and owing by Buyer on the assumed PPA Bonds during the period from the time such capital costs were paid by Buyer through the remaining Term of this Agreement under the imputed debt service calculation set forth in this Section 206(b).

(c) ***Funding of Nuclear Fuel Construction Fund-Revolving Account.*** MEAG shall fund a Nuclear Fuel Construction Fund-Revolving Account from the proceeds of those PPA Bonds or Advances specifically allocated to fund Fuel Costs. MEAG shall utilize the funds within the Nuclear Fuel Construction Fund-Revolving Account to fund the PPA Project Entity's purchase of the initial core and subsequent nuclear fuel reloads except that the initial core may be funded using the proceeds of PPA Bonds and Advances, including the capitalized interest associated with the nuclear fuel on such PPA Bonds and Advances. If Fuel Costs are funded with proceeds of PPA Bonds or Advances, the amount of such costs that are amortized during a Power Supply Year shall be treated as capitalized costs and billed to Buyer pursuant to Section 205(b)(2)(A).

(d) ***Financing of Interest Costs.*** During any period when (i) MEAG determines it is practicably or economically infeasible for (x) MEAG to issue PPA Bonds and Non-PPA Bonds, (y) the PPA Project Entity to satisfy the conditions to the making of an Advance and (z) the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts), or (ii) MEAG determines it is practicably or economically infeasible for (x) MEAG to issue PPA Bonds and (y) the PPA Project Entity to satisfy the conditions to the making of an Advance, in both such cases, due to a JEA Market Disruption, but it is practically and economically feasible for MEAG to issue Non-PPA Bonds or for the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) to finance interest costs attributable to either of the Additional Units and incurred by MEAG prior to the Commercial Operation Date of the applicable unit, Buyer shall bear Buyer's Obligation Share attributable to the Plant Vogtle Additional Units PPA Project of such interest costs that could not be financed for the PPA Project through the Commercial Operation Date of the applicable unit ("Capitalized Interest") and MEAG shall bill Buyer its Obligation Share of such annual Power Supply Year Capitalized Interest costs pursuant to Section 205(b)(1) hereof.

In the event that Buyer shall pay to MEAG any amount in respect of its Obligation Share of such annual Power Supply Year Capitalized Interest costs as provided in the preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to pay such Capitalized Interest, it shall include in such borrowing an amount sufficient to reimburse Buyer for all amounts paid by it in respect of such annual Power Supply Year Capitalized Interest costs that theretofore have not been reimbursed by MEAG, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its commercially reasonable judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

In the event that any such costs theretofore have not been reimbursed by MEAG, at the end of the Term of the Agreement, Buyer shall be entitled to a payment from MEAG calculated as follows. Attached hereto as **Exhibit I** is an example of the payment calculation described in this subpart. First, MEAG shall determine a separate imputed debt service for each such monthly amount billed to Buyer in respect of Capitalized Interest with respect to each of the Additional Units based upon the following assumptions: (i) that PPA Bonds were issued to finance such interest costs on the date on which Buyer pays such Capitalized Interest amount to MEAG at an interest rate (the "Assumed Rate") equal to the average of the Bond Buyer Weekly 25 Revenue Bond Index as published in *The Bond Buyer* updated weekly on Thursday (Bloomberg ticker symbol is BBWK25RV) during the month in which such Capitalized Interest amount is so billed and paid (or, if such index shall cease to be published, at an interest rate equal to the average for such calendar year of such generally accepted alternate index as MEAG shall select with the written consent of Buyer, which consent shall not be unreasonably withheld) and in an amount equal to the amount of such Capitalized Interest so paid, less assumed interest earnings thereon to the next following January 1 or July 1 (whichever shall occur first) at a rate of interest equal to the applicable Assumed Rate and plus assumed interest thereon to the Commercial Operation Date of the applicable Additional Unit at a rate of interest equal to the applicable Assumed Rate, compounded semi-annually on each January 1 and July 1; (ii) that such PPA Bonds were amortized over the term of the applicable Additional Unit's combined construction and operating license; and (iii) that such PPA Bonds were structured upon a fully-amortizing level debt service basis for the assumed term, with the first principal installment of such PPA Bonds coming due on January 1 of the second full calendar year following the Commercial Operation Date of the applicable Additional Unit. Second, at the end of the Term of this Agreement, MEAG shall reimburse Buyer the difference between (i) the sum of all Capitalized Interest amounts paid by Buyer plus interest on each such Capitalized Interest amount from the date so paid to the Commercial Operation Date of the applicable Additional Unit at a rate equal to the applicable Assumed Rate compounded semi-annually on each January

1 and July 1, and less interest earned on such Capitalized Interest amount at the Assumed Rate and (ii) the sum of the total principal payments that would have become due and owing by Buyer on the assumed PPA Bonds corresponding to each such Capitalized Interest amount during the period from the time such Capitalized Interest amount was paid by Buyer through the remaining Term of this Agreement under the imputed debt service calculations set forth in this Section 206(d).[3]

SECTION 207. RESERVE FUNDS.

(a) ***General.*** All reserve funds maintained pursuant to this Agreement or the PPA Project Bond Resolution, or caused by MEAG or otherwise required to be held by or on behalf of the PPA Project Entity pursuant to the DOE Accounts Agreement, shall be either Non-amortized Reserve Funds or Amortized Reserve Funds. Provided, however, in the event that (i) MEAG determines it is practically or economically infeasible for (x) MEAG to issue PPA Bonds and Non-PPA Bonds, (y) the PPA Project Entity to satisfy the conditions to the making of an Advance and (z) the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts), to finance such reserves, or (ii) MEAG determines it is practically or economically infeasible for (x) MEAG to issue PPA Bonds and (y) the PPA Project Entity to satisfy the conditions to the making of an Advance to finance such reserves, in both such cases, due to a JEA Market Disruption, but it is practically and economically feasible for MEAG to issue Non-PPA Bonds or for the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-

[3] Note to Draft: The prior Section 206(e) reimbursed Buyer for payments made for capital improvements made prior to the in-service date of such items. Under Section 401(e), this cannot occur.

PPA Power Sales Contracts) to finance such reserve funds for the Non-PPA Project, MEAG may utilize revenues derived from either year-end distributions or billings to Buyer under this Agreement to finance such reserve funds (other than reserve funds held by or on behalf of the PPA Project Entity that are financed using the proceeds of Advances), but only so long as MEAG is also utilizing revenues derived from either year-end distributions or billings to the Additional Units Non-PPA Participants under the Plant Vogtle Additional Units Non-PPA Power Sales Contracts to also finance such reserve funds for the Non-PPA Project, unless the billing was necessitated by a JEA Market Disruption.

In the event that Buyer shall pay to MEAG any amount to finance such reserve funds as provided in the preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to finance such reserve funds, it shall include in such borrowing an amount sufficient to reimburse Buyer for all amounts paid by it in respect of such reserve funds that theretofore have not been reimbursed by MEAG, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its commercially reasonable judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

To the extent that either Amortized Reserve Funds or Non-amortized Reserve Funds are funded with revenues derived from the foregoing sources, amounts placed into such reserve funds (i) derived from revenues attributable to Buyer to either initially fund such reserve funds or increase the funding of such reserve funds (but not to replenish such reserve funds) and (ii) which were not utilized for their intended purpose during the Term of this Agreement, shall be reimbursed by MEAG to Buyer at the end of the Term of this Agreement.

(b) ***Non-amortized Reserve Funds.*** For any Non-amortized Reserve Funds created under the PPA Project Bond Resolution, the Power Sales Contracts or the DOE Accounts Agreement, Buyer shall be responsible for paying its Obligation Share of any interest on the PPA Bonds and/or the DOE Guaranteed Loan, as applicable, that financed such Non-amortized Reserve Funds during each Power Supply Year during the Term of the Agreement, offset by Buyer's Obligation Share of any interest earned on such funds during such Power Supply Year that are not required under the PPA Project Bond Resolution and/or the DOE Loan Documents, as applicable, to be retained in such funds. Except as provided in Section 303 of this Agreement, Buyer shall not be entitled to any reimbursement at the end of the Term of this Agreement with respect to such funds.

(c) ***Amortized Reserve Funds.*** For any Amortized Reserve Funds created under the PPA Project Bond Resolution, the Power Sales Contracts or the DOE Accounts Agreement, Buyer shall be responsible for paying its Obligation Share of both principal and interest on the PPA Bonds and/or the DOE Guaranteed Loan, as applicable, that financed such Amortized Reserve Funds during each Power Supply Year during the Term of the Agreement, offset by Buyer's Obligation Share of any interest earned on such funds during such Power Supply Year that are not required under the PPA Project Bond Resolution and/or the DOE Accounts Agreement, as applicable, to be retained in such funds. At the end of the Term of this Agreement, MEAG shall reimburse Buyer the total amount of principal payments made by Buyer on PPA Bonds or the DOE Guaranteed Loan relating to such funds.

(d) ***Investment of Funds and Accounts.*** MEAG agrees that monies held in the Funds and Accounts (as those terms are defined in the PPA Project Bond Resolution) established pursuant to the PPA Project Bond Resolution or in Project Accounts (as that term is defined in the DOE Accounts Agreement) established pursuant to the DOE Accounts Agreement shall be invested and reinvested to the fullest extent practicable in Investment Securities (as defined in the PPA Project Bond Resolution) or Permitted Investments (as defined in the DOE Accounts Agreement), as applicable, which mature not later than such times as shall be necessary to provide monies when needed for payments to be made from such Funds and Accounts or Project Accounts, as applicable. Interest earned on any monies or investments in any Fund or Account established pursuant to the PPA Project Bond Resolution (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) shall be paid into the Revenue Fund, subject to the specific exceptions provided for in Section 603 of the PPA Project Bond Resolution. Interest earned on any monies or investments in any Project Account established pursuant to the DOE Accounts Agreement (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) shall be applied pursuant to the DOE Accounts Agreement, and any amounts thereof distributed to MEAG by the PPA Project Entity shall be paid into the Revenue Fund.

(e) ***Operation of Reserve Funds.*** **Exhibit E** hereto sets forth the general principles that will be applied by MEAG with respect to each of the reserve funds that may be established by MEAG or caused by MEAG to be established by or on behalf of the PPA Project Entity pertaining to the Plant Vogtle Additional Units PPA Project. MEAG shall comply and shall cause the PPA Project Entity to comply with such principles with respect to the operation of each of the reserve funds; however, in the event that MEAG determines that it is necessary to operate any of the reserve funds in a manner different than the principles described in **Exhibit E**, it (i) will provide notice and an opportunity for Buyer to comment with respect to any proposed changes prior to their implementation; (ii) shall take into consideration any comments and proposed changes submitted by Buyer; and (iii) shall provide Buyer with a written response explaining MEAG's rationale for its disposition of Buyer's comments and proposed changes; provided, however, that MEAG shall have sole discretion to determine whether to incorporate any such comments or proposed changes.

(f) ***Accounts Held Outside of PPA Project Bond Resolution.*** To the extent that MEAG establishes any collateral or margin or other similar account(s) outside of the PPA Project Bond Resolution in order to secure its obligations to a third party under any contract or agreement entered into by MEAG in connection with the PPA Project, and all or a portion of the amounts deposited to such account(s) are derived from either year-end distributions or billings to Buyer under this Agreement, MEAG agrees that it shall pay a portion of any interest earnings it receives from the investment of moneys in such account(s) (in proportion to the amount on deposit in such account(s) funded from such year-end distributions or billings to Buyer) to Buyer promptly upon receipt of such earnings. To the extent not paid or credited to Buyer under Section 303 of this Agreement, at the end of the Term of this Agreement, MEAG shall reimburse Buyer for the amount deposited to such account(s) from such year-end distributions or billings to Buyer.

SECTION 208. OWNERSHIP AND OPERATION OF THE PPA PROJECT ENTITY'S OWNERSHIP INTEREST. The PPA Project Entity will acquire and own, and MEAG will issue PPA Bonds in Series from time to time under or in accordance with the PPA Project Bond Resolution or cause the PPA Project Entity to receive Advances to finance, the PPA Project Entity's Ownership Interest. MEAG may also, at its sole discretion, enter into Qualified Hedging Contracts relating to such PPA Bonds and Advances.

SECTION 209. INSURANCE. MEAG shall maintain or cause to be maintained by the PPA Project Entity, the Agent or otherwise, as Costs of Acquisition and Construction or as Plant Vogtle Additional Units PPA Project Annual Costs, such insurance with respect to the PPA Project Entity's Ownership Interest as shall be available and as is usually carried by utilities constructing and operating nuclear generating facilities and such other insurance as is usually carried by electric utilities in conformity with Prudent Utility Practice. In the event that an insurance policy covers the Plant Vogtle Additional Units PPA Project, the Plant Vogtle Additional Units Non-PPA Project and/or the Plant Vogtle Additional Units PPA-2 Project, the costs of such insurance coverage shall be allocated to each such Project based upon a fraction (a) the numerator of which is equal to such Project's percentage of MEAG's Interest in the Additional Units and (b) the denominator of which is equal to the sum of all such Projects' percentages of MEAG's Interest in the Additional Units (each such fraction being hereinafter referred to as an "Allocation Fraction"). Any payments made by an insurer to MEAG in connection with one or more claims under a policy that covers the Plant Vogtle Additional Units PPA Project, the Plant Vogtle Additional Units Non-PPA Project and/or the Plant Vogtle Additional Units PPA-2 Project shall be allocated to all such Projects based upon each such Project's respective Allocation Fraction. Any insurance payments received by MEAG or the PPA Project Entity under a policy providing coverage only for the Plant Vogtle Additional Units PPA Project shall be credited entirely to such Project. Any such payments allocated or credited to the Plant Vogtle Additional Units PPA Project as aforesaid (a) to the extent received by MEAG, shall be subject to the lien of the PPA Project Bond Resolution and (b) to the extent received by the PPA Project Entity, shall be subject to the security interest and lien of the DOE Secured Parties described in Section 605 hereof and, in either such case, may be applied to rebuild or replace the applicable Additional Unit or to prepay the DOE Guaranteed Loan in accordance with the DOE Loan Documents prior to any distribution thereof by the PPA Project Entity to MEAG.

Any payments received by MEAG or the PPA Project Entity during the term of this Agreement from business interruption insurance which are allocated to the Plant Vogtle Additional Units PPA Project in accordance with this section shall be credited and paid to Buyer to the extent that such payments cover losses that occurred during the term of this Agreement and pertain to Output that Buyer was entitled to receive pursuant to the terms of this Agreement, provided that such business interruption insurance payments, (a) to the extent received and for the time period held by MEAG, shall be subject to the lien of the PPA Project Bond Resolution and (b) to the extent received and for the time period held by the PPA Project Entity, shall be subject to the security interest and lien of the DOE Secured Parties described in Section 605 hereof and, provided, further, that once proceeds of such business interruption insurance are paid to Buyer as permitted by, and in accordance with the provisions of, the PPA Project Bond Resolution or the DOE Loan Documents, as applicable, such proceeds shall be free and clear of any such security interest or lien.

SECTION 210. PLEDGE OF PAYMENTS. All payments required to be made by Buyer pursuant to this Agreement attributable to the Plant Vogtle Additional Units PPA Project or to the Plant Vogtle Additional Units PPA Project Annual Costs, and any or all rights to collection or enforcement of such payments, may be pledged to secure the payment of the PPA Bonds and the DOE Secured Obligations.

SECTION 211. BUYER'S PAYMENT OBLIGATIONS IN THE EVENT OF PROJECT DELAY OR OWNERS' TERMINATION.

(a) ***Delay in Scheduled Commercial Operation Dates.*** In the event of a delay in the scheduled Commercial Operation Date of either or both of the Additional Units, MEAG may commence billing of the principal component of Debt Service of the PPA Bonds of any Series or of Debt Service of the DOE Guaranteed Loan relating to the delayed Additional Unit or Units prior to the Commercial Operation Date of such unit or units. Buyer shall be obligated to pay its Obligation Share of such principal component of Debt Service on the PPA Bonds of such Series and on the DOE Guaranteed Loan relating to such unit or units, which MEAG is required to structure in accordance with Section 401(d) hereunder, commencing on the date that is (x) one (1) year prior to the first due date of the principal component of Debt Service of the PPA Bonds of such Series and (y) three (3) months prior to the first due date of the principal component of Debt Service of the DOE Guaranteed Loan, as applicable, related to such unit or units. Provided, however, in the event that MEAG determines it is practicably or economically infeasible for MEAG to limit billing under the circumstances described above to the principal component relating to the PPA Bonds or to the DOE Guaranteed Loan, as applicable, or both, MEAG may bill the entirety of the Debt Service on such PPA Bonds or the portion of the principal of the DOE Guaranteed Loan related to such unit or units. Buyer shall (i) be entitled to its Obligation Share of the Output, and (ii) pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs of the affected Additional Unit for a twenty (20)-year term commencing on the Commercial Operation Date of such Additional Unit; provided, however, that (A) except (1) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof and (2) with respect to PPA BANs and PPA Take-Out Bonds (Buyer's obligation in respect of the payment of Debt Service on which is governed by the provisions of the penultimate sentence of the first paragraph of Section 204(e) hereof), Buyer's obligation to pay (x) the interest component of Debt Service of each such Series of PPA Bonds and of the DOE Guaranteed Loan attributable to such Additional Unit, which MEAG is required to structure in accordance with Section 401(d) hereunder, shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (y) the principal component of Debt Service of each such Series of PPA Bonds and of the DOE Guaranteed Loan attributable to such Additional Unit, which MEAG is required to structure in accordance with Section 401(d) hereunder, shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (B) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof, Buyer's obligation to pay (1) the interest component of Debt Service of each Series of such refunding PPA Bonds shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for the same number of months for which Buyer would have been obligated to pay the interest component of Debt Service on the PPA Bonds and/or the portion of the principal of the DOE Guaranteed Loan refunded or repaid thereby (hereinafter referred to in this Section 211(a) as the "Refunded PPA Debt") had such Refunded PPA Debt not been so refunded or repaid, and (2) the principal component of Debt Service of each such Series of refunding PPA Bonds shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for the same number of months for which Buyer would have been obligated to pay the principal component of Debt Service on the Refunded PPA Debt had such Refunded PPA Debt not been so refunded or repaid.

(b) ***Cancellation or Termination of Additional Unit(s) Prior to Commercial Operation Date.*** In the event that either or both of the Additional Units is cancelled or terminated pursuant to the Development Agreement prior to the Commercial Operation Date of such unit or units, Buyer shall be obligated to pay the following costs: (i) fifty percent (50%) of its Obligation Share of the Costs of Acquisition and Construction relating to the cancelled unit or units, but not including any such costs that have been paid with the proceeds of PPA Bonds or Advances, and (ii) its Obligation Share of Plant Vogtle Additional Units PPA Project Annual Costs relating to such unit or units for a period of twenty (20) years from the date that MEAG commences the billing of such Annual Costs relating to such unit or units to Buyer and the billing of the Plant Vogtle Additional Units Non-PPA Annual Costs relating to such unit or units to the Additional Units Non-PPA Participants; provided, however, that (A) except (1) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof and (2) with respect to PPA BANs and PPA Take-Out Bonds (Buyer's obligation in respect of the payment of Debt Service on which is governed by the provisions of the penultimate sentence of the first paragraph of Section 204(e) hereof), Buyer's obligation to pay (i) the interest component of Debt Service of each Series of PPA Bonds and of the DOE Guaranteed Loan attributable to such Additional Unit, which MEAG is required to structure in accordance with Section 401(d) hereunder, shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (ii) the principal component of Debt Service of each such Series of PPA Bonds and of the DOE Guaranteed Loan attributable to such Additional Unit, which MEAG is required to structure in accordance with Section 401(d) hereunder, shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (B) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof, Buyer's obligation to pay (1) the interest component of Debt Service of each Series of such refunding PPA Bonds shall be included as part of Plant Vogtle Additional Units PPA Project Annual Costs only for the same number of months for which Buyer would have been obligated to pay the interest component of Debt Service on the PPA Bonds and/or the portion of the principal of the DOE Guaranteed Loan refunded or repaid thereby (hereinafter referred to in this Section 211(b) as the "Refunded PPA Debt") had such Refunded PPA Debt not been so refunded or repaid and (2) the principal component of Debt Service of each such Series of refunding PPA Bonds shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for the same number of months for which Buyer would have been obligated to pay the principal component of Debt Service on the Refunded PPA Debt had such Refunded PPA Debt not been so refunded or repaid. Further provided, however, that any expenditures of MEAG or the PPA Project Entity made to retire from service or to dispose of either or both of the Additional Units shall be billed to Buyer either (x) as a component of decommissioning funds pursuant to Section 205(b)(1)(C) in accordance with the methodology in **Exhibit B** to this Agreement, or (y) pursuant to another subpart of Section 205(b)(1), provided that if billed under such other subpart, Buyer is billed no more than fifty percent (50%) of such expenditures, but no such expenditures shall be billed to Buyer under more than one subpart of Section 205(b)(1).

(c) ***Cancellation or Termination of Additional Unit(s) After Commercial Operation Date.*** In the event either or both of the Additional Units is cancelled or terminated pursuant to the Development Agreement after the Commercial Operation Date of such unit, Buyer shall be obligated to continue to pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs allocated to the cancelled unit for a period of twenty (20) years following the Commercial Operation Date of such cancelled unit. Provided, however, any expenditures of MEAG or the PPA Project Entity made to retire from service or to dispose of either or both of the Additional Units shall be billed to Buyer either (i) as a component of decommissioning funds pursuant to Section 205(b)(1)(C) in accordance with the methodology in **Exhibit B** to this Agreement, or (ii) pursuant to another subpart of Section 205(b)(1), provided that if billed under such other subpart, Buyer is billed no more than fifty percent (50%) of such expenditures, but no such expenditures shall be billed to Buyer under more than one subpart of Section 205(b)(1). Further provided, however, (A) that in the event that MEAG commences billing Buyer a Debt Service component which MEAG is required to structure in accordance with Section 401(d) hereunder relating to such unit prior to the Commercial Operation Date, Buyer's obligation to pay (x) the interest component of Debt Service of each such Series of PPA Bonds and/or the DOE Guaranteed Loan attributable to such Additional Unit shall continue only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (y) the principal component of Debt Service of each such Series of PPA Bonds and/or the DOE Guaranteed Loan attributable to such Additional Unit shall continue only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence, (B) in the case of PPA Bonds issued in accordance with the provisions of Section 401(e) hereof (which only are to be issued following the Commercial

Operation Date of the applicable Additional Unit), Buyer's obligation to pay the interest and principal components of Debt Service of each such Series of PPA Bonds attributable to each Additional Unit shall continue only until the last day on which Buyer is entitled to its Obligation Share of the Output of such Additional Unit pursuant to the terms of this Agreement, (C) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof, Buyer's obligation to pay (i) the interest component of Debt Service of each Series of such refunding PPA Bonds shall continue only for the same number of months for which Buyer would have been obligated to pay the interest component of Debt Service on the PPA Bonds and/or the portion of the principal of the DOE Guaranteed Loan refunded or repaid thereby (hereinafter referred to in this Section 211(c) as the "Refunded PPA Debt") had such Refunded PPA Debt not been so refunded or repaid, and (ii) the principal component of Debt Service of each such Series of refunding PPA Bonds shall continue only for the same number of months for which Buyer would have been obligated to pay the principal component of Debt Service on the Refunded PPA Debt had such Refunded PPA Debt not been so refunded or repaid, and (D) with respect to PPA BANs and PPA Take-Out Bonds, Buyer's obligation in respect of the payment of Debt Service on which shall be governed by the provisions of the penultimate sentence of the first paragraph of Section 204(e) hereof).

(d) ***Sale of Assets of Cancelled or Terminated Additional Unit(s).*** In the event that (i) either unit of the Additional Units is cancelled or terminated pursuant to the Development Agreement, and (ii) during the Term of this Agreement, MEAG directly or indirectly sells all or a portion of its interest in such cancelled or terminated Additional Unit, its nuclear fuel, its equipment, or its related facilities through a sale of such assets or a sale of its ownership interest in the PPA Project Entity, MEAG agrees to distribute to Buyer or credit on Buyer's Billing

Statement fifty percent (50%) of its Obligation Share of the net proceeds allocated to the PPA Project Entity's Ownership Interest, if any, actually paid to and received by MEAG or the PPA Project Entity, as applicable, as a result of any such sale, provided that MEAG similarly distributes or credits any such net proceeds to any or all of the Additional Units Participants and provided, further, however, that the proceeds of such sale or disposition of such interest (a) to the extent received by MEAG, shall be subject to the lien of the PPA Project Bond Resolution and (b) to the extent received by the PPA Project Entity, shall be subject to the security interest and lien of the DOE Secured Parties on MEAG's ownership interest in the PPA Project Entity and on the PPA Project Entity's undivided ownership interest in the Additional Units, as applicable, described in Section 605 hereof and may be applied first as a prepayment of the DOE Guaranteed Loan or otherwise applied pursuant to the DOE Loan Documents prior to any distribution thereof by the PPA Project Entity to MEAG.

(e) ***Amendments to Development Agreement to Defer Construction of Additional Unit(s).*** In the event the Agent requests that the co-owners of Plant Vogtle approve an amendment to the Development Agreement to authorize the Agent to defer the construction of an Additional Unit for a period that, absent an amendment to the Development Agreement, would be treated as a discontinuation of the Additional Unit pursuant to Section 3.8 of that agreement, MEAG agrees that it shall take into consideration Buyer's position on such an amendment in the same manner in which MEAG considers the position of the Additional Unit Participants prior to determining whether to cause the PPA Project Entity to approve such amendment. However, after taking into account the collective interests of Buyer and the Additional Unit Participants, MEAG, in its sole discretion, shall cause the PPA Project Entity to elect to either approve or disapprove of any amendment to the Development Agreement.

SECTION 212. ALLOCATION OF COSTS AMONG PLANT VOGTLE ADDITIONAL UNITS PPA PROJECT, PLANT VOGTLE ADDITIONAL UNITS PPA-2 PROJECT AND PLANT VOGTLE ADDITIONAL UNITS NON-PPA PROJECT. Except (a) as provided in **Exhibit C** to this Agreement for the allocation of MEAG's administrative and general expenses and (b) as provided in the following sentence, MEAG covenants and agrees that it shall allocate all costs and other expenses incurred or payable by it directly, or indirectly through the PPA Project Entity, the PPA-2 Project Entity and/or the Non-PPA Project Entity, as applicable, in connection with its interest in the Additional Units, other than debt service and other debt-related and financing costs and expenses, among the Plant Vogtle Additional Units PPA Project, the Plant Vogtle Additional Units PPA-2 Project and the Plant Vogtle Additional Units Non-PPA Project in proportion to the respective number of MWs constituting each such Project. In the case of any costs related to the DOE Guaranteed Loan and any DOE-guaranteed loans obtained by the Non-PPA Project Entity and/or the PPA-2 Project Entity, other than debt service, MEAG Power shall allocate such costs based upon a fraction the numerator of which is the FFB Credit Facility Commitment (as defined in the DOE Loan Guarantee Agreement) and the denominator of which is the sum of such FFB Credit Facility Commitment and the FFB credit facility commitments of the Non-PPA Project Entity and/or the PPA-2 Project Entity.

SECTION 213. PRODUCTION TAX CREDIT. In any Power Supply Year during the Term of this Agreement in which MEAG directly, or indirectly from the Agent, the PPA Project Entity, or any other source, receives a payment or credit in exchange for the allocation to any person of the Production Tax Credit, from either or both of the Additional Units relating to the PPA Project, MEAG shall, at the end of such Power Supply Year, pay to Buyer or credit on Buyer's Billing Statements for the remaining month or months of the Power Supply Year next succeeding such Power Supply Year fifty percent (50%) of any such payment or credit representing the Production Tax Credit for such year.

SECTION 214. PRE-COMMERCIAL GENERATION. MEAG shall sell, or cause the PPA Project Entity to sell, all Pre-Commercial Generation at fair market value, and shall pay into the Construction Fund all revenues, income, rents, receipts, and other compensation of any type derived by MEAG from or attributable to the sale of any Pre-Commercial Generation.

ARTICLE III

BILLING AND PAYMENT

SECTION 301. THE PLANT VOGTLE ADDITIONAL UNITS PPA PROJECT ANNUAL BUDGET.

(a) ***Adoption of Annual Budgets.*** MEAG shall prepare and submit to Buyer a proposed Plant Vogtle Additional Units PPA Project Annual Budget at least ninety (90) days prior to the beginning of each Power Supply Year. Such budget shall show separately (i) the Plant Vogtle Additional Units PPA Project Annual Fixed Costs, and (ii) the Plant Vogtle Additional Units PPA Project Other Annual Costs. Within thirty (30) days after receipt of the Plant Vogtle Additional Units PPA Project Annual Budget, Buyer may submit to MEAG any matters or suggestions relating to such Plant Vogtle Additional Units PPA Project Annual Budget that Buyer may care to present, and MEAG shall give due consideration to said matters or suggestions. At its sole discretion and subject to the terms of this Agreement, MEAG shall then proceed with the consideration and adoption of such Plant Vogtle Additional Units PPA Project Annual Budget not less than thirty (30) nor more than forty-five (45) days prior to the beginning of such Power Supply Year, and shall cause copies of such adopted Plant Vogtle Additional Units PPA Project Annual Budget to be delivered to Buyer; provided, however, that the Plant Vogtle Additional Units PPA Project Annual Budget for the first Power Supply Year shall be prepared, considered, adopted and delivered in the most practicable manner available in the discretion of MEAG.

(b) ***Amendment of Annual Budgets.*** As may be required from time to time during any Power Supply Year, MEAG may adopt an amended Plant Vogtle Additional Units PPA Project Annual Budget for and applicable to such Power Supply Year for the remainder of such Power Supply Year. MEAG shall prepare and submit to Buyer such amended Plant Vogtle Additional Units PPA Project Annual Budget at least thirty (30) days prior to the effective date of such amended Plant Vogtle Additional Units PPA Project Annual Budget. Any such amended Plant Vogtle Additional Units PPA Project Annual Budget shall show separately (i) the Fixed Costs, and (ii) the Other Costs. Within fifteen (15) days after receipt of the amended Plant Vogtle Additional Units PPA Project Annual Budget, Buyer may submit to MEAG any matters or suggestions relating to such amended Plant Vogtle Additional Units PPA Project Annual Budget that Buyer may care to present, and MEAG shall give due consideration to said matters or suggestions. At its sole discretion and subject to the terms of this Agreement, MEAG shall then proceed with the consideration and adoption of such amended Plant Vogtle Additional Units PPA Project Annual Budget, and shall provide copies of such adopted amended Plant Vogtle Additional Units PPA Project Annual Budget to Buyer.

(c) ***Estimates of Annual Budgets.*** In addition to Section 301(a) of this Agreement, by April 1 of the year before each Power Supply Year, MEAG shall prepare and submit to Buyer a reasonable best estimate under the circumstances of its Plant Vogtle Additional Units PPA Project Annual Budget from October 1 of the year before that Power Supply Year to September 30 of the Power Supply Year based on MEAG's current revenue requirements projections.

Within thirty (30) days after receipt of such estimate, Buyer may submit to MEAG any matters or suggestions relating to such best estimate that Buyer may care to present, and MEAG shall give due consideration to said matters or suggestions.

(d) ***Submission of Matters or Suggestions to PPA Project Entity.*** MEAG agrees that any matters or suggestions that Buyer submits to MEAG under this Section 301 that relate to Project Costs (as defined in the PPA Project Entity Power Purchase Agreement) shall be submitted by MEAG to the PPA Project Entity under and in accordance with Section 5.1 of the PPA Project Entity Power Purchase Agreement.

SECTION 302. BILLING STATEMENT. In the last quarter of each year preceding a Power Supply Year, MEAG shall prepare and submit to Buyer a reasonable best estimate under the circumstances of the monthly due dates of Buyer's Billing Statements for the next succeeding Power Supply Year. MEAG shall bill Buyer each month during each Power Supply Year, in advance, but no sooner than the fifteenth (15th) day of the calendar month immediately preceding such month and no later than the twentieth (20th) day of the calendar month immediately preceding such month, by providing Buyer with a Buyer's Billing Statement for such month for Buyer's Obligation Share of Plant Vogtle Additional Units PPA Project Annual Costs as set forth in Section 205 hereof. Such statement shall be paid by Buyer on or before the tenth (10th) day from the date MEAG sends Buyer's Billing Statement to Buyer. Buyer shall perform its payment obligations hereunder by making payments to the Revenue Fund or, if otherwise specified by MEAG in a Buyer's Billing Statement delivered to Buyer hereunder (which Buyer's Billing Statement shall include a statement confirming that such direction to change funds is in compliance with the PPA Project Bond Resolution), to the Initial Power Purchaser Arrearages Payment Account in the Initial Power Purchaser Arrearages Fund established pursuant to the PPA Project Bond Resolution, in either such case, into an account held by the Trustee under the PPA Project Bond Resolution as MEAG shall notify Buyer (a) if Buyer shall not be in default in any of its payment obligations hereunder, at least thirty (30) days prior to the due date of any amount due hereunder and (b) if Buyer shall be in default in any of its payment obligations hereunder, at least ten (10) days prior to the due date of any amount due hereunder. Amounts due and not paid by Buyer on or before said day shall bear an additional charge of one and one-half percent (1½%) per month for each month, or fraction thereof, until the amount due is paid in full. At the end of each Power Supply Year, adjustments of billing shall be made in accordance with Section 303 hereof.

SECTION 303. ADJUSTMENT OF BILLING.

(a) ***General.*** At the end of each Power Supply Year, MEAG shall determine if the aggregate amount paid by Buyer under this Agreement to provide recovery of all MEAG's Plant Vogtle Additional Units PPA Project Annual Fixed Costs and Plant Vogtle Additional Units PPA Project Other Annual Costs during such Power Supply Year was in the proper amount. Such determination shall be made by MEAG no later than the time that such determination is made by MEAG pursuant to Section 204(a) of the Plant Vogtle Additional Units Non-PPA Power Sales Contracts. Upon making such determination, any amount found to have been paid by Buyer in excess of the amount that should have been paid by Buyer shall, at the election of Buyer, either be paid to Buyer, or credited on Buyer's Billing Statements to Buyer for the remaining month or months of the Power Supply Year next succeeding the Power Supply Year for which such adjustment was determined to have been necessary. Buyer shall be fully compensated for any over recovery by the end of such next succeeding Power Supply Year either as the result of credits, payments or a combination thereof. The amount of any deficiencies shall be added to Buyer's Billing Statements in equal installments over the remaining month or months of the Power Supply Year next succeeding the Power Supply Year for which such adjustment was determined to be necessary.

(b) ***Performance of Year-End Reconciliation.*** The year-end reconciliation described in the foregoing subpart (a) shall be performed in a manner consistent with the provisions of the PPA Project Bond Resolution, including Section 511 thereof. **Exhibit F** hereto sets forth the general principles that MEAG will apply with respect to such year-end reconciliation.

(c) ***Intra-Year Adjustments.*** At its election, MEAG may establish a policy for making monthly, quarterly or semi-annual retroactive adjustments to Buyer's billings to account for variances between the billed amounts and the actual costs incurred during the respective period in order to avoid large cumulative adjustments at the end of the Power Supply Year under Section 303(a) of this Agreement. Such intra-year adjustments are not to be used to avoid a budget amendment when there are material changes affecting the remaining months of the Power Supply Year. MEAG shall consistently apply any such policy throughout the Term; provided, however, that MEAG may amend or revise any such policy no more than once every five (5) Power Supply Years.

SECTION 304. DISPUTED BILLING STATEMENT. In case any portion of any monthly Buyer's Billing Statement received by Buyer from MEAG shall be in bona fide dispute, Buyer shall pay MEAG the full amount of such Billing Statement. Upon determination of the correct amount, the difference between the correct amount and the full amount, if any, shall be credited to Buyer by MEAG after such determination. In the event such Billing Statement is in dispute, MEAG shall exercise due diligence in considering such dispute and will advise Buyer with regard to MEAG's position relative thereto within thirty (30) days following written notification by Buyer of such dispute.

SECTION 305. RESALE COVENANT. So long as MEAG has tax exempt PPA Bonds or Build America Bonds outstanding, Buyer agrees that it shall not, without the express written consent of MEAG, enter into any contract or agreement pursuant to which a non-exempt person agrees to purchase all or a portion of the Output of the PPA Project Entity's Ownership Interest in a manner that results in private business use within the meaning of the Internal Revenue Code of 1986, as amended, modified or re-enacted (or any successor thereto) (the "Code"). For purposes of the preceding sentence, "non-exempt person" shall mean any entity that is not a state, territory or possession of the United States, the District of Columbia or any political subdivision thereof.

SECTION 306. TAX COVENANT. Buyer hereby covenants and agrees that it shall take no action, nor shall it consent to or approve the taking of any action affecting any right, obligation, or interest under this Agreement, including any action related to the sale of all or a portion of Buyer's Obligation Share of the Output of the PPA Project Entity's Ownership Interest, that would, in the opinion of nationally-recognized tax counsel retained by MEAG, adversely affect (a) the exclusion from gross income for federal income tax purposes of the interest on the PPA Bonds of any Series the interest on which is intended to be so excluded or (b) the eligibility of MEAG to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on any Build America Bonds. In furtherance thereof, Buyer shall provide information reasonably requested by MEAG regarding compliance with the Code, including providing an appropriate certification that Buyer has complied fully with the provisions of this tax covenant. The certification form, which is subject to modification periodically to reflect further developments in the Federal income tax laws governing the exclusion from Federal gross income of interest on the PPA Bonds and the eligibility of MEAG to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on any Build America Bonds, is attached hereto as **Exhibit J**.

SECTION 307. RATE COVENANT. Buyer hereby covenants and agrees that it shall establish, maintain and collect rates and charges for the electric service of its Electric System so as to provide revenues sufficient, together with available Electric System reserves, to enable Buyer to pay to MEAG all amounts payable under this Agreement and to pay all other amounts payable from and all lawful charges against or liens on the revenues of its Electric System.

SECTION 308. REPORTS; SITE ACCESS.

(a) ***Reports.*** MEAG shall prepare and issue to Buyer the following reports during each Power Supply Year:

(1) Financial and operating statements relating to the Plant Vogtle Additional Units PPA Project on a quarterly basis;

(2) Status of the Plant Vogtle Additional Units PPA Project Annual Budget on a monthly basis commencing as of the date that MEAG first submits a Buyer's Billing Statement to Buyer pursuant to Section 302 hereof;

(3) Status of the construction budget of the Additional Units during construction on the same basis that such reports are received by MEAG or the PPA Project Entity; and

(4) Analysis of operations relating to the Additional Units on a monthly basis commencing as of the date that MEAG first submits a Buyer's Billing Statement to Buyer

pursuant to Section 302 hereof on the same basis that such reports are received by MEAG or the PPA Project Entity.

In addition, within ten (10) days after receipt by the PPA Project Entity of any report furnished by the DOE Collateral Agent to pursuant to Section 2.18(b) or (c) of the DOE Accounts Agreement, MEAG shall provide, or shall cause the PPA Project Entity to provide, to Buyer a copy of such report.

(b) ***Examination of Records.*** Buyer, upon reasonable prior written notice to MEAG, at its sole expense, has the right to have its duly authorized representatives examine during regular business hours any reports, records, or other documents related to the PPA Project issued by the Agent to MEAG or the PPA Project Entity, of a legal, business, financial or commercial nature, including documents relating to dispatching and metering, the Engineering, Procurement and Construction Agreement, the price book, any other information regarding pricing or pricing disputes, information that MEAG or the PPA Project Entity has the right to audit, notices of and requests for changes and resulting change orders, invoices and related supporting documentation, information regarding insurance claims, the monthly status report, updates of the project schedule or payment schedules, and descriptions of the plant, its components, or its systems, and MEAG further agrees that, if requested to do so by Buyer, MEAG will cause the PPA Project Entity to request consent from the contractor with respect to disclosure of any additional information constituting contractor's Confidential Proprietary Information, as that term is defined in the Engineering, Procurement and Construction Agreement.

(c) ***Site Access.*** To the extent it is authorized to do so under the Project Agreements, and upon Buyer's prior written request, MEAG shall periodically cause the PPA Project Entity to permit Buyer and its designated representatives to access the Plant Vogtle site, at Buyer's sole expense, for the purpose of observing and reporting on plant conditions and activities. Buyer agrees that it shall exercise any such right of access in accordance with any requirements governing such access contained in the Project Agreements or as otherwise directed by the Agent, including complying with all applicable rules and regulations in effect at Plant Vogtle, whether imposed by a Governmental Authority or by the Agent.

SECTION 309. RECORDS AND ACCOUNTS. MEAG shall keep, and shall cause the PPA Project Entity to keep, accurate records and accounts of the facilities comprising the PPA Project Entity's Ownership Interest and of the operations of the PPA Project Entity's Ownership Interest in accordance with the Uniform System of Accounts. Said accounts shall be subject to MEAG's annual audit by a firm of independent certified public accountants experienced in electric utility accounting and of national reputation to be submitted to MEAG within one hundred and fifty (150) days after the close of each Power Supply Year. All transactions of MEAG and the PPA Project Entity relating to the Plant Vogtle Additional Units PPA Project with respect to each Power Supply Year shall be subject to such an audit. A copy of MEAG's annual audit shall be provided to Buyer.

SECTION 310. AUDIT RIGHTS. Buyer, upon sixty (60) days' prior written notice to MEAG, at its sole expense, has the right to have its duly authorized representatives examine the records of MEAG and the PPA Project Entity during regular business hours to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. Buyer shall have one (1) year after the date on which a Buyer's Billing Statement is received to audit that Billing Statement. Audit rights under this Agreement shall be subject to any obligations of confidentiality to third parties imposed on MEAG or the PPA Project Entity. MEAG shall use, and shall cause the PPA Project Entity to use, commercially reasonable efforts to address or comply with such confidentiality obligations to enable Buyer to exercise its audit rights under this Agreement.

ARTICLE IV

PPA BONDS AND DOE GUARANTEED LOAN

SECTION 401. ISSUANCE OF PPA BONDS AND MAKING OF ADVANCES.

(a) ***General.*** MEAG may sell and issue PPA Bonds, and may cause the PPA Project Entity to draw upon the DOE Guaranteed Loan in accordance with the provisions of the PPA Project Bond Resolution and the DOE Loan Documents, respectively, at any time and from time to time to finance Costs of Acquisition and Construction and Financing Costs, including the issuance of PPA Bonds to pay the costs of (i) any major renewals, replacements, repairs, additions, betterments, or improvements to the Additional Units necessary, in the opinion of MEAG or the PPA Project Entity, to keep the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom, including Spent Fuel Storage Facilities, (ii) any major additions, improvements, repairs, or modifications to the Additional Units or any retirements or disposals of the Additional Units required by any Governmental Authority having jurisdiction over the Additional Units or for which MEAG or the PPA Project Entity shall be responsible by virtue of any obligation of MEAG or the PPA Project Entity arising out of any contract to which MEAG or the PPA Project Entity may be a party relating to ownership of the Additional Units or any facility thereof, including the Project Agreements, or (iii) additional Fuel inventory for each facility of the PPA Project Entity's Ownership Interest in any Power Supply Year to the extent that sufficient funds are not available in any reserves established by MEAG or the PPA Project Entity for Fuel Costs; provided, however, that no such

PPA Bonds may be issued or Advance made for the purpose of adding additional generating units to the Plant Vogtle Additional Units PPA Project.

(b) ***Security for PPA Bonds and DOE Guaranteed Loan.*** Any PPA Bonds and the DOE Guaranteed Loan may be secured by assignment of all payments attributable to the Plant Vogtle Additional Units PPA Project or the Plant Vogtle Additional Units PPA Project Annual Costs to be made in accordance with or pursuant to the provisions of this Agreement and the Power Sales Contracts, as such payments may be increased and extended by reason of the issuance of such PPA Bonds or the making of additional Advances, and such PPA Bonds may be issued and such Advances may be made in amounts sufficient to pay the full amount of such costs and sufficient to provide such reserves as may be reasonably determined by MEAG or the PPA Project Entity to be desirable in accordance with the PPA Project Bond Resolution, the Project Agreements and the DOE Loan Documents, as appropriate.

(c) ***Allocation of Principal of PPA Bonds and Advances to Additional Units.*** In the event that the PPA Bonds of any Series are to be issued by MEAG or Advances are to be made by the PPA Project Entity to finance or refinance Costs of Acquisition and Construction and/or Financing Costs of both Additional Units, MEAG shall allocate the principal of the PPA Bonds of such Series and/or the principal of such Advances to each of the Additional Units, in such manner as MEAG shall deem appropriate.

(d) ***Structuring of Debt Service on PPA Bonds and Advances.*** MEAG agrees that, except as provided in subparts (e), (f), (g), (h) and (i) hereof, it shall structure the Debt Service on each Series of PPA Bonds and each Advance in accordance with the following parameters:

(1) The principal of the PPA Bonds of such Series or the principal of such Advance (or, in the event that the PPA Bonds of such Series are to be issued or such

Advance is to be made to finance Costs of Acquisition and Construction and Financing Costs of both Additional Units, the principal of the PPA Bonds of such Series or of such Advance allocated to each Additional Unit) shall be assumed to be amortized in such a manner as will result in level monthly Debt Service with respect to such principal over a period of forty (40) years. The assumed period of forty (40) years during which such amortization shall occur with respect to a particular Series or Advance (or the portion thereof allocated to a particular Additional Unit) shall commence (x) in the case of the PPA Bonds of such Series, not earlier than twelve (12) months nor later than thirty-six (36) months following the estimated Commercial Operation Date of the Additional Unit to which such principal of such PPA Bonds of such Series relates, as estimated by MEAG at the time of the pricing of the PPA Bonds of such Series and (y) in the case of such Advance, on the day of the third (3rd) month preceding the date on which the first quarterly principal installment on such Advance is due that corresponds numerically to the day on which such principal installment is due (or, if there is no such corresponding day in the third (3rd) preceding month, on the last day of the third (3rd) preceding month), with such Debt Service being calculated, for the entire forty (40)-year amortization period, (i) in the event that all of the PPA Bonds of such Series or all of the principal of such Advance allocated to a particular Additional Unit shall bear interest at fixed rates during the entirety of the period beginning on the Assumed Completion Date applicable to such Additional Unit and ending on (a) in the case of the first unit of the Additional Units, December 31, 2038 and (b) in the case of the second unit of the Additional Units, December 31, 2039, at such actual fixed rates of interest, and (ii) in the event that any portion of the PPA Bonds of such Series or any portion of such Advance allocated to a particular Additional Unit shall not bear interest at fixed rates during the entirety of the period beginning on the Assumed Completion Date applicable to such Additional Unit and ending (a) in the case of the first unit of the Additional Units, December 31, 2038 and (b) in the case of the second unit of the Additional Units, December 31, 2039, (X) in the case of the portion of such PPA Bonds of such Series or the portion of such Advance that bear interest at fixed rates during the entirety of such period, at such actual fixed rates of interest and (Y) in the case of the portion of such PPA Bonds of such Series or any portion of such Advance that do not bear interest at fixed rates during the entirety of such period, at an assumed rate of interest of one percent (1%) per annum.

Notwithstanding anything in this Agreement to the contrary, the aggregate principal amount of Advances that do not bear interest at fixed rates during the entirety of the period beginning on the Assumed Completion Date applicable to such Additional Unit and ending on (a) in the case of the first unit of the Additional Units, December 31, 2038 and (b) in the case of the second unit of the Additional Units, December 31, 2039 made as permitted by this Section 401(d) shall be limited in total to no more than $250,000,000, or such greater amount as shall be agreed to in writing by MEAG and Buyer from time to time.

(2) The amounts and due dates of all installments of principal coming due during the first twenty (20) years of the amortization of the principal of the PPA Bonds of such Series or of the principal of such Advance (or, in the event that the PPA Bonds of such Series are to be issued or such Advance is to be made to finance Costs of Acquisition and Construction and Financing Costs of both Additional Units, of all

installments of principal coming due during the first twenty (20) years of the amortization of the principal of the PPA Bonds of such Series or of the principal of such Advance allocated to each Additional Unit) determined pursuant to the foregoing clause (1) shall be the actual amounts and due dates of the first twenty (20) years of the amortization of the principal of the PPA Bonds of such Series or of the principal of such Advance (or of the principal of the PPA Bonds of such Series or of the principal of such Advance allocated to each Additional Unit as aforesaid).

(3) MEAG and the PPA Project Entity shall have the sole discretion to determine the actual amount(s) and due date(s) of the amount of the principal of the PPA Bonds of such Series or the principal of such Advance (or, in the event that the PPA Bonds of such Series are to be issued or such Advance is to be made to finance or refinance Costs of Acquisition and Construction and Financing Costs of both Additional Units, of the amount of the principal of the PPA Bonds of such Series or the principal of such Advance allocated to each Additional Unit) remaining after the establishment of the principal installments provided for in the foregoing clause (2). Without limiting the generality of the foregoing, MEAG and the PPA Project Entity shall have the sole discretion to cause such remaining amount(s) of principal to be due (X) on the same dates and in the same amounts as shall be determined pursuant to the foregoing clause (1), or (Y) on such other date(s) and in such other amount(s) as MEAG (or the PPA Project Entity, at the direction of MEAG) shall determine.

(e) ***PPA Bonds to Finance Capital Improvements.*** After the Commercial Operation Date of a particular Additional Unit, the Costs of Acquisition and Construction and Financing Costs of (i) any major renewals, replacements, repairs, additions, betterments, or improvements to such unit necessary, in the opinion of MEAG, to keep the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom, or (ii) any major additions, improvements, repairs, or modifications to such unit required by any Governmental Authority having jurisdiction over the Additional Units or for which MEAG (or the PPA Project Entity) shall be responsible by virtue of any obligation of MEAG (or the PPA Project Entity) arising out of any contract to which MEAG (or the PPA Project Entity) may be a party relating to ownership of the Additional Units or any facility thereof, including the Project Agreements (such items described in the foregoing clauses (i) and (ii) but excluding any Spent Fuel Storage Facilities being referred to herein as "capital improvements") incurred during each Annual Period shall be deemed to be a financed in a separate Series of PPA Bonds that shall not be subject to the debt service structure described in Section 401(d) hereof, but MEAG agrees that it shall bill the interest and principal components of the Debt Service of each such Series of PPA Bonds in accordance with the following parameters:

(1) The principal of the PPA Bonds of such Series (or, in the event that the PPA Bonds of such Series are to be issued to finance Costs of Acquisition and Construction and Financing Costs of capital improvements to both Additional Units, the principal of the PPA Bonds of such Series allocated to each Additional Unit) initially financed during such Annual Period shall be allocated to each group of capital improvement items and such principal shall be assumed to be amortized in such a manner as will result in level monthly principal components of Debt Service over 20 years. The assumed period during which such amortization shall occur shall commence on January 1 of the calendar year immediately following the Annual Period in which such capital

improvements were financed. Such January 1 date shall constitute the in-service date of all capital improvement items incurred in such Annual Period.

(2) The interest component of Debt Service of the PPA Bonds of such Series shall be included in the Plant Vogtle Additional Units PPA Project Annual Costs of the Plant Vogtle Additional Units PPA Project Annual Budget beginning with the year following the Annual Period in which such interest was financed.

(3) The actual PPA Bonds issued to fund capital improvements pursuant to this subpart (e) may constitute all or any portion of any Series of PPA Bonds (or of any maturity or maturities within a Series), as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of issuance thereof.

(f) ***Refunding PPA Bonds.*** Refunding PPA Bonds issued in accordance with the provisions of Section 402 hereof to refund PPA Bonds or to provide funds for contribution to the PPA Project Entity to repay Advances shall not be subject to the debt service structure described in subpart (d) hereof, but the Debt Service on each such Series of refunding PPA Bonds shall be structured in a manner consistent with the principles governing the issuance of PPA Bonds and the making of Advances hereunder, so as to equitably apportion the savings or dissavings, as applicable, resulting from the issuance of such refunding PPA Bonds both during the Term of this Agreement and during the period that the Additional Units PPA Participants are obligated to pay Debt Service on such refunding PPA Bonds under the Plant Vogtle Additional Units PPA Power Sales Contracts. In particular, no refunding PPA Bonds shall be issued unless one of the following requirements is satisfied:

(1) in the case of refunding PPA Bonds allocable to a particular Additional Unit that bear interest at fixed rates for the entire term thereof that are to be issued to refund PPA Bonds or prepay a portion of the principal of the DOE Guaranteed Loan that do not bear interest at fixed rates during the entirety of the period beginning on the Assumed Completion Date applicable to such Additional Unit and ending on (a) in the case of the first unit of the Additional Units, December 31, 2038 and (b) in the case of the first unit of the Additional Units, December 31, 2039, the Debt Service on the refunding PPA Bonds is structured so as to result in level monthly Debt Service over the period from and including the month following the month in which the refunding PPA Bonds are issued to and including the month in which Buyer's obligation to pay the principal component of Debt Service on the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed Loan, as applicable, would have ended, had the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed Loan, as applicable, not been so refunded or prepaid, determined in the manner provided in Section 204(d) hereof; or

(2) in the case of refunding PPA Bonds to be issued to achieve Debt Service savings on PPA Bonds or the DOE Guaranteed Loan, the issuance of such refunding PPA Bonds shall result in (x) no cash flow dissavings in any year during the period from and including the year in which the refunding PPA Bonds are issued to and including the year preceding the final maturity date of the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed Loan, as applicable, and (y) the weighted average life of the refunding PPA Bonds shall not exceed the remaining weighted average life of the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed

Loan, as applicable, calculating such remaining weighted average life of the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed Loan, as applicable, immediately prior to the issuance of the refunding PPA Bonds; or

(3) in the case of refunding PPA Bonds to be issued to extend the maturity of (X) any PPA Bonds any principal installment for which constitutes a Refundable Principal Installment (as defined in the PPA Project Bond Resolution) or (Y) any "bullet" maturity of any Advance that bears interest at a fixed rate for the entire term thereof and that was made to finance cost overruns (which, for purposes of this Section 401(f)(3), shall be either (i) costs in excess of the then current construction budget for the Additional Units as in effect as of the date of execution of the DOE Loan Guarantee Agreement or (ii) costs resulting from a delay in the actual Commercial Operation Date of either or both Additional Units) from the Assumed Completion Date thereof, the final maturity date of the refunding PPA Bonds shall be not later than the latest date on which the principal of the refunded PPA Bonds or repaid Advance, as the case may be, was permitted to mature in accordance with its forty (40)-year amortization period determined under subpart (d)(1) hereof, and the Debt Service on the refunding PPA Bonds shall be structured so as to result in level monthly Debt Service over the period from and including the month in which the maturity date of the refunded PPA Bonds or repaid Advance, as the case may be, was to occur to and including the month preceding the final maturity date of the refunding PPA Bonds, determined in the same manner provided in subpart (d)(1) hereof.

Notwithstanding the requirements of this section, the Parties agree that there may be opportunities to issue refunding PPA Bonds using a different Debt Service structure in order to refund PPA Bonds or prepay or repay Advances that would be to the mutual benefit of the Parties, and the Parties agree to consider such opportunities in good faith and in a timely manner in order to be able to implement such opportunities to the extent that both Parties, in their respective sole discretion, mutually agree to do so.

(g) ***PPA Bonds and Advances to Fund Non-amortized Reserve Funds.*** PPA Bonds issued and Advances made to fund Non-amortized Reserve Funds shall not be subject to the debt service structure described in subpart (d) hereof; provided, however, that MEAG shall structure any PPA Bonds issued or Advances made to fund Non-amortized Reserve Funds in a manner whereby (i) any payments of the principal components of such PPA Bonds or of such Advances shall occur after the Term of this Agreement, and (ii) Buyer shall not be required to pay its Obligation Share of the principal components of such PPA Bonds or of such Advances. For purposes of this subpart (g), (I) PPA Bonds issued to fund Non-amortized Reserve Funds may constitute all or any portion of any Series of PPA Bonds (or of any maturity or maturities within a Series), as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of issuance thereof and (II) any Advance made to fund Non-amortized Reserve Funds may constitute all or any portion of a particular Advance, as determined by the PPA Project Entity at the direction of an Authorized Officer of the Authority on or prior to the date of the making of such Advance.

(h) ***Exceptions to Level Debt Service Requirement for Combined Borrowings.*** It is understood and agreed by the Parties that (I) the DOE Loan Documents provide that, in connection with the making of any Advance, the PPA Project Entity is required to deliver to FFB the total principal amount (and, in certain cases, the proposed amortization of principal) with respect to each Advance prior to the date on which the interest rate on such Advance is set and, as a result, it may not be possible to structure exactly level monthly Debt Service with respect to a combination of two (or more) Advances, (including a 30-year fully-amortizing fixed rate Advance combined with a 30-year fixed rate Advance the principal of which is payable at the final maturity date of the DOE Guaranteed Loan) and (II) if MEAG intends to cause the PPA Project Entity to make one or more Advances, in connection therewith, MEAG may determine that it is advantageous for MEAG, Buyer and the Additional Units PPA Participants that the principal of such Advance(s) that otherwise would have been payable at the final maturity date of the DOE Guaranteed Loan instead be financed through the issuance of PPA Bonds of one or more Series the principal of which will be payable after the final maturity date of the DOE Guaranteed Loan.

In the case of either (I) or (II) set forth in the paragraph above (either or both together a "Combined Borrowing"), the Parties agree that MEAG may structure the Debt Service on such Advance(s) or on the PPA Bonds of such Series, whichever shall be the first to be made or issued, as applicable, in such manner as it shall determine in its sole discretion (the first such Advance(s) to be made or the first such PPA Bonds of such Series to be issued, as the case may be, is referred to in this subpart (h) as a "Non-Level Borrowing"), but in no event shall the final maturity date of the PPA Bonds of any such Series be later than forty-one (41) years after the estimated Commercial Operation Date of the second Additional Unit, as estimated by MEAG at the time of the pricing of the PPA Bonds of such Series. In the case of either (I) or (II) set forth in the paragraph above, MEAG shall use its best efforts to cause the aggregate Debt Service on the PPA Bonds of such Series or such Advance(s), whichever shall be the next to be issued or made (or designated by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) as the next to be issued or made if such PPA Bonds or such Advance(s) are made concurrently with the Non-Level Borrowing), as applicable, together with the Debt Service on such Non-Level Borrowing, to satisfy the requirements of the parameters set forth in clause (1) of subpart (d) of this Section 401 (the next PPA Bonds of such Series to be issued or the next such Advance(s) to be made, as the case may be, is referred to in this subpart (i) as a "Levelizing Borrowing" and such Levelizing Borrowing, together with the related Non-Level Borrowing, is referred to in this subpart (h) as a "Combined Borrowing"); provided, however, that if, following the making or issuance, as applicable, of such Non-Level Borrowing, MEAG is unable, for any reason whatsoever, to satisfy the requirements of such parameters as aforesaid, then the Parties agree that, at the end of the Term of this Agreement, one Party shall make to the other Party such payment, determined as provided in the following paragraph, as will compensate the other Party for MEAG's inability to create levelized Debt Service on such Combined Borrowing as set forth in Section 401(d).

If, as permitted by the first paragraph of this subpart (h), MEAG shall cause to be made and issued a Combined Borrowing and, despite MEAG's best efforts, the aggregate Debt Service on such Combined Borrowing fails to satisfy the requirements of clause (1) of subpart (d) of this Section 401, then, unless the Parties agree that no such adjustment shall be necessary, MEAG shall determine, in accordance with the procedure below, whether such Combined Borrowing, has resulted in Buyer being obligated to pay aggregate Debt Service on such Combined Borrowing with respect to each Additional Unit during the Term of this Agreement that is greater or less than the aggregate Debt Service that Buyer would have been obligated to pay with respect to such Additional Unit had such Combined Borrowing, been structured on a level debt service basis on the date that the related Levelizing Borrowing was made or issued (each, an "Assumed Level Debt Service Borrowing"), using an interest rate per annum equal to the actual yields to maturity for each separately stated maturity of the PPA Bonds and the Advance(s) constituting such Combined Borrowing, it being understood and agreed by the Parties that each installment of principal constituting a portion of a single stated maturity shall have and be deemed to have the same yield to maturity as is applicable to such stated maturity. Attached hereto as **Exhibit L** is an example of the true-up payment calculations described in this subpart. In the event that MEAG shall determine that Buyer is obligated to pay a greater amount of aggregate Debt Service on the Combined Borrowing with respect to a particular Additional Unit than it would have been obligated to pay during the Term of this Agreement on the applicable Assumed Level Debt Service Borrowing with respect to such Additional Unit, then, at the end of the Term of this Agreement, MEAG shall pay to Buyer the sum of the amounts, determined on an annual basis, equal to the difference between (X) the amount of the Debt Service on such Combined Borrowing that Buyer actually paid during each year during the Term of this Agreement with respect to such Additional Unit and (Y) the amount of the Debt Service on such Assumed Level Debt Service Borrowing that Buyer would have paid during such year with respect to such Additional Unit had such Combined Borrowing been structured on a level debt service basis, future valued to the date on which the Term of this Agreement shall end, using an interest rate per annum equal to the actual par weighted average yield to maturity of the PPA Bonds and/or the Advance(s) constituting such Combined Borrowing (the "Weighted Average Yield"). In the event that MEAG shall determine that Buyer is obligated to pay a lesser amount of aggregate Debt Service on the Combined Borrowing with respect to a particular Additional Unit than it would have been obligated to pay during the Term of this Agreement on the applicable Assumed Level Debt Service Borrowing with respect to such Additional Unit, then, at the end of the Term of this Agreement, Buyer shall pay to MEAG the sum of the amounts, determined on an annual basis, equal to the difference between (X) the amount of the Debt Service on such applicable Assumed Level Debt Service Borrowing that Buyer would have paid during each year during the Term of this Agreement with respect to such Additional Unit had such Combined Borrowing been structured on a level debt service basis and (Y) the amount of the Debt Service on such Combined Borrowing that Buyer actually paid during such year with respect to such Additional Unit, in each such case, future valued to the date on which the Term of this Agreement shall end, using an interest rate per annum equal to the Weighted Average Yield.

(i) ***Exceptions to Level Debt Service Requirement for Spent Fuel Storage Facilities.*** PPA Bonds issued to fund Spent Fuel Storage Facilities shall not be subject to the debt service structure described in subpart (d) hereof; provided, however, that MEAG shall structure any PPA Bonds issued to fund Spent Fuel Storage Facilities with respect to each Additional Unit in a manner whereby (i) any payments of the principal and interest components of Debt Service on such PPA Bonds shall commence on the January 1 of the calendar year following the end of the Annual Period in which such Costs of Acquisition and Construction and Financing Costs were incurred, (ii) Buyer's obligation to pay such principal and interest components of Debt Service shall continue thereafter until the last day on which Buyer is entitled to its Obligation Share of the Output of such Additional Unit pursuant to the terms of this Agreement, (iii) the principal portion of such PPA Bonds with respect to such Additional Unit shall be assumed to be amortized on a straight-line basis resulting in level monthly payments of the principal component of Debt Service over the remaining term of the operating license of such Applicable Unit, and (iv) the Costs of Acquisition and Construction of the Spent Fuel Storage Facilities shall be deemed to be incurred equally between the Additional Units. For purposes of this subpart (i), PPA Bonds issued to fund Spent Fuel Storage Facilities may constitute all or any portion of any Series of PPA Bonds (or of any maturity or maturities within a Series), as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of issuance thereof.

(j) ***Procedure for Resolving Disputes*.** In the event that Buyer shall in good faith dispute any of the determinations made by MEAG as provided in subpart (h) of this Section 401, MEAG shall engage, in accordance with the procedure below, an individual employed by a nationally-recognized independent financial advisory firm experienced in the structuring and issuance of debt securities by political subdivisions (hereinafter referred to in this subpart (i) as a "Financial Advisor") who shall confirm whether or not such determination(s) have been made in accordance with the provisions of subpart (h). In the event that such Financial Advisor shall determine that any such determination made by MEAG as provided in subpart (h) was not made in accordance with the provisions of such subpart, then, at the end of the Term of this Agreement, one Party shall pay to the other Party such amount as such Financial Advisor shall calculate in accordance with the provisions of this subpart (i).

Such Financial Advisor shall be selected as follows: If, at the time of such selection, MEAG and Buyer both have on retainer the same Financial Advisor, then such Financial Advisor shall be engaged by MEAG to make the determination(s) provided for in this subpart (i). If, however, at such time, MEAG and Buyer do not both retain the same Financial Advisor, then each Party shall submit to the other a list containing the names of five qualified Financial Advisors, and the first Financial Advisor appearing on Buyer's list that also appears on MEAG's list shall be engaged by MEAG to make the determination(s) provided for in this subpart (i). If no Financial Advisor appears on both Parties' lists, then the Financial Advisor shall be selected in a blind drawing wherein the names of each of the proposed candidates appearing on the two lists are placed into a container held by MEAG's Chief Executive Officer and one name is drawn from the container by Buyer's Chief Executive Officer.

SECTION 402. ISSUANCE OF REFUNDING PPA BONDS. In the event it shall be advantageous, in the opinion of MEAG, to refund any PPA Bonds or prepay any portion of the principal of the DOE Guaranteed Loan, MEAG may issue and sell refunding PPA Bonds which may be secured by assignment of all payments attributable to the Plant Vogtle Additional Units PPA Project or the Plant Vogtle Additional Units PPA Project Annual Costs to be made in accordance with or pursuant to the provisions of this Agreement and the Power Sales Contracts.

SECTION 403. ISSUANCE OF PPA BANs AND PPA TAKE-OUT BONDS.

(a) ***Issuance of PPA BANs.*** In the event that MEAG, in its sole judgment, shall determine that it is advantageous for MEAG, Buyer and the Additional Units PPA Participants that any Series of PPA Bonds to be issued to finance or refinance the payment of a portion of the Costs of Acquisition and Construction and Financing Costs be issued in the form of PPA BANs, MEAG shall be authorized to issue such PPA BANs on such terms and conditions as MEAG, in its sole judgment, shall determine; provided, however, that in the case of any PPA BANs to be issued prior to the Commercial Operation Date of a particular Additional Unit MEAG shall fund, from the proceeds of such PPA BANs, all interest to accrue thereon through the maturity date thereof.

(b) ***Security for PPA BANs.*** In addition to any assignment of all payments attributable to the Plant Vogtle Additional Units PPA Project or the Plant Vogtle Additional Units PPA Project Annual Costs to be made in accordance with or pursuant to the provisions of this Agreement and the Power Sales Contracts, as such payments may be increased and extended by reason of the issuance of any PPA BANs, as permitted by Section 401(b) hereof, such PPA BANs may be secured by an assignment of proceeds of other PPA Bonds (including PPA Take-Out Bonds) to be issued to refund such PPA BANs.

(c) ***Issuance of PPA Take-Out Bonds.*** In the event that MEAG shall issue PPA BANs as provided in paragraph (a) of this Section but shall not borrow (whether through the issuance of PPA Bonds satisfying the structuring requirements of Section 401(d) hereof or otherwise), on or before the maturity date of such PPA BANs, funds in an amount sufficient to pay such PPA BANs on the maturity date thereof, MEAG shall be authorized to issue PPA Take-Out Bonds in an aggregate principal amount not to exceed the sum of (i) the principal amount of such PPA BANs and (ii) MEAG's costs and expenses in connection with the issuance of the PPA Take-Out Bonds, on such terms and conditions as MEAG, in its sole judgment, shall determine; provided, however, that the PPA Take-Out Bonds shall be payable as to principal in ten (10) equal semi-annual installments, commencing on the first business day of the sixth month following the date of issuance thereof and on the first business day of each sixth month thereafter.

(d) ***Limitation on Amount of PPA BANs and PPA Take-Out Bonds.*** Notwithstanding anything herein to the contrary, the total aggregate principal amount of PPA BANs and PPA Take-Out Bonds to be outstanding at any time, together with the aggregate principal amount of the PPA Bonds described in the second paragraph of Section 204(b) hereof outstanding at such time, shall not exceed $75,000,000, or such greater amount as shall be agreed to in writing by MEAG and Buyer from time to time, but no such PPA BANs or PPA Take-Out Bonds shall be used to finance Fuel Costs applicable to either of the Additional Units prior to the Commercial Operation Date thereof.

SECTION 404. <u>ADJUSTMENT OF THE PLANT VOGTLE ADDITIONAL UNITS PPA PROJECT COSTS</u>.

(a) ***<u>Excess PPA Bond Proceeds</u>.*** In the event the proceeds derived from the sale of any PPA Bonds (including by reimbursement from the PPA Project Entity to MEAG of proceeds of PPA Bonds previously issued and applied for Costs of Acquisition and Construction and Financing Costs) exceed the aggregate amount required for the purposes for which such PPA Bonds were issued, the amount of such excess attributable to the issuance of the PPA Bonds shall be timely used during the Term of this Agreement to make up any deficiency then existing in any fund or account under the PPA Project Bond Resolution in the manner therein provided, and any balance shall be timely used during the Term of this Agreement (a) to retire by purchase, redemption or defeasance PPA Bonds in advance of maturity or (b) to retire by prepayment Advances in advance of maturity, in each such case, in a manner consistent with the principles governing the issuance of PPA Bonds and the making of Advances hereunder, so as to equitably apportion the Debt Service savings resulting from the retirement of such PPA Bonds or Advances both during the Term of this Agreement and during the period that the Additional Units PPA Participants are obligated to pay Debt Service on the PPA Bonds and the DOE Guaranteed Loan under the Plant Vogtle Additional Units PPA Power Sales Contracts and, in such event, MEAG will reduce such elements of the Plant Vogtle Additional Units PPA Project Annual Costs as are necessary and appropriate to reflect such accelerated retirement or prepayment or redemption.

(b) ***<u>Amounts Required to be Applied to Prepayment of DOE Guaranteed Loan</u>.*** In addition, Buyer acknowledges and agrees that certain amounts held under the DOE Accounts Agreement may be applied only to the prepayment of the DOE Guaranteed Loan (hereinafter referred to in this Section 404(b) as a "DOE debt retirement"), and that, as a result of such application, it may not be possible to maintain level Debt Service over the Term of this Agreement and the term of the Plant Vogtle Additional Units PPA Power Sales Contracts. In any such circumstance, MEAG agrees that it shall use its best efforts to maintain level Debt Service as aforesaid, but if, despite its best efforts, it is unable to do so, it will use its best efforts to equitably apportion the Debt Service savings resulting from the DOE debt retirement both during the Term of this Agreement and during the period that the Additional Units PPA Participants are obligated to pay Debt Service on the PPA Bonds and the DOE Guaranteed Loan under the Plant Vogtle Additional Units PPA Power Sales Contracts and, in such event, MEAG will reduce such elements of the Plant Vogtle Additional Units PPA Project Annual Costs as are necessary and appropriate to reflect such DOE debt retirement.

MEAG agrees that if, at the end of the Term of this Agreement, any amounts that are intended for the prepayment of the DOE Guaranteed Loan but were not applied to prepayment and remain on deposit in any such account under the DOE Accounts Agreement, MEAG shall pay (from a source other than a DOE Accounts Agreement account) Buyer an amount with respect to each Additional Unit equal to the principal amount of Advances that matured during the Term of this Agreement that would have been prepaid if such amounts had been applied to DOE debt retirement on the respective dates that such amounts were received by the PPA Project Entity, on a level debt service basis, using an assumed interest rate per annum of four percent (4%), but without interest thereon. Attached hereto as **Exhibit M** is an example of the calculation of the payment described in this paragraph.

If, as a result of any DOE debt retirement as provided in the second preceding paragraph, MEAG shall be unable to maintain level Debt Service both during the Term of this Agreement and during the period that the Additional Units PPA Participants are obligated to pay Debt Service on the PPA Bonds and the DOE Guaranteed Loan under the Plant Vogtle Additional Units PPA Power Sales Contracts, or to equitably apportion the Debt Service savings resulting from such DOE debt retirement, in either case, despite MEAG's best efforts, unless the Parties agree that no such adjustment shall be necessary, MEAG shall determine, in accordance with the following procedures, whether the amount of Debt Service paid by Buyer with respect to each Additional Unit after giving effect to such DOE debt retirement is greater or less than the amount of Debt Service that Buyer would have paid with respect to such Additional Unit had such DOE debt retirement been structured on a level debt service basis (each, an "Assumed Level Debt Service Debt Retirement"), using an interest rate per annum equal to (i) if the amounts applied to such DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed as part of the original construction of the Additional Units, four percent (4%) (attached hereto as **Exhibit N** are examples of these true-up payment calculations, as further described in subparagraph (1) below) and (ii) if the amounts applied to such DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed subsequent to the Commercial Operation Date of the applicable Additional Unit(s), the weighted average yield to maturity of the applicable Advance(s) made or PPA Bonds issued to finance the acquisition and construction of such assets (attached hereto as **Exhibit O** are examples of these true-up payment calculations, as further described in subparagraph (2) below):

(1) If the amounts applied to such DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed as part of the original construction of the Additional Units, at the end of the Term of this

Agreement, MEAG shall calculate the sum of the amounts, determined on an annual basis, commencing with the year in which the amounts were received, equal to the difference between (X) the amount of Debt Service that Buyer actually paid during each year during the Term of this Agreement with respect to each Additional Unit after giving effect to such DOE debt retirement and (Y) the amount of Debt Service that Buyer would have paid during such year with respect to such Additional Unit, taking into account such applicable Assumed Level Debt Service Debt Retirement, in each such case, future valued to the date on which the Term of this Agreement shall end, using an interest rate per annum of four percent (4%).

(2) If the amounts applied to such DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed subsequent to the Commercial Operation Date of the applicable Additional Unit(s), at the end of the Term of this Agreement, MEAG shall calculate the sum of the amounts, determined on an annual basis, commencing with the year in which the amounts were received, equal to the difference between (X) the amount of Debt Service that Buyer actually paid during each year during the Term of this Agreement with respect to each Additional Unit after giving effect to such DOE debt retirement and (Y) the amount of Debt Service that Buyer would have paid during such year with respect to such Additional Unit, taking into account such applicable Assumed Level Debt Service Debt Retirement, in each such case, future valued from the date(s) on which the applicable Advance(s) were made or PPA Bonds issued to finance the acquisition and construction of such assets, using an assumed interest rate per annum equal to the actual weighted average yield to maturity of such applicable Advance(s) and/or PPA Bonds.

(3) In the case of any determination pursuant to either (1) or (2) above, MEAG shall calculate (X) the aggregate amount of Debt Service that Buyer actually paid during each year during the Term of this Agreement with respect to each Additional Unit after giving effect to such DOE debt retirement, future valued as aforesaid, and (Y) the aggregate amount of Debt Service that Buyer would have paid during each year during the Term of this Agreement with respect to such Additional Unit, taking into account such applicable Assumed Level Debt Service Debt Retirement, future valued as aforesaid, and, at the end of the Term of this Agreement, (i) if the amount determined pursuant to (X) above shall be greater than the amount determined pursuant to (Y) above, MEAG shall pay Buyer the amount of the difference between (X) and (Y), without interest thereon and (ii) if the amount determined pursuant to (X) above shall be less than the amount determined pursuant to (Y) above, Buyer shall pay MEAG the amount of the difference between (X) and (Y), without interest thereon.

In the event that Buyer shall in good faith dispute any of the determinations or calculations made by MEAG as provided in this Section 404(b), MEAG shall engage, in accordance with the procedure set forth in Section 401(j), a Financial Advisor who shall confirm whether or not such determination(s) and/or calculation(s) have been made in accordance with the provisions of this Section 404(b). In the event that such Financial Advisor shall determine that any such determination(s) and/or calculation(s) made by MEAG as provided in this Section 404(b) was not made in accordance with the provisions of this Section 404(b), then, at the end of the Term of this Agreement, one Party shall pay to the other Party such amount as such Financial Advisor shall calculate in accordance with the provisions of this Section 404(b).

(c) ***Notice of Application of Amounts to Retirement of PPA Bonds or Prepayment of DOE Guaranteed Loan.*** MEAG agrees that it (i) will provide advance notice to Buyer of its intent to apply any such excess proceeds and/or amounts held under the DOE Accounts Agreement to the retirement by purchase, redemption or defeasance of any PPA Bonds in advance of maturity or the retirement by prepayment of any Advances in advance of maturity as aforesaid, which notice shall identify the PPA Bonds or Advances to be so retired (or the method by which such PPA Bonds or Advances shall be selected) and the method of such retirement; (ii) will provide Buyer the opportunity to comment with respect to such matters prior to their implementation; (iii) shall take into consideration any comments and proposed changes with respect to such matters submitted by Buyer; and (iv) shall provide Buyer with a written response explaining MEAG's rationale for its disposition of Buyer's comments and proposed changes; provided, however, that MEAG shall have sole discretion to determine whether to incorporate any such comments or proposed changes with respect to such matters.

ARTICLE V
EVENTS OF DEFAULT;
REMEDIES; INDEMNIFICATION

SECTION 501. EVENTS OF BUYER'S DEFAULT; CONTINUING OBLIGATION; REMEDIES.

(a) ***Non-Payment Default.*** Buyer's failure to make to MEAG any of the payments for which provision is made in this Agreement shall constitute a default on the part of Buyer. MEAG shall provide written notice to Buyer prior to invoking the remedies provided for hereunder. In the event of a non-payment default by Buyer, Buyer shall not be relieved of its liability for payment of any amounts required to be made under this Agreement, and MEAG further shall have the right and obligation to exercise its best efforts to recover from Buyer any amount in default. In enforcement of any right of recovery, MEAG may bring against Buyer any suit, action, or proceeding in law or in equity, including mandamus, injunction, and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement, or obligation to make payment for which provision is made in this Agreement, and MEAG may, upon sixty (60) days' written notice to Buyer, cease and discontinue providing service under this Agreement. If the default continues for a period in excess of 180 days, MEAG may, at its discretion, permanently discontinue service to Buyer. In the event MEAG permanently discontinues service to Buyer in accordance with this Section 501(a), MEAG agrees to apply the net proceeds from any sale, lease or other arrangement to a third party of all or a portion of the Output of the PPA Project Entity's Ownership Interest to which Buyer was previously entitled under this Agreement to mitigate Buyer's payment obligations under Article II of this Agreement in the manner permitted by the PPA Project Bond Resolution and the DOE Loan Documents.

(b) ***Other Defaults.*** Buyer's failure to comply with any other covenant, agreement, representation, warranty or obligation of this Agreement shall also constitute a default on the part of Buyer. In the event of a default by Buyer other than a default in making a payment when due under this Agreement, MEAG may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Agreement against Buyer but MEAG may not discontinue service as a result of a default by Buyer other than a non-payment default.

SECTION 502. DEFAULT BY MEAG. MEAG's failure to comply with any covenant, agreement, representation, warranty or obligation of this Agreement or the PPA Project Entity

Power Purchase Agreement shall constitute a default on the part of MEAG. In the event of a default by MEAG, Buyer may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement, or obligation of this Agreement or the PPA Project Entity Power Purchase Agreement against MEAG; provided, however, that nothing in this Agreement shall be construed to permit Buyer to terminate, rescind, void, or otherwise abandon all or any portion of its obligations to MEAG under this Agreement as the result of a default by MEAG. As to Buyer's remedy of specific performance hereunder, MEAG hereby acknowledges that the damages recoverable at law in the event of a default by MEAG will be difficult to ascertain and will not adequately compensate Buyer, and, therefore, specific performance is an appropriate remedy to enforce any covenant, agreement, or obligation of this Agreement or the PPA Project Entity Power Purchase Agreement against MEAG in the event of a default hereunder.

SECTION 503. ABANDONMENT OF REMEDY. In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the Parties to such proceeding shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of MEAG and Buyer shall continue as though no such proceedings had been taken. Any such abandonment shall not be deemed a waiver of any other or further default hereunder.

SECTION 504. LIMITATION ON DAMAGES; MITIGATION.

(a) ***General.*** The Parties confirm that the express remedies and measures of damages provided in this Agreement satisfy the essential purposes hereof for breach of any provision of this Agreement for which an express remedy or measure of damages is herein provided.

(b) ***Remedies Exclusive.*** For breach of any provision for which an express and exclusive remedy or measure of damages is provided, the Parties agree that such express remedy or measure of damages shall be the sole and exclusive remedy, the obligor's liability shall be limited as set forth in such provision, and all other remedies or damages at law or in equity are waived.

(c) ***Limitation to Actual Damages.*** If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct actual damages only.

(d) ***Limitations on Damages.*** Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages by statute, in tort, in contract, at law or in equity, or otherwise; provided, that if either Party is held liable to a third party for such damages and the Party held liable for such damages is found to be entitled to indemnification therefor from the other Party hereto, the indemnifying Party shall be liable for, and obligated to reimburse the indemnified Party for, such damages. This Section 504 shall (i) apply to the fullest extent allowed by law irrespective of whether liability of MEAG or Buyer is claimed, or found to be based in contract (including breach of warranty or contract), tort (including negligence or negligent misrepresentation of MEAG, Buyer, or others), strict liability, law or equity, or otherwise, and (ii) survive the completion of the services or the termination of this Agreement.

(e) ***Validity of Limitations on Damages.*** All limitations on damages contained in this Agreement shall apply even if the remedies provided in this agreement are deemed to "fail of their essential purpose" or are otherwise held to be invalid or unenforceable.

(f) ***Duty to Mitigate Damages.*** Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of this Agreement; provided, that in no event shall the mitigating Party owe any payment to the non-performing Party in connection with such mitigation.

SECTION 505. INDEMNIFICATION. MEAG and Buyer shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying Party and not caused in whole or in part by the negligence of the other Party; provided that any liability which is incurred by MEAG through the operation and maintenance of the Plant Vogtle Additional Units PPA Project and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of MEAG, and any payments made by MEAG to satisfy such liability shall become part of the Plant Vogtle Additional Units PPA Project Annual Costs.

ARTICLE VI

DELIVERY OF OUTPUT; SERVICE;

DOE GUARANTEED LOAN ARRANGEMENTS

SECTION 601. AUTHORITY AND RESPONSIBILITY. Buyer acknowledges that the Agent has the sole authority and responsibility for the planning, licensing, design, construction, acquisition, completion, start up, commissioning, renewal, addition, replacement, modification and decommissioning of each of the Additional Units as well as sole responsibility for the management, control, operation and maintenance of the Additional Units. Buyer further acknowledges that the Agent shall have sole authority for the scheduling of the operation and dispatching of the output of each of the Additional Units. In the event the Agent fails to comply with its obligations, MEAG shall cause the PPA Project Entity to pursue with reasonable diligence any valid claims against the Agent subject to any limitations in the Project Agreements. Buyer acknowledges that, in the event the Agent fails to comply with its obligations, the sole and exclusive remedy of the co-owners (including the PPA Project Entity) under the Project Agreements is to remove the Agent. Neither MEAG nor the PPA Project Entity assumes any responsibility for those matters that fall within the authority and responsibility of the Agent, nor shall MEAG or the PPA Project Entity be liable to Buyer in any way for such matters. Buyer further agrees that any failure by the Agent to comply with its obligations or otherwise perform, in whole or in part, shall not excuse Buyer's performance under this Agreement.

SECTION 602. REPLACEMENT OR SUCCESSOR AGENT. MEAG shall notify Buyer as soon as practicable in the event the co-owners of Plant Vogtle consider appointing a replacement or successor to the Agent. After receiving such notice, Buyer may submit to MEAG any matters or suggestions relating to any Person proposed as such a replacement or successor that Buyer may care to present, and MEAG agrees for itself and on behalf of the PPA Project Entity to take into consideration such matters or suggestions timely submitted by Buyer in the same manner in which MEAG considers the matters or suggestions of the Additional Units PPA Participants, the Additional Units PPA-2 Participants and the Additional Units Non-PPA Participants prior to determining whether to cause the PPA Project Entity to approve or disapprove of any such Person. However, after taking into account the collective interests of Buyer, the Additional Units PPA Participants, the Additional Units PPA-2 Participants and the Additional Units Non-PPA Participants, and the requirements of the DOE Loan Documents, MEAG, in its sole discretion, shall elect to cause the PPA Project Entity either to approve or disapprove the appointment of any Person proposed as a replacement or successor Agent.

SECTION 603. SERVICE. Buyer acknowledges that the Agent may temporarily interrupt, increase or reduce deliveries of electric energy from the PPA Project if the Agent determines that such interruption, increase or reduction is necessary in case of emergencies. The Agent may also interrupt or reduce deliveries of electric energy from the PPA Project in order to install equipment in or make repairs to or replacements, investigations, and inspections of or to perform other maintenance work on its generation or transmission facilities and related apparatuses (planned interruptions). MEAG shall notify Buyer of any planned interruption or reduction, giving the Agent's reason therefor, and stating the Agent's estimate of the probable duration thereof.

SECTION 604. ELECTRIC INTERCONNECTION AND TRANSMISSION SERVICE.

(a) ***Connection to Transmission System.*** Buyer's payment obligations calculated and billed in accordance with Articles II and III of this Agreement shall include its Obligation Share of the costs of all property and equipment for connecting the Additional Units to the transmission system at the point where said transmission system forms part of the Georgia Integrated Transmission System (the "Delivery Point"), including the step-up transformers, high side bushing to the electrical transmission system, all related switching stations, remote terminal unit and connections to Supervisory Control and Data Acquisition System (SCADA).

(b) ***Transmission Services.*** Buyer shall arrange, either directly or indirectly through a third party, for all transmission service and transmission ancillary services and shall pay all costs pursuant to the transmission provider's tariff and the transmission provider's protocols including all costs associated with line losses, necessary to transmit the Output delivered under this Agreement from the Delivery Point to any point at which Buyer redelivers the Output to its customer(s).

(c) ***Coordination of Energy Delivery.*** Energy delivery hereunder shall be coordinated with the Agent, MEAG and Buyer and in accordance with the transmission provider's tariff and applicable North American Electric Reliability Corporation (NERC) requirements. To facilitate this effort, the Parties shall develop operating procedures no later than six (6) months prior to the Commercial Operation Date of the first Additional Unit. These operating procedures will address issues associated with the delivery and determination of the quantity of energy delivered. These issues will include, but are not limited to: physical energy delivery method, metering systems, accounting and serving station service loads, allocation of common load between multiple units, rounding methodology, electronic communication of unit output, and daily communications.

SECTION 605. DOE GUARANTEED LOAN ARRANGEMENTS.

(a) ***General.*** Buyer acknowledges and agrees that, in connection with the entry into the DOE Loan Documents, MEAG will transfer the PPA Project Portion of MEAG's Interest to the PPA Project Entity, MEAG's wholly-owned, special-purpose direct subsidiary. In connection with this transfer, MEAG will enter into the PPA Project Entity Power Purchase Agreement with the PPA Project Entity in the form set forth in **Exhibit P** to this Agreement pursuant to which MEAG will purchase the Output of the PPA Project Entity's Ownership Interest for resale to Buyer under this Agreement and to the Additional Units PPA Participants under the Power Sales Contracts during the respective terms of this Agreement and the Power Sales Contracts. Other than during the continuance of an event of default by Buyer under this Agreement, during the Term of this Agreement MEAG agrees and covenants that it will not (i) amend, modify or waive any provision of the PPA Project Entity Power Purchase Agreement from the form set forth in **Exhibit P** hereto or (ii) provide any consent or agreement under or in connection with the PPA Project Entity Power Purchase Agreement, including with respect to consent to assignment by the PPA Project Entity of its rights and obligations under the PPA Project Entity Power Purchase Agreement (other than a collateral assignment for security purposes), in each case, without the prior written consent of Buyer, which consent shall not be unreasonably withheld.

(b) ***Security Interests and Liens Permitted.*** Buyer acknowledges and agrees that (i) MEAG may grant a first-priority security interest in and lien on its ownership interest in the PPA Project Entity to the DOE Collateral Agent, and (ii) the PPA Project Entity may grant a first-priority security interest in and lien on all of its assets, including its undivided ownership interest in the Additional Units, its right, title and interest in, to and under the PPA Project Entity Power Purchase Agreement and the Project Agreements and all other collateral specified in the DOE Loan Documents, to the DOE Collateral Agent, in each such case, to secure the DOE Secured Obligations under the DOE Loan Documents and the DOE Guaranteed Loan.

(c) ***Buyer's Consent and Direct Agreement.*** In connection with such assignment and security interest, Buyer hereby agrees to enter into a consent and direct agreement with the DOE Collateral Agent for the benefit of the DOE Secured Parties in substantially the form attached hereto as **Exhibit K**.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

SECTION 701. MEAG'S REPRESENTATIONS AND WARRANTIES. MEAG represents and warrants as follows:

(a) MEAG is a public body corporate and politic, a public corporation and an instrumentality of the State of Georgia, duly organized and validly existing under the laws of the State of Georgia. The PPA Project Entity is a limited liability company, duly organized and validly existing under the laws of the State of Georgia.

(b) MEAG has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement. The execution, delivery and performance of this Agreement by MEAG have been duly authorized by all necessary corporate action on the part of MEAG and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of MEAG or any other party to any other agreement with MEAG. The PPA Project Entity has the power and authority to enter into and perform the PPA Project Entity Power Purchase Agreement and is not prohibited from entering into the PPA Project Entity Power Purchase Agreement or discharging and performing all covenants and obligations on its part to be performed pursuant to the PPA Project Entity Power Purchase Agreement. The execution, delivery and performance of the PPA Project Entity Power Purchase Agreement by the PPA Project Entity have been duly authorized by all necessary limited liability company action on the part of the PPA Project Entity and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of the PPA Project Entity or any other party to any other agreement with the PPA Project Entity.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by MEAG with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Applicable Law presently in effect having applicability to MEAG, the documents of formation of MEAG or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which MEAG is a party or by which any of its property is bound. The execution and delivery of the PPA Project Entity Power Purchase Agreement, consummation of the transactions contemplated therein, and fulfillment of and compliance by the PPA Project Entity with the provisions of the PPA Project Entity Power Purchase Agreement will not conflict with or constitute a breach of or a default under any Applicable Law presently in effect having applicability to the PPA Project Entity, the documents of formation of the PPA Project Entity or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which the PPA Project Entity is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by MEAG. This Agreement is a legal, valid and binding obligation of MEAG enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity. The PPA Project Entity Power Purchase Agreement has been duly executed and delivered by the PPA Project Entity. The PPA Project Entity Power Purchase Agreement is a legal, valid and binding obligation of the PPA Project Entity enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) No bankruptcy is pending against MEAG or to its knowledge threatened against it. No bankruptcy is pending against the PPA Project Entity or to its knowledge threatened against it.

(f) MEAG has negotiated and entered into this Agreement in the ordinary course of its respective business, in good faith, for fair consideration and on an arm's length basis.

(g) MEAG MAKES NO WRITTEN OR ORAL REPRESENTATION, WARRANTY, OR COVENANT EITHER EXPRESS OR IMPLIED, REGARDING THE CURRENT OR FUTURE EXISTENCE OF ANY ENVIRONMENTAL ATTRIBUTES OR PRODUCTION TAX CREDIT OR ANY LAW GOVERNING THE EXISTENCE OF ANY ENVIRONMENTAL ATTRIBUTES OR PRODUCTION TAX CREDIT UNDER THIS AGREEMENT OR OTHERWISE OR THEIR CHARACTERIZATION OR TREATMENT UNDER APPLICABLE LAW OR OTHERWISE. BUYER SHALL SOLELY BEAR THE RISK OF NOT OBTAINING ANY ENVIRONMENTAL ATTRIBUTES OR PRODUCTION TAX CREDIT.

(h) OTHER THAN THOSE WARRANTIES AND GUARANTIES EXPRESSLY SET FORTH IN THE TERMS OF THIS AGREEMENT, MEAG MAKES NO WARRANTIES AND GUARANTIES OF ANY KIND WHATSOEVER, EXPRESS, IMPLIED, ORAL, WRITTEN OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING BY CUSTOM, TRADE USAGE, PROMISE, EXAMPLE OR DESCRIPTION, ALL OF WHICH WARRANTIES AND GUARANTIES ARE EXPRESSLY DISCLAIMED BY MEAG AND WAIVED BY BUYER.

SECTION 702. BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer represents and warrants as follows:

(a) Buyer is a body politic and corporate organized and existing under the laws of the State of Florida and an independent agency of the City of Jacksonville, Florida.

(b) Buyer has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement.

(c) The execution, delivery and performance of this Agreement by Buyer have been duly authorized by all necessary corporate action on the part of Buyer and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Buyer or any other party to any other agreement with Buyer.

(d) No authorization, approval, order, license, permit, franchise or consent, and no registration, declaration or filing with any Governmental Authority is required on the part of Buyer in connection with the execution, delivery and performance of this Agreement except those which Buyer anticipates will be timely obtained in the ordinary course of performance of this Agreement.

(e) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Buyer with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Applicable Law presently in effect having applicability to Buyer, the documents of formation of Buyer or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Buyer is a party or by which any of its property is bound.

(f) This Agreement has been duly executed and delivered by Buyer. This Agreement is a legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(g) Buyer has the financial resources and capability to satisfy its obligations under this Agreement.

(h) Amounts payable to MEAG under this Agreement (i) shall constitute a Contract Debt (as that term is defined in Buyer's Electric System Bond Resolution), payable as a Cost of Operation and Maintenance of Buyer's Electric System (as those terms are defined in Buyer's Electric System Bond Resolution), and (ii) shall be paid by Buyer as a cost of purchased power and energy for Buyer's wholesale and retail load and otherwise as an expense of operation and maintenance of Buyer's Electric System.

(i) No bankruptcy is pending against Buyer or to its knowledge threatened against it.

(j) Buyer has negotiated and entered into this Agreement in the ordinary course of its respective business, in good faith, for fair consideration and on an arm's length basis.

ARTICLE VIII

DISPUTE RESOLUTION

SECTION 801. DISPUTE RESOLUTION.

(a) Each of MEAG and Buyer shall appoint a representative to coordinate with the other Party the implementation of this Agreement (each a "Representative" and collectively the "Representatives"). If any dispute arises with respect to any Party's performance hereunder, the Representatives shall meet to attempt to resolve such dispute, either in person or by telephone, within ten (10) days after the written request of either Representative. If the Representatives are unable to resolve such dispute within thirty (30) days after their initial meeting (in person or by telephone), senior officers or executives of Buyer and senior officers or executives of MEAG shall meet, either in person or by telephone, within ten (10) days after either Representative provides written notice that the Representatives have been unable to resolve such dispute. If such senior officers or executives are unable to resolve such dispute within thirty (30) days after their initial meeting (in person or by telephone), either Party may refer the dispute to the Superior Court of Fulton County, Georgia or the U.S. District Court for the Northern District of Georgia pursuant to Section 1003, which shall be the sole legally binding forums available to the Parties for resolution of a dispute hereunder.

(b) While any dispute is pending, the Parties shall continue to perform their obligations under this Agreement notwithstanding such dispute.

ARTICLE IX

NOTICES AND COUNTERPARTS

SECTION 901. <u>NOTICES</u>. Except as may be otherwise expressly provided for herein, all notices, requests, statements and other communications to be given under this Agreement shall be made to the addresses and persons specified in **<u>Exhibit D</u>** hereto. All notices, requests, statements or payments shall be made in writing except where this Agreement expressly provides that notice may be made orally. Notices required to be in writing shall be delivered by hand delivery, express courier (*e.g.*, UPS, FedEx, or DHL), facsimile or electronic mail (so long as a copy of such electronic mail notice is provided thereafter by hand delivery or express courier). Except as may otherwise be specified in this Agreement, all notices, requests, statements and other communications shall be deemed to have been duly given on (i) the date of delivery if delivered by hand or by express courier; (ii) the time stamp upon delivery if sent by electronic mail; (iii) date of receipt of a time-stamped, legible copy thereof if sent by facsimile; or (iv) the earlier of the dates set forth in clauses (i), (ii) and (iii) if delivery is made by more than one of such means. Either Party may change its respective notice information upon giving the other Party at least fourteen (14) days' prior written notice thereof.

SECTION 902. COUNTERPARTS. This Agreement may be executed in counterparts, including in facsimile and electronic formats (including portable document format (.pdf)), each of which is an original and all of which constitute one and the same instrument.

ARTICLE X

MISCELLANEOUS PROVISIONS

SECTION 1001. ASSIGNMENT.

(a) ***General.*** Except as provided in subsection (b) of this Section 1001, neither Party may assign or transfer all or any part of any right, obligation, or interest under this Agreement without the prior written consent from the other Party or if any such assignment or transfer is prohibited under the PPA Project Bond Resolution or the DOE Loan Documents. Any such attempted assignment or transfer shall be null, void and without effect; provided, however, that nothing in this Section 1001 shall limit the authority of Buyer to sell to a third party all or a portion of Buyer's Obligation Share of the Output of the PPA Project Entity's Ownership Interest, subject to the provisions of Sections 305 and 306 hereof.

(b) ***Exception to Secure PPA Bonds and DOE Secured Obligations.*** Notwithstanding subsection (a) of this Section 1001, Buyer acknowledges and agrees that MEAG may assign and pledge to the Trustee designated in the PPA Project Bond Resolution, for the benefit of the DOE Collateral Agent, DOE and the other secured parties identified therein, all its right, title and interest in and to all payments to be made to MEAG under the provisions of this Agreement attributable to the Plant Vogtle Additional Units PPA Project or to the Plant Vogtle Additional Units PPA Project Annual Costs as security for the payment of the amounts due and payable and other obligations under, or secured by, the PPA Project Bond Resolution (including as security for amounts owed by the PPA Project Entity under the DOE Loan

Documents) and, upon the execution of such assignment and pledge, such Trustee shall have all rights and remedies herein provided to MEAG, including to give all notices, take all actions and exercise all rights, including any or all rights to collection that are provided to MEAG as set forth in this Agreement, on behalf or in the place of MEAG, and any reference herein to MEAG shall be deemed, with the necessary changes in detail, to include such Trustee. The Trustee and the PPA Project Entity each shall be a third-party beneficiary of the covenants and agreements of Buyer herein contained.

SECTION 1002. SEVERABILITY. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the Parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein, and this Agreement shall be construed to adopt, but not to enlarge upon, all of the applicable provisions of said Act, and all the applicable provisions of the Constitution and general laws of Georgia, and, if any provisions hereof conflict with any applicable provision of said Constitution or laws, the former as proposed by the legislature, approved by the people of the State of Georgia and interpreted by the courts of the State of Georgia, and the latter as adopted by the legislature and as interpreted by the courts of the State of Georgia, shall prevail in lieu of any provision hereof in conflict or not in harmony therewith.

SECTION 1003. GOVERNING LAW; JURISDICTION AND VENUE. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia, applied without giving effect to principles of conflicts of laws or choice of law that would require the application of the law of any other state. Each Party irrevocably submits to the jurisdiction and venue of the Superior Court of Fulton County, Georgia and the U.S. District Court for the Northern District of Georgia in any dispute arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such dispute may be heard and determined in the Superior Court of Fulton County, Georgia and the U.S. District Court for the Northern District of Georgia. Each Party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such proceeding. The Parties further agree, to the extent permitted by law, that any final and unappealable judgment against any of them in any proceeding contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment.

SECTION 1004. FORWARD CONTRACT. The Parties acknowledge and agree that this Agreement and the transactions contemplated by this Agreement constitute a "forward contract" and that each Party is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

SECTION 1005. ENTIRE AGREEMENT. Except as provided in the final paragraph of Section 101 hereof, this Agreement amends and restates and replaces the Original Agreement in its entirety and this Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein.

SECTION 1006. DRAFTING AND INTERPRETATION. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

SECTION 1007. AMENDMENT. Subject to Section 103(b) of this Agreement, no amendment, modification or change to this Agreement shall be enforceable unless set forth in writing and executed by both Parties.

SECTION 1008. NON-WAIVER. No waiver by any Party hereto of any one or more defaults by the other Party in the performance of any of the provisions of this Agreement shall be construed as a waiver of any other default or defaults whether of a like kind or different nature. No failure or delay by any Party hereto in exercising any right, power, privilege, or remedy hereunder shall operate as a waiver thereof.

SECTION 1009. SURVIVAL. Upon the expiration of the Term of this Agreement (the "Termination Date"), the Parties shall no longer be bound by the terms and conditions hereof, except (i) to the extent necessary to enforce any rights and the obligations of the Parties, including payment obligations, arising under this Agreement prior to such Termination Date, (ii) to the extent necessary to enforce the right to receive any payments pursuant to **Exhibit B** to this Agreement and (iii) the obligations of the Parties hereunder with respect to confidentiality, audit and indemnification shall survive any termination of this Agreement and shall continue for a period of one (1) year following such Termination Date, provided that such obligations with respect to indemnification shall continue only with respect to claims for indemnification based upon events or circumstances occurring or arising on or before the Termination Date.

SECTION 1010. RELATIONSHIPS OF PARTIES. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall any Party be an agent, representative, trustee or fiduciary of any other Party.

SECTION 1011. EXHIBITS. Any and all Exhibits referred to in this Agreement are, by such reference, incorporated herein and made a part hereof for all purposes.

SECTION 1012. ATTORNEYS' FEES. If a Party commences a legal proceeding against the other Party because of an alleged breach of such Party's obligations under this Agreement, each Party shall bear its own expenses, including attorneys' fees, incurred in connection with the legal proceeding and any appeal thereof.

SECTION 1013. BINDING EFFECT. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

SECTION 1014. NO ADVERSE DISTINCTION. MEAG shall not make any adverse distinction in connection with discharging its responsibilities to Buyer under this Agreement and in discharging MEAG's responsibilities (i) to the Additional Units PPA Participants under the Plant Vogtle Additional Units PPA Power Sales Contracts or (ii) to the Additional Units Non-PPA Participants under the Plant Vogtle Additional Units Non-PPA Power Sales Contracts.

SECTION 1015. COOPERATION. The Parties shall cooperate with each other and with each other's employees and agents by taking all actions necessary to fully effectuate the intent of this Agreement, including providing upon reasonable request to each other all information and documents relevant to the purposes of this Agreement and making their employees and agents available in connection with any of the matters addressed in this Agreement.

Without limiting the generality of the foregoing, Buyer shall (i) provide to MEAG such information regarding Buyer as MEAG shall reasonably determine to be necessary or desirable in connection with the issuance by MEAG of any PPA Bonds or the making by the PPA Project Entity of any Advance and (ii) shall enter into, and perform its obligations under, such continuing disclosure undertakings as are necessary to comply with the provisions of paragraph (b)(5) of Rule 15c2-12, as amended, promulgated by the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, with respect to any issue of PPA Bonds that are subject to the requirements of said paragraph (b)(5) of Rule 15c2-12. In addition, notwithstanding the foregoing, this Section 1015 shall not require, nor shall it be construed to require, a Party to provide information or documents or to make its employees or agents available in contravention of any contractual obligation or limitation (including any such obligation or limitation in this Agreement or the Project Agreements), or in contravention of any obligation or limitation under Applicable Law.

SECTION 1016. FLORIDA PUBLIC RECORDS LAW. The parties acknowledge that Buyer is a body politic and corporate that is subject to Chapter 119, Florida Statutes, and related statutes known as the "Public Records Laws." If a request is made to Buyer to view or disclose (i) any information provided by MEAG to Buyer prior to the Execution Date of this Agreement, including any "Confidential Information," as that term is defined in the Parties' October 9, 2006 Confidential Information Exchange Agreement, or (ii) any information provided by MEAG to Buyer pursuant to the terms of this Agreement, Buyer shall notify MEAG of such request and the date that such records will be viewed by or released to the requester unless MEAG obtains a court order enjoining such disclosure. If MEAG fails to obtain a court order enjoining disclosure, Buyer will release the requested information on the date specified. Such release shall be deemed to be made with MEAG's consent and will not be deemed to be a violation of law, including laws concerning trade secrets, copyright or other intellectual property.

SECTION 1017. COMPLIANCE WITH OBLIGATIONS. MEAG agrees and covenants that it will fully and timely comply with its obligations under and in connection with, and, to the extent applicable, cause the PPA Project Entity to fully and timely comply with its obligations under and connection with, this Agreement, the PPA Project Entity Power Purchase Agreement, the PPA Project Bond Resolution, the DOE Loan Guarantee Agreement and the other DOE Loan Documents, including payment of all costs and compliance with all financial obligations in such documents; provided, however, that MEAG's failure to comply with the provisions of this Section shall not affect Buyer's obligations as set forth in Section 502 and Section 204(g).

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, MEAG has caused this Agreement to be executed in its corporate name by its duly authorized officers and, by the execution hereof it is acknowledged that payments made under this Agreement may be assigned, as provided in this Agreement, and MEAG has caused its corporate seal to be hereunto impressed and attested; Buyer has caused this Agreement to be executed in its corporate name by its duly authorized officers and its corporate seal to be hereunto impressed and attested, and delivery hereof by MEAG to Buyer is hereby acknowledged, all as of the day and year first above written. This Agreement shall not become effective as to either Party unless and until executed by both Parties.

[*Signature blocks on following pages*]

MUNICIPAL ELECTRIC
AUTHORITY OF GEORGIA

BY:________________________________

TITLE:

DATE:______________________________

ATTEST:

BY:________________________________

TITLE:

DATE:______________________________

(SEAL)

JEA

BY:________________________________
TITLE: Managing Director and Chief Executive Officer
DATE:______________________________

ATTEST:

BY:________________________________
TITLE:
DATE:______________________________

I hereby certify that the expenditure contemplated by the forgoing Agreement has been duly authorized, and provision has been made for the payment of monies provided herein to be paid.

____
Title:

Approved as to Form:

____
Office of General Counsel
City of Jacksonville, Florida

EXHIBIT 1

Draft October 12, 2023

[~~EXECUTION COPY~~AMENDMENT NO. 2[1] TO]

AMENDED AND RESTATED

POWER PURCHASE AGREEMENT

between

Municipal Electric Authority of Georgia

as Seller

and

JEA

as Buyer

Dated as of December __, 2014

Plant Vogtle Additional Units PPA Project (Project J)

[1] Note to Draft: The changes in this redline will be set forth in an amendment to the Amended and Restated Power Purchase Agreement.

4135-7669-7419

This AMENDED AND RESTATED POWER PURCHASE AGREEMENT ("Agreement") is entered into effective as of December __, 2014 (the "Execution Date"), between the Municipal Electric Authority of Georgia, a public body corporate and politic, a public corporation and an instrumentality of the State of Georgia, created by the provisions of Georgia Law, Ga. L. 1975, p. 107, *et seq.*, codified at O.C.G.A. §§ 46-3-110, *et seq.*, as amended from time to time ("MEAG") and JEA, a body politic and corporate organized and existing under the laws of the State of Florida and an independent agency of the City of Jacksonville, Florida ("Buyer"). MEAG and Buyer are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, MEAG owns an undivided ownership interest in two additional nuclear generating units under construction at Plant Vogtle in Burke County, Georgia, a portion of which ownership interest is known as the "Plant Vogtle Additional Units PPA Project" or "Project J," a portion of which ownership interest is known as the "Plant Vogtle Additional Units PPA-2 Project" or "Project P" and the remainder of which ownership interest is known as the "Plant Vogtle Additional Units Non-PPA Project" or "Project M";

WHEREAS, MEAG desires to sell the Output (such term, and all other capitalized terms used in these Recitals without definition, having the respective meanings assigned thereto in Section 104 hereof) of the Plant Vogtle Additional Units PPA Project for the Term of this Agreement, and Buyer desires to purchase such Output predicated upon the understanding that the sale of the Output by MEAG to Buyer will require Buyer to assume a proportionate share of the related construction risk;

WHEREAS, the Parties entered into a Power Purchase Agreement, dated as of May 12, 2008, as amended by Amendment No. 1 to Power Purchase Agreement, dated as of April 24, 2009 and by Amendment No. 2 to Power Purchase Agreement, dated as of January 26, 2010 (as so amended, and as the same may be further amended prior to the Effective Date, the "Original Agreement"), relating to the Plant Vogtle Additional Units PPA Project;

WHEREAS, as an additional source of financing, MEAG may decide to obtain one or more loans with respect to the Plant Vogtle Additional Units PPA Project (the "DOE Guaranteed Loan") to be made by FFB and guaranteed by DOE pursuant to Title XVII of the Energy Policy Act of 2005;

WHEREAS, in the event that MEAG does decide to obtain the DOE Guaranteed Loan, in order to obtain the DOE Guaranteed Loan, MEAG will transfer the portion of its undivided ownership interest in the Additional Units that currently constitutes a part of the Plant Vogtle Additional Units PPA Project to the PPA Project Entity;

WHEREAS, MEAG will simultaneously with the execution and delivery of this Agreement enter into the PPA Project Entity Power Purchase Agreement with the PPA Project Entity, for the purchase and sale of all of the Output for resale to Buyer under this Agreement and to the Additional Units PPA Participants under the Power Sales Contracts during the respective terms of this Agreement and the Power Sales Contracts; and

WHEREAS, the Parties desire to amend and restate the Original Agreement on the terms and conditions hereof in connection with the foregoing.

AGREEMENT

NOW THEREFORE, in consideration of the above recitals, mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

ARTICLE I

EFFECTIVENESS; TERM; TERMINATION OR AMENDMENT; DEFINITIONS AND INTERPRETATION

SECTION 101. EFFECTIVENESS. Notwithstanding anything to the contrary herein, this Agreement shall become fully binding and enforceable on the Execution Date; provided, that the obligations of the Parties hereunder shall not commence, the terms and conditions hereof other than this Section 101 shall not be effective, and the Original Agreement shall not be amended and restated by this Agreement, in each case, until the occurrence of the "Effective Date." The Effective Date shall occur automatically, without any further action, consent or agreement of the Parties, on the date (if any) on which (a) the "DOE Guarantee" (as defined in the DOE Loan Guarantee Agreement) shall be issued by DOE and (b) both MEAG and Buyer shall have approved in writing the final Credit Subsidy Cost established under (and as defined in) the DOE Loan Guarantee Agreement.

In the event, however, that (a) the Effective Date shall not occur on or before January 1, 2017 or (b) the DOE Loan Guarantee Agreement and the other DOE Loan Documents shall be terminated prior to the making of any Advance, then this Agreement shall be null and void and without further force or effect, and the Original Agreement shall continue in full force and effect.

SECTION 102. TERM. This Agreement shall commence upon the execution by the last signatory and, subject to Section 101, shall remain in full force and effect until midnight Eastern

Prevailing Time on the twentieth (20th) anniversary of the Commercial Operation Date of the second of the Additional Units (the "Term") or until the Parties' remaining obligations under this Agreement shall have been fully performed and satisfied, whichever event occurs later, but in no event shall such Term extend beyond fifty (50) years from the Execution Date.

SECTION 103. TERMINATION OR AMENDMENT OF AGREEMENT.

(a) Subject to Section 101, this Agreement shall not be terminated by either Party under any circumstances.

(b) This Agreement, on which purchasers of PPA Bonds and DOE shall have relied as an inducement to purchase and hold the PPA Bonds and to guarantee the DOE Guaranteed Loan, respectively, shall not be amended, modified, or otherwise altered in any manner except as provided in this Agreement. So long as any of the PPA Bonds or the DOE Secured Obligations are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the PPA Project Bond Resolution and the DOE Loan Documents, respectively, and no undisbursed commitments remain available under the DOE Loan Documents, this Agreement shall not be amended, modified, or otherwise altered in any manner that will (i) reduce the payments pledged as security for the Debt Service on all the PPA Bonds and as security for the DOE Secured Obligations or extend the time of such payments provided herein, (ii) adversely impact, in the opinion of nationally-recognized tax counsel retained by MEAG, (A) the exclusion from gross income for federal income tax purposes of the interest on the PPA Bonds of any Series the interest on which is intended to be so excluded or (B) the eligibility of MEAG to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on any Build America Bonds, or (iii) in any manner impair or adversely affect the rights of the owners from time to time of the PPA Bonds or the rights of the DOE Secured Parties pursuant to the DOE Loan Documents. Subject to the foregoing and any other limitations contained in the PPA Project Bond Resolution or the DOE Loan Documents, any amendment of this Agreement must be in writing and duly executed by both MEAG and Buyer.

SECTION 104. __DEFINITIONS__. As used herein:

"Act" shall mean that certain Act of the 1975 session of the General Assembly of the State of Georgia, compiled and published in Georgia Law 1975, p. 107, *et seq.*, codified at O.C.G.A. §§ 46-3-110 through 46-3-155.

"Additional Units" shall mean the two 1102 megawatts Nominally Rated additional nuclear units being constructed at Plant Vogtle, in Burke County, Georgia, pursuant to the Development Agreement.

"Additional Units Non-PPA Participant" shall mean a Participant that is a party to a Plant Vogtle Additional Units Non-PPA Power Sales Contract and any other party as assignee of such Power Sales Contract pursuant to Section 702 thereof. "Additional Units Non-PPA Participants" shall mean all Participants that are parties to Plant Vogtle Additional Units Non-PPA Power Sales Contracts. The terms "an Additional Units Non-PPA Participant" or "each Additional Units Non-PPA Participant" shall mean any one of the Additional Units Non-PPA Participants or each of the Additional Units Non-PPA Participants, as the case may be.

"Additional Units Participants" shall collectively mean the Additional Units PPA Participants, the Additional Units PPA-2 Participants and the Additional Units Non-PPA Participants.

"Additional Units PPA Participant" shall mean a Participant that is a party to a Plant Vogtle Additional Units PPA Power Sales Contract and any other party as assignee of such

Power Sales Contract pursuant to Section 702 thereof. "Additional Units PPA Participants" shall mean all Participants that are parties to Plant Vogtle Additional Units PPA Power Sales Contracts. The terms "an Additional Units PPA Participant" or "each Additional Units PPA Participant" shall mean any one of the Additional Units PPA Participants or each of the Additional Units PPA Participants, as the case may be.

"Additional Units PPA-2 Participant" shall mean a Participant that is a party to a Plant Vogtle Additional Units PPA-2 Power Sales Contract and any other party as assignee of such Power Sales Contract pursuant to Section 702 thereof. "Additional Units PPA-2 Participants" shall mean all Participants that are parties to Plant Vogtle Additional Units PPA-2 Power Sales Contracts. The terms "an Additional Units PPA-2 Participant" or "each Additional Units PPA-2 Participant" shall mean any one of the Additional Units PPA-2 Participants or each of the Additional Units PPA-2 Participants, as the case may be.

"Advance" shall mean, for all purposes of this Agreement, one or more advances or borrowings of the DOE Guaranteed Loan made pursuant to the DOE Loan Documents from FFB on a particular date, as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of the making thereof, whether or not such advances or borrowings constitute a separate "Advance" for purposes of (and as defined in) the DOE Loan Guarantee Agreement. In the event that such advances or borrowings shall constitute two or more separate "Advances" for purposes of (and as defined in) the DOE Loan Guarantee Agreement, such advances or borrowings may be aggregated for the purpose of establishing level monthly Debt Service pursuant to Section 401(d) hereof.

"Agent" means the Georgia Power Company or a replacement or successor agent, in its capacity as agent for the co-owners of Plant Vogtle under the Ownership Agreement.

"Amortized Reserve Funds" mean any reserve funds maintained by MEAG pursuant to the PPA Project Bond Resolution or by or on behalf of the PPA Project Entity pursuant to the DOE Accounts Agreement funded with the proceeds of PPA Bonds or Advances, subject to the exception set forth in Section 207(a) of this Agreement that reserve funds may be funded with funds other than proceeds of the PPA Bonds or Advances under the stated circumstances, and as to which Buyer is required to pay its Obligation Share of the principal of such PPA Bonds or such Advances during the Term of this Agreement.

"Ancillary Services" means reactive supply and voltage support service (as defined by the transmission provider's open access transmission tariff) and such other services the Additional Units may provide that are customarily characterized in the industry as ancillary services.

"Annual Period" means, with respect to an Additional Unit, each 12-month period from July 1 to June 30 of the immediately subsequent year.

"Applicable Law" means all national, state, provincial, local or municipal laws, statutes, codes, acts, treaties, ordinances, orders, judgments, writs, decisions, decrees, injunctions, rules, regulations, governmental approvals, licenses, permits, directives, requirements, or other legal or regulatory determination of any Governmental Authority, including any of the foregoing that are enacted, amended, or issued after the Execution Date and which become effective during the Term of this Agreement.

"Assumed Completion Date" means (a) in the case of the first unit of the Additional Units, December 31, 2018 and (b) in the case of the second unit of the Additional Units, December 31, 2019, it being understood that such dates are to be used solely for purposes of Sections 401(d)(1) and 401(f)(1) hereof and do not imply any expectations on the part of either

Party hereto as to the expected Commercial Operation Date of either unit of the Additional Units as of the Execution Date of this Agreement.

"Build America Bonds" shall mean any PPA Bonds with respect to which MEAG has irrevocably elected, pursuant to Section 54AA(g) of the Internal Revenue Code of 1986, as amended, or any other similar federal program creating subsidies for municipal borrowers for which MEAG qualifies, to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on such PPA Bonds.

"Buyer's Billing Statement" shall mean the written statement prepared or caused to be prepared monthly by MEAG that shall be based upon the Plant Vogtle Additional Units PPA Project Annual Budget or upon the amended Plant Vogtle Additional Units PPA Project Annual Budget, which shall show the monthly amount to be paid to MEAG by Buyer under this Agreement.

"Buyer's Electric System Bond Resolution" shall mean the resolution adopted by Buyer on March 30, 1982 authorizing the issuance of Buyer's Electric System Revenue Bonds, Series One.

"Buyer's Obligation Share" or "Obligation Share" shall mean one hundred percent (100%).

"Capacity" means electrical capacity in MW attributable to the PPA Project Entity's Ownership Interest commencing on the applicable Commercial Operation Date.

"Commercial Operation" shall mean achieving "Commercial Operation" within the meaning of the Operating Agreement.

"Commercial Operation Date" shall mean, with respect to an Additional Unit, the date on which such Additional Unit achieves Commercial Operation.

"Construction Fund" shall mean the Construction Fund established in Section 502 of the PPA Project Bond Resolution.

"Costs of Acquisition and Construction" shall mean, to the extent not included in the Plant Vogtle Additional Units PPA Project Annual Costs, all actual costs and expenses incurred by or for the account of MEAG or the PPA Project Entity for the planning, designing, acquiring, constructing, and installing the PPA Project Entity's Ownership Interest, including any major renewals, replacements, repairs, additions, betterments or improvements necessary, in the opinion of MEAG or the PPA Project Entity, to keep the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom, placing the PPA Project Entity's Ownership Interest in operation, disposing of the PPA Project Entity's Ownership Interest, and obtaining governmental approvals, certificates, permits and licenses with respect thereto heretofore or hereafter paid or incurred by, or for the account of, MEAG or the PPA Project Entity, as applicable, including the following:

(1) working capital reserves in such reasonable amounts as may be established by MEAG or the PPA Project Entity for the PPA Project Entity's Ownership Interest (including working capital reserves held in (a) funds or accounts established under the PPA Project Bond Resolution and (b) accounts established under the DOE Accounts Agreement);

(2) acquisition of initial inventories or prepayment of Fuel for the PPA Project Entity's Ownership Interest and working capital and reserves therefor and working capital and reserves for additional inventories or prepayment of Fuel for the PPA Project Entity's Ownership Interest held by, or for the account of, either MEAG or the PPA Project Entity;

(3) charges related to processing, design, fabrication, transportation, disposal and storage of Fuel for the PPA Project Entity's Ownership Interest, including the following: (a)

Fuel storage facilities, including ~~spent fuel storage facilities~~Spent Fuel Storage Facilities, and (b) working capital and reserves related to acquisition, processing, design, fabrication, transportation, disposal and storage of Fuel for the PPA Project Entity's Ownership Interest;

(4) reserves for renewals and replacements, retirement from service, or disposal of any facility of the PPA Project Entity's Ownership Interest and contingencies held by, or for the account of, either MEAG or the PPA Project Entity;

(5) training and testing costs incurred by MEAG or the PPA Project Entity attributable to the PPA Project Entity's Ownership Interest;

(6) preliminary investigation and development costs, engineering fees, contractors' fees, costs of labor, materials, equipment, utility services and supplies and legal costs attributable to the PPA Project Entity's Ownership Interest and the Plant Vogtle Additional Units PPA Project;

(7) all costs of insurance applicable to the period of construction of the PPA Project Entity's Ownership Interest; and

(8) amounts necessary to provide funds for contribution to the PPA Project Entity to repay Advances when due (whether at the maturity of principal or upon prepayment) on the DOE Guaranteed Loan and to reacquire from the PPA Project Entity the PPA Project Entity's Ownership Interest at such time as (a) the principal of, and interest and prepayment premiums, if any, due or to become due on, and all other amounts due with respect to, the DOE Guaranteed Loan shall have been paid, at the times and in the manner stipulated in the DOE Loan Guarantee Agreement and the other DOE Loan Documents, as applicable and (b) the PPA Project Entity shall have satisfied all of its obligations under the DOE Loan Guarantee Agreement and the other

DOE Loan Documents, as applicable (and no undisbursed commitments remain available thereunder).

Costs of Acquisition and Construction shall also include all other costs, except Financing Costs, incurred by MEAG or the PPA Project Entity and properly allocable to planning, designing, acquiring, constructing and installing the PPA Project Entity's Ownership Interest and the establishment of the Plant Vogtle Additional Units PPA Project including (i) all costs associated with the transfer to the PPA Project Entity of the PPA Project Entity's Ownership Interest and the entry by the PPA Project Entity into the DOE Loan Guarantee Agreement and the other DOE Loan Documents, (ii) the Additional Costs as described and defined in Section 2.2 of the Development Agreement attributable to the PPA Project Entity's Ownership Interest, (iii) amounts required to reimburse Buyer and the Additional Units PPA Participants for amounts paid by them in respect of the payment of the principal of maturing PPA BANs and/or PPA Take-Out Bonds, and (iv) amounts required to be repaid, reimbursed or otherwise paid by MEAG to Buyer pursuant to any provision of this Agreement at the end of the Term hereof.

"Debt Service" shall mean, with respect to any period, the aggregate of the amounts required by the PPA Project Bond Resolution or the DOE Loan Documents to be paid by MEAG or the PPA Project Entity, respectively, during said period into any fund or funds created by the PPA Project Bond Resolution or any account or accounts created by the DOE Accounts Agreement, as applicable, for the sole purpose of paying (i) the principal (including the sinking fund or equivalent payment installments and the amounts in respect of principal pursuant to Section 401(e) or 401(i)) of, and premium, if any, and interest on, PPA Bonds or the DOE Guaranteed Loan, as applicable, and all other amounts due with respect to the DOE Guaranteed Loan and (ii) any payments on Qualified Hedging Contracts, including any swap premium or swap termination payment, or Reimbursement Obligations, from time to time outstanding as the same shall become due; provided, however, that Debt Service shall not include any acceleration of the maturity of any PPA Bonds or the DOE Guaranteed Loan, including any redemption of any PPA Bonds or any prepayment of Advances prior to maturity at the election of MEAG or the PPA Project Entity, respectively, or any acceleration resulting from the exercise of remedies by the holders of any PPA Bonds or any trustee acting on behalf of such holders or by the DOE Secured Parties, respectively; and provided, further, that in the case of any swap premium or swap termination payment, the amount of such swap premium or swap termination payment included in Debt Service shall be only the portion of such swap premium or termination payment that, in the opinion of a mutually agreed-upon nationally-recognized independent financial advisor experienced in interest rate swaps or similar measures, is allocable to the Term of this Agreement. The swap premium or swap termination payment allocable to the Term of this Agreement shall be determined by such financial advisor based upon an economic analysis performed in a manner consistent with industry practice with the objective of a fair allocation of the payments reflecting the respective remaining time periods of Buyer and the Additional Units PPA Participants.

"Debt Service Fund" has the meaning set forth in the PPA Project Bond Resolution.

"Debt Service Reserve Account" has the meaning set forth in the PPA Project Bond Resolution.

"Development Agreement" shall mean the Plant Vogtle Owners Agreement Authorizing Development, Construction, Licensing and Operation of Additional Generating Units dated as of May 13, 2005.

"DOE" shall mean the United States Department of Energy, as guarantor of the DOE Guaranteed Loan.

"DOE Accounts Agreement" shall mean the Collateral Agency and Accounts Agreement to be entered into among DOE, the DOE Collateral Agent and the PPA Project Entity.

"DOE Collateral Agent" shall mean PNC Bank, National Association, doing business as Midland Loan Services, a division of PNC Bank, National Association, or any successor thereto, in its capacity as Collateral Agent for DOE.

"DOE Debt Service Reserve Account" shall mean the account by that name established pursuant to the DOE Accounts Agreement.

"DOE Debt Service Reserve Requirement" shall have the meaning assigned to the term "Debt Service Reserve Requirement" in the DOE Loan Guarantee Agreement.

"DOE Guaranteed Loan" shall have the meaning given to such term in the recitals hereto.

"DOE Loan Documents" shall have the meaning assigned to the term "Loan Documents" in the DOE Loan Guarantee Agreement.

"DOE Loan Guarantee Agreement" shall mean the Loan Guarantee Agreement to be entered into between the PPA Project Entity and DOE.

"DOE Secured Obligations" shall have the meaning assigned to the term "Secured Obligations" in the DOE Loan Guarantee Agreement.

"DOE Secured Parties" shall mean DOE and the DOE Collateral Agent, as their respective interests may appear.

"Eastern Prevailing Time" means the prevailing time (*i.e.*, Standard Time or Daylight Savings Time) on any given day in the Eastern Time Zone.

"Effective Date" shall have the meaning assigned to such term in Section 101 hereof.

"Energy" shall mean the actual hourly electric energy as measured in MWh attributable to the PPA Project Entity's Ownership Interest commencing on the applicable Commercial Operation Date.

"Engineering, Procurement and Construction Agreement" means the Engineering, Procurement and Construction Agreement between Georgia Power Company, for itself and as Agent for Oglethorpe Power Corporation, MEAG and the City of Dalton, Georgia, acting by and through its Board of Water, Light and Sinking Fund Commissioners, as Owners, and a consortium consisting of Westinghouse Electric Company LLC and Stone & Webster, Inc., as Contractor for Units 3 & 4 at the Vogtle Electric Generating Plant Site in Waynesboro, Georgia, dated as of April 8, 2008.

"Environmental Attributes" means any and all credits, benefits, emissions reductions, environmental air quality credits, emission reduction credits, renewable energy credits, offsets, and allowances attributable to the generation, purchase, sale, or use of the Output from the PPA Project Entity's Ownership Interest commencing on the applicable Commercial Operation Date of an Additional Unit, including tags, certificates, credits, allowances, offsets, and similar products or rights attributable to the generation, purchase, sale, or use of the Output of the PPA Project Entity's Ownership Interest commencing on the applicable Commercial Operation Date of an Additional Unit that can be used to claim responsibility for, ownership of, or any avoidance or reduction of emissions or pollutants, including mercury, nitrogen oxide, sulfur oxide, carbon dioxide, carbon monoxide, particulate matter or similar pollutants or contaminants of air, water or soil, under any governmental, regulatory or voluntary program, including the United Nations Framework Convention on Climate Change and related Kyoto Protocol or other program. Notwithstanding the foregoing and any other provision in this Agreement, Environmental

Attributes do not include: (i) any state or federal production tax credits, other than the "Production Tax Credit," as defined hereunder; (ii) any investment tax credits and any other tax credits associated with the PPA Project; (iii) any state, federal or private cash payments or grants relating in any way to the PPA Project or the Output thereof; and (iv) any state, federal or private grants or other benefits related to the PPA Project.

"Execution Date" shall have the meaning assigned to such term in the preamble to this Agreement.

"Federal Financing Bank" or "FFB" shall mean the Federal Financing Bank, a body corporate and instrumentality of the United States of America.

"Financial Advisor" shall have the meaning assigned to such term in Section 401(~~i~~j) hereof.

"Financing Costs" shall mean all financing costs related to the Plant Vogtle Additional Units PPA Project that may be financed from the proceeds of PPA Bonds or the DOE Guaranteed Loan, including the following:

(1) costs of issuance, including underwriting fees, bank commitment and letter of credit fees, legal and financial advisory fees, bond insurance and indemnity fees, and any payments on Qualified Hedging Contracts including (a) any periodic "net" payments accruing in whole or in part prior to and during construction and for such additional period as MEAG may reasonably determine to be necessary in connection with the placing of the PPA Project Entity's Ownership Interest in operation, and (b) any swap premium or swap termination payment;

(2) interest accruing in whole or in part on PPA Bonds or the DOE Guaranteed Loan prior to and during construction (or, in the case of PPA Bonds issued or Advances made to finance Fuel, interest accruing in whole or in part on such PPA Bonds or such

Advances prior to the loading of such Fuel in the reactor) and for such additional period as MEAG may reasonably determine to be necessary in connection with the placing of the PPA Project Entity's Ownership Interest in operation in accordance with the provisions of the PPA Project Bond Resolution, including any major renewals, replacements, repairs, additions, betterments or improvements or modifications with respect to the PPA Project Entity's Ownership Interest of a particular Additional Unit undertaken following the Commercial Operation Date of such Additional Unit;

(3) the deposit or deposits from the proceeds of PPA Bonds issued, or Advances made, to finance such costs in any fund or account established pursuant to the PPA Project Bond Resolution or the DOE Loan Documents to meet Debt Service reserve requirements for PPA Bonds or the DOE Guaranteed Loan, or replenishment of such funds if drawn down; and

(4) any other fees, costs and expenses of financing for the PPA Bonds or the DOE Guaranteed Loan.

"Fixed Costs" shall mean, with respect to any period, all fixed costs related to the Plant Vogtle Additional Units PPA Project attributed to such period, as defined by and provided in Section 205(b)(1) of this Agreement.

"Fuel" shall mean the nuclear materials required for the operation of the Plant Vogtle Additional Units, including the initial nuclear fuel cores.

"Fuel Costs" shall mean all costs incurred by MEAG or the PPA Project Entity during any Power Supply Year that are allocable to the acquisition, processing, design, fabrication, transportation, delivering, reprocessing, storage and disposal of Fuel for the PPA Project Entity's Ownership Interest, including the initial nuclear fuel cores, and further including prepayments of such costs or transfers to reserves established for such costs related to future Power Supply Years, less appropriate credits related to such costs, and including those portions of administrative and general expenses incurred by MEAG and the PPA Project Entity that are properly and reasonably allocable to acquisition and management of Fuel for the PPA Project Entity's Ownership Interest, and, to the extent that any such costs have been paid for through a Nuclear Fuel Construction Fund-Revolving Account that initially was funded through proceeds of PPA Bonds or Advances (or, in the event that MEAG determined that it was practically or economically infeasible for MEAG to issue PPA Bonds or for the PPA Project Entity to satisfy the conditions to the making of Advances for such purpose, through billings to Buyer hereunder), the amount of such costs that are amortized during the Power Supply Year.

"Governmental Authority" means any national, state, provincial, local or municipal government, any political subdivision thereof or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law; provided, however, that "Governmental Authority" shall not in any event include either Party.

"JEA Market Disruption" means, as the context requires, (1) the inability of MEAG to issue investment grade PPA Bonds solely as a result of the creditworthiness of Buyer, which determination shall be made in writing by a nationally-recognized investment bank or financial institution acting as an underwriter for the proposed bond offering and (2) the inability of the PPA Project Entity to satisfy the conditions for an Advance under the DOE Loan Guarantee Agreement solely as a result of either the creditworthiness of Buyer or an action or inaction on the part of Buyer; provided, however, that in the case of clause (2), MEAG must use its best efforts to cause the PPA Project Entity to request an Advance under the DOE Loan Guarantee

Agreement in good faith and if MEAG causes the PPA Project Entity to make the request for an Advance but despite MEAG's and the PPA Project Entity's best efforts, DOE nonetheless does not approve the Advance, then that will constitute a JEA Market Disruption for purposes of clause (2), but not clause (1), above.

"kW" means kilowatt.

"kWh" means kilowatt-hour.

"MEAG's Interest" shall have the meaning set forth in **Exhibit A** hereto.

"MW" means megawatt.

"MWh" means megawatt-hour.

"Nominally Rated" means the net electrical unit output, as measured on the high voltage side of the main step-up transformer, guaranteed by the Contractor under the Engineering, Procurement and Construction Agreement.

"Non-amortized Reserve Funds" mean any reserve funds maintained by MEAG pursuant to the PPA Project Bond Resolution or by or on behalf of the PPA Project Entity pursuant to the DOE Accounts Agreement funded with the proceeds of PPA Bonds or Advances, subject to the exception set forth in Section 207(a) of this Agreement that reserve funds may be funded with funds other than proceeds of the PPA Bonds or Advances under the stated circumstances, and as to which Buyer is not required to pay its Obligation Share of the principal of such PPA Bonds or such Advances during the Term of this Agreement.

"Non-PPA Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by MEAG pursuant to or as permitted by the provisions of the Non-PPA Project Bond Resolution to finance or refinance the Costs of Acquisition and Construction and Financing Costs (as such terms are defined in the Plant Vogtle Additional Units Non-PPA Power Sales

Contracts) of the Plant Vogtle Additional Units Non-PPA Project, whether or not any issue of such bonds, notes or other evidences of indebtedness shall be subordinated as to payment to any other issue of such bonds, notes or other evidences of indebtedness, and shall include refunding Non-PPA Bonds issued pursuant to the provisions of the Plant Vogtle Additional Units Non-PPA Power Sales Contracts.

“Non-PPA Project Bond Resolution” shall mean the Plant Vogtle Additional Units Non-PPA Project Bond Resolution adopted by MEAG and accepted by the Trustee thereunder for the benefit of the owners of the Non-PPA Bonds that provides for the issuance of such Non-PPA Bonds, as the same is proposed to be amended and restated by the Second Amended and Restated Plant Vogtle Additional Units Non-PPA Project Bond Resolution to be adopted by MEAG.

“Non-PPA Project Entity” shall mean MEAG Power SPVM LLC, a limited liability company organized under the laws of the State of Georgia formed by MEAG for the sole purpose of owning and operating the Non-PPA Project Portion of the Additional Units and that is a wholly-owned, direct subsidiary of MEAG.

“Non-PPA Project Portion” shall mean 33.870736 percent of MEAG’s Interest, which portion shall include 169.458 MWs of the output of the Additional Units, based upon the nominal ratings of the Additional Units.

“Nuclear Fuel Construction Fund-Revolving Account” shall mean a non-amortizing reserve fund funded from PPA Bond proceeds or, under the circumstances set forth in Section 207(a) of this Agreement, from revenues derived from either year-end distributions or billings to Buyer under this Agreement at the amount projected to be necessary to handle nuclear fuel working capital needs over unit operations and established pursuant to Section 502(4) of the PPA Project Bond Resolution.

"Nuclear Managing Board Agreement" shall mean the Second Amended and Restated Nuclear Managing Board Agreement dated as of April 21, 2006.

"Operating Agreement" shall mean the Plant Alvin W. Vogtle Nuclear Units Amended and Restated Operating Agreement dated as of April 21, 2006.

"Other Costs" shall mean, with respect to any period, all costs other than Fixed Costs, related to the Plant Vogtle Additional Units PPA Project attributed to such period, as defined by and provided in Section 205(b)(2) of this Agreement.

"Output of the PPA Project Entity's Ownership Interest" or "Output" shall mean the Capacity, Energy, and Ancillary Services actually generated by, attributable to, or resulting from the PPA Project Entity's Ownership Interest and any Environmental Attributes and Production Tax Credit attributable to the PPA Project Entity's Ownership Interest which are purchased by MEAG from the PPA Project Entity pursuant to the PPA Project Entity Power Purchase Agreement for resale hereunder and under the Power Sales Contracts.

"Ownership Agreement" shall mean the Plant Alvin W. Vogtle Additional Units Ownership Participation Agreement dated as of April 21, 2006.

"Participant" shall mean any political subdivision of the State of Georgia that is authorized by Section 46-3-130 of the Act to make contracts for the payment of such rates, tolls, fees and charges as may be prescribed by MEAG for the use of services and facilities of the projects and which has entered into such contracts, and shall include any commission or agency of such political subdivision that operates or conducts or exercises jurisdiction over any essential function of such Participant's electric distribution system.

"Person" means any individual, partnership, corporation, limited liability company, joint venture, firm, association, joint-stock company, trust, unincorporated organization, or other enterprise (whether or not incorporated), or any Governmental Authority.

"Plant Vogtle Additional Units Non-PPA Power Sales Contracts" shall mean the Plant Vogtle Additional Units Non-PPA Power Sales Contracts, by and between MEAG and the Additional Units Non-PPA Participants, which Power Sales Contracts relate to the Plant Vogtle Additional Units Non-PPA Project.

"Plant Vogtle Additional Units Non-PPA Project" or "Non-PPA Project" shall mean: (1) a percentage of MEAG's Interest in an amount equal to the Non-PPA Project Portion thereof and (2) working capital for the Non-PPA Project Portion required by MEAG during construction of the Additional Units and for the placing of the Additional Units in operation, and working capital for the Non-PPA Project Portion for operation of the Additional Units; provided, however, that in the event that the amendment and restatement of the Non-PPA Project Bond Resolution provided for in the Second Amended and Restated Plant Vogtle Additional Units Non-PPA Project Bond Resolution to be adopted by MEAG shall become effective, then "Plant Vogtle Additional Units Non-PPA Project" or "Non-PPA Project" shall mean (i) all of MEAG's right, title and interest (whether direct or indirect) in and to the output of such percentage undivided ownership interest in MEAG's Interest and (ii) working capital for the Non-PPA Project Portion required by MEAG or the Non-PPA Project Entity during construction of the Additional Units and for the placing of the Additional Units in operation, and working capital for the Non-PPA Project Portion for operation of the Additional Units. The Non-PPA Project is referred to sometimes as "Project M."

"Plant Vogtle Additional Units Non-PPA Project Annual Costs" shall mean, with respect to a Power Supply Year, to the extent not paid as a part of the Costs of Acquisition and Construction (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts), all costs and expenses of MEAG or the Non-PPA Project Entity paid by MEAG or the Non-PPA Project Entity during such Power Supply Year allocable to the Plant Vogtle Additional Units Non-PPA Project, which costs and expenses shall include those items of cost and expense referred to in Section 308 of the Plant Vogtle Additional Units Non-PPA Power Sales Contracts as the Plant Vogtle Additional Units Non-PPA Project Annual Fixed Costs and Plant Vogtle Additional Units Non-PPA Project Other Annual Costs.

"Plant Vogtle Additional Units PPA Power Sales Contracts" or "Power Sales Contracts" shall mean the Amended and Restated Plant Vogtle Additional Units PPA Power Sales Contracts, by and between MEAG and the Additional Units PPA Participants, which Power Sales Contracts relate to the Plant Vogtle Additional Units PPA Project. A draft of the Plant Vogtle Additional Units PPA Power Sales Contracts, in substantially the same form as the draft presented to and approved by the MEAG Board in substantially final form, is attached as **Exhibit H** to this Agreement.

"Plant Vogtle Additional Units PPA Project" or "PPA Project" shall mean: (1) all of MEAG's right, title and interest (whether direct or indirect) in and to the Output of the PPA Project Entity's Ownership Interest, such right, title and interest of MEAG being available to MEAG pursuant to the PPA Project Entity Power Purchase Agreement, and (2) working capital for the PPA Project Portion required by MEAG or the PPA Project Entity during construction of the Additional Units and for the placing of the Additional Units in operation, and working capital for the PPA Project Portion for operation of the Additional Units. The PPA Project is referred to sometimes as "Project J."

"Plant Vogtle Additional Units PPA Project Annual Budget" shall mean, with respect to a Power Supply Year, the budget or amended budget adopted by MEAG pursuant to Section 201 of the Power Sales Contracts, which budget shall contain itemized estimates of the Plant Vogtle Additional Units PPA Project Annual Costs and all revenues, income or other funds to be applied to such Plant Vogtle Additional Units PPA Project Annual Costs and shall separately show the Debt Service costs relating to the Plant Vogtle Additional Units PPA Project and shall include separately such itemized estimates for Fixed Costs and for Other Costs.

"Plant Vogtle Additional Units PPA Project Annual Costs" shall mean, with respect to a Power Supply Year, to the extent not paid as a part of the Costs of Acquisition and Construction, all costs and expenses of MEAG or the PPA Project Entity paid by MEAG or the PPA Project Entity during such Power Supply Year allocable to the Plant Vogtle Additional Units PPA Project, which costs and expenses shall include those items of cost and expense referred to in Section 205(b) hereof as the Plant Vogtle Additional Units PPA Project Annual Fixed Costs and Plant Vogtle Additional Units PPA Project Other Annual Costs.

"Plant Vogtle Additional Units PPA-2 Power Sales Contracts" shall mean the Plant Vogtle Additional Units PPA-2 Power Sales Contracts, by and between MEAG and the Additional Units PPA-2 Participants, which Power Sales Contracts relate to the Plant Vogtle Additional Units PPA-2 Project.

"Plant Vogtle Additional Units PPA-2 Project" or "PPA-2 Project" shall mean: (1) a percentage of MEAG's Interest in an amount equal to the PPA-2 Project Portion thereof and (2) working capital for the PPA-2 Project Portion required by MEAG during construction of the

Additional Units and for the placing of the Additional Units in operation, and working capital for the PPA-2 Project Portion for operation of the Additional Units; provided, however, that in the event that the amendment and restatement of the PPA-2 Project Bond Resolution provided for in the Second Amended and Restated Plant Vogtle Additional Units PPA-2 Project Bond Resolution to be adopted by MEAG shall become effective, then "Plant Vogtle Additional Units PPA-2 Project" or "PPA-2 Project" shall mean (i) all of MEAG's right, title and interest (whether direct or indirect) in and to the output of such percentage undivided ownership interest in MEAG's Interest and (ii) working capital for the PPA-2 Project Portion required by MEAG or the PPA-2 Project Entity during construction of the Additional Units and for the placing of the Additional Units in operation, and working capital for the PPA-2 Project Portion for operation of the Additional Units. The PPA-2 Project is referred to sometimes as "Project P."

"Power Supply Year" shall mean the calendar year, except that the first Power Supply Year shall begin on the earliest of (i) the date an Additional Unit is first declared to be in Commercial Operation; (ii) the date to which all interest is capitalized on PPA Bonds and the DOE Guaranteed Loan; (iii) the date which is twelve (12) months prior to the date on which the first annual principal installment on any of the PPA Bonds is due; (iv) the date which is three (3) months prior to the date on which the first quarterly principal installment on the DOE Guaranteed Loan is due; or (v) the date on which any Plant Vogtle Additional Units PPA Project Annual Costs become payable.

"PPA BANs" shall mean the PPA Bonds, if any, issued by MEAG as permitted by the provisions of the PPA Project Bond Resolution and Section 403(a) hereof to finance or refinance a portion of the Costs of Acquisition and Construction and Financing Costs of the Plant Vogtle Additional Units PPA Project on an interim basis prior to (a) the issuance of other PPA Bonds or

(b) the making of Advances under the DOE Guaranteed Loan, in either such case, satisfying the structuring requirements of Section 401(d) hereof, which PPA BANs (i) shall be issued in the form of notes the principal of which is intended to, and all or a portion of the interest on which may, be paid with moneys which are not Revenues (as defined in the PPA Project Bond Resolution), including the proceeds of other PPA Bonds (including other PPA BANs or PPA Take-Out Bonds) and (ii) ~~shall have a maturity date not later than thirteen (13) months following the date of issuance~~which notes may be in the form of, among other items, a promissory note evidencing obligations under a revolving credit facility or letter of credit facility, commercial paper notes or other short-term notes, medium-term notes, or notes subject to tender for purchase at the option of the holder thereof. Notwithstanding any other provision of this Agreement, PPA BANs shall not be subject to the structuring requirements of Section 401(d) hereof.

"PPA Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by MEAG pursuant to or as permitted by the provisions of the PPA Project Bond Resolution to finance or refinance the Costs of Acquisition and Construction and Financing Costs of the Plant Vogtle Additional Units PPA Project, whether or not any issue of such bonds, notes or other evidences of indebtedness shall be subordinated as to payment to any other issue of such bonds, notes or other evidences of indebtedness, and shall include refunding PPA Bonds issued pursuant to the provisions of the Plant Vogtle Additional Units PPA Power Sales Contracts. PPA Bonds may be in the form of, among other items, a promissory note evidencing obligations under a revolving credit facility or letter of credit facility, commercial paper notes or other short-term notes, medium-term notes, or notes subject to tender for purchase at the option of the holder thereof.

"PPA Project Bond Resolution" shall mean the Plant Vogtle Additional Units PPA Project Bond Resolution adopted by MEAG and accepted by the Trustee thereunder for the benefit of the owners of the PPA Bonds that provides for the issuance of such PPA Bonds, as the same is proposed to be amended and restated by the Second Amended and Restated Plant Vogtle Additional Units PPA Project Bond Resolution to be adopted by MEAG (the "Second Amended and Restated PPA Project Bond Resolution"). Notwithstanding the previous sentence, neither the draft Second Amended and Restated PPA Project Bond Resolution attached as **Exhibit G** to this Agreement nor the final Second Amended and Restated PPA Project Bond Resolution shall be revised or amended in any manner that modifies or alters the rights or obligations of Buyer under this Agreement without Buyer's prior consent.

"PPA Project Entity" shall mean MEAG Power SPVJ LLC, a limited liability company organized under the laws of the State of Georgia formed by MEAG for the sole purpose of owning and operating the PPA Project Portion of the Additional Units and that is a wholly-owned, direct subsidiary of MEAG.

"PPA Project Entity Power Purchase Agreement" means the Wholesale Power Sales Agreement, to be entered into between the PPA Project Entity, as seller, and MEAG, as buyer.

"PPA Project Entity's Ownership Interest" shall mean a percentage of MEAG's Interest in the Additional Units in an amount equal to the PPA Project Portion, which, upon the Effective Date, will be transferred to the PPA Project Entity and which includes 9.3466423 percent of the output of the Additional Units.

"PPA Project Portion" shall mean 41.174636 percent of MEAG's Interest, which portion shall include 206.000 MWs of the Output of the Additional Units, based upon the nominal ratings of the Additional Units.

"PPA Take-Out Bonds" shall mean the PPA Bonds, if any, issued by MEAG as permitted by the provisions of the PPA Project Bond Resolution and Section 403(c) hereof to refund PPA BANs. Notwithstanding any other provision of this Agreement, PPA Take-Out Bonds shall not be subject to the structuring requirements of Section 401(d) hereof.

"PPA-2 Project Bond Resolution" shall mean the Plant Vogtle Additional Units PPA-2 Project Bond Resolution adopted by MEAG and accepted by the Trustee thereunder for the benefit of the owners of the PPA-2 Bonds (as defined therein) that provides for the issuance of such PPA Bonds, as the same is proposed to be amended and restated by the Second Amended and Restated Plant Vogtle Additional Units PPA-2 Project Bond Resolution to be adopted by MEAG.

"PPA-2 Project Entity" shall mean MEAG Power SPVP LLC, a limited liability company organized under the laws of the State of Georgia formed by MEAG for the sole purpose of owning and operating the PPA-2 Project Portion of the Additional Units and that is a wholly-owned, direct subsidiary of MEAG.

"PPA-2 Project Portion" shall mean 24.954628 percent of MEAG's Interest, which portion shall include 124.850 MWs of the output of the Additional Units, based upon the nominal ratings of the Additional Units.

"Pre-Commercial Generation" shall mean a portion of each Additional Unit's Output prior to each Additional Unit's Commercial Operation Date in an amount equal to the PPA Project Portion thereof.

"Production Tax Credit" means production tax credits calculated in accordance with Section 213 of this Agreement arising under 26 U.S.C. § 45, as in effect from time to time during the Term of this Agreement, or any successor or other provision providing for a federal tax credit determined by reference to electric energy produced from nuclear resources and any correlative state tax credit determined by reference to electric energy produced from nuclear resources for which the PPA Project Entity's Ownership Interest is eligible.

"Project Agreements" shall collectively mean the Development Agreement, the Nuclear Managing Board Agreement, the Operating Agreement, and the Ownership Agreement.

"Prudent Utility Practice" at a particular time shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior to such time, or any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts having due regard for manufacturers' warranties and the requirements of governmental agencies of competent jurisdiction.

"Qualified Hedging Contract" has the meaning set forth in the PPA Project Bond Resolution.

"Reimbursement Obligation" has the meaning set forth in the PPA Project Bond Resolution.

"Revenue Fund" has the meaning set forth in the PPA Project Bond Resolution.

"Series" shall mean, for all purposes of this Agreement, any or all PPA Bonds issued upon original issuance on a particular date, as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of issuance thereof, whether or not such PPA Bonds constitute a separate "Series" of Bonds for purposes of (and as defined in) the PPA Project Bond Resolution. In the event that the PPA Bonds of any such Series shall constitute two or more separate "Series" of Bonds for purposes of (and as defined in) the PPA Project Bond Resolution, the PPA Bonds of such Series may be (i) aggregated for the purpose of establishing level monthly Debt Service pursuant to Section 401(d)~~, 401(e)~~ or 401(f) hereof, as applicable, or (ii) aggregated or disaggregated for purpose of establishing monthly Debt Service pursuant to Section 401(e) or 401(i).

"Spent Fuel Storage Facilities" means, with respect to each Additional Unit, the spent fuel storage facilities for such Additional Unit, including [spent fuel casks, the pads on which spent fuel casks may be placed, any accompanying facilities and the road and related improvements to access such pad].[2]

"Term" shall have the meaning assigned to such term in Section 102 hereof.

"Trustee" has the meaning set forth in the PPA Project Bond Resolution.

"Uniform System of Accounts" means the Uniform System of Accounts prescribed for Public Utilities and Licensees subject to the provisions of the Federal Power Act as set forth in 18 C.F.R. Part 101.

SECTION 105. RULES OF INTERPRETATION. In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

(a) Headings and any rendering of text in bold and italics are for convenience and reference purposes only and do not affect the meaning or interpretation of this Agreement;

(b) Words importing the singular include the plural and vice versa and the masculine, feminine and neuter genders include all genders;

[2] Note to Draft: MEAG to confirm facilities description.

(c) The words "hereof," "herein," and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) A reference to a document or agreement, including this Agreement, shall mean such document, agreement or this Agreement including any amendment or supplement to, or replacement, novation or modification of, such document, agreement or this Agreement, but disregarding any amendment, supplement, replacement, novation or modification made in breach of such document, agreement or this Agreement;

(e) A reference to a Person includes that Person's successors and permitted assigns;

(f) The term "including" means "including without limitation" and any list of examples following such term shall in no way restrict or limit the generality of the work or provision in respect of which such examples are provided;

(g) References to any statute, code or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or reenacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;

(h) In the event of a conflict, a mathematical formula describing a concept or defining a term shall prevail over words describing a concept or defining a term;

(i) References to any amount of money shall mean a reference to the amount in United States Dollars;

(j) The expression "and/or" when used as a conjunction shall connote "any or all of";

(k) Words, phrases or expressions not otherwise defined herein that (i) have a well-known and generally accepted meaning in Prudent Utility Practice shall have such meaning in this Agreement or (ii) do not have a well-known and generally accepted meaning in Prudent

Utility Practice but that have well-known and generally accepted technical or trade meanings, shall have such recognized meanings; and

(l) Capitalized terms not specifically defined herein or in a referenced document shall have their normal meanings in the context in which they are used.

SECTION 106. DOE GUARANTEED LOAN AND ADVANCES. MEAG and Buyer acknowledge and agree that, for all purposes of this Agreement, any reference to:

(a) the ability of the PPA Project Entity to borrow funds from FFB as contemplated by the DOE Loan Documents shall include the requirement that all conditions precedent to the making of an Advance under the DOE Guaranteed Loan must be satisfied, including the limitations on use of the proceeds of such Advance for Eligible Project Costs (as defined in the DOE Loan Guarantee Agreement) and the requirement that such Advance be requested during the Availability Period (as defined in the DOE Loan Guarantee Agreement);

(b) the use of proceeds of the DOE Guaranteed Loan or an Advance means the use of such proceeds to the extent permitted under, and in compliance with, the DOE Loan Documents; and

(c) Advances made means Advances made during the Availability Period for Eligible Project Costs.

ARTICLE II

PURCHASE AND SALE

SECTION 201. PURCHASE AND SALE. In accordance with and subject to the terms and conditions of this Agreement (including Section 101), commencing on the Commercial

Operation Date of the first of the Additional Units and continuing through the end of the Term, MEAG shall sell to Buyer, and Buyer shall purchase from MEAG, Buyer's Obligation Share of the Output for the following periods: (i) for the first unit of the Additional Units, a period of twenty (20) years commencing on the Commercial Operation Date of the first unit, and (ii) for the second unit of the Additional Units, a period of twenty (20) years commencing on the Commercial Operation Date of the second unit. This Agreement and the PPA Project Entity Power Purchase Agreement are intended to be "back-to-back" power purchase agreements during the Term of this Agreement such that all of the Output shall be purchased by MEAG from the PPA Project Entity pursuant to the PPA Project Entity Power Purchase Agreement and resold to Buyer pursuant to the terms and conditions hereof. For the avoidance of doubt and notwithstanding anything to the contrary herein, and to confirm the understanding of the Parties, if Buyer has satisfied its payment and performance obligations under and in accordance with this Agreement, MEAG is required to purchase such Output from the PPA Project Entity under and in accordance with the PPA Project Entity Power Purchase Agreement and as long as all the payment and performance obligations of MEAG to the PPA Project Entity have been satisfied under the PPA Project Entity Power Purchase Agreement, the PPA Project Entity is required to sell and provide such Output to MEAG and MEAG in turn is required to sell and provide such Output to Buyer for the full periods set forth in the first sentence of this Section 201.

SECTION 202. OBLIGATION TO TAKE OUTPUT OF THE PPA PROJECT ENTITY'S OWNERSHIP INTEREST. Notwithstanding anything in this Agreement to the contrary, Buyer shall be obligated to take all Output during the periods described herein as and when any such Output shall be produced, and Buyer shall have no right to dispatch or schedule the operation of the PPA Project Entity's Ownership Interest or any facility thereof.

SECTION 203. BUYER'S ADDITIONAL COMPENSATION OBLIGATION.

(a) ***General.*** As part of its payment obligations set forth in Article II of this Agreement, Buyer shall pay MEAG the amounts described in this Section 203 ("Buyer's Additional Compensation Obligation"). In February of each calendar year during the Term of this Agreement, the Billing Statement provided by MEAG under Section 302 of this Agreement shall include charges, if any, for the total amount of Buyer's Additional Compensation Obligation incurred during the preceding calendar year calculated as set forth in this Section.

(b) ***Calculation of Buyer's Additional Compensation Obligation.*** Buyer's Additional Compensation Obligation shall be calculated by multiplying the total amount of Energy delivered to Buyer under this Agreement from each Additional Unit at the Delivery Point (as defined in Section 604(a) of this Agreement) during the preceding calendar year by a fixed rate for each MWh determined as follows:

(1) For each Additional Unit, during the first through the fifth calendar year following such Additional Unit's Commercial Operation Date, the fixed rate shall be: $0.50/MWh.

(2) For each Additional Unit, during the sixth through the tenth calendar year following such Additional Unit's Commercial Operation Date, the fixed rate shall be: $1.50/MWh.

(3) For each Additional Unit, during the eleventh through the fifteenth calendar year following such Additional Unit's Commercial Operation Date, the fixed rate shall be: $2.50/MWh.

(4) For each Additional Unit, during the sixteenth through the twenty-first calendar year following such Additional Unit's Commercial Operation Date, the fixed rate shall be: $3.50/MWh.

SECTION 204. BUYER'S PAYMENT OBLIGATIONS.

(a) ***General.*** Subject to the other provisions of this Agreement relating to the payment of Debt Service, Buyer's obligation to pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs with respect to the first unit of the Additional Units to achieve Commercial Operation shall commence upon the Commercial Operation Date of that unit, and Buyer's obligation to pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs with respect to the second unit of the Additional Units to achieve Commercial Operation shall commence upon the Commercial Operation Date of that unit.

(b) ***Debt Service Generally.*** Except (i) in the case of PPA Bonds issued in accordance with the provisions of Section 401(e) hereof (which only are to be issued following the Commercial Operation Date of the applicable Additional Unit), (ii) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof and (iii) with respect to PPA BANs and PPA Take-Out Bonds (Buyer's obligation in respect of the payment of Debt Service on which is governed by the provisions of the penultimate sentence of the first paragraph of Section 204(e) hereof), Buyer's obligation to pay (1) the interest component of Debt Service of each Series of PPA Bonds and each Advance attributable to each Additional Unit shall continue for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (2) the principal component of Debt Service of each Series of PPA Bonds and each Advance attributable to each Additional Unit shall continue for a period of two hundred forty (240) months from and including the month in which such obligation shall commence.

Notwithstanding the foregoing and any other provision of this Agreement, in the event that MEAG shall issue PPA Bonds of any Series ~~(i) that bear interest at variable rates and are~~ in the form of a promissory note evidencing obligations under a revolving credit facility or letter of credit facility, commercial paper or other short-term notes, medium-term notes, or notes subject to tender for purchase at the option of the holders thereof ~~or (ii) in the form of short-term obligations that are intended to be rolled-over at maturity and, as a result of market conditions, (x)~~and such PPA Bonds ~~that bear interest at variable rates~~ cannot be rolled over at maturity or remarketed ~~and either~~or are tendered to MEAG for payment or must be paid at maturity or termed-out in advance of their scheduled amortization dates (determined as provided in Section 401(d), 401(e)~~ or~~, 401(f) or 401(i) hereof, as applicable)~~ and/or (y) such PPA Bonds in the form of short-term obligations cannot be rolled-over and must either be paid at maturity or termed-out in advance of their scheduled amortization dates (determined as aforesaid)~~, whether before or after the applicable Commercial Operation Date, then Buyer shall be responsible for paying the principal of such PPA Bonds when due.

~~Notwithstanding any other provision of this Agreement, the aggregate principal amount of the PPA Bonds described in the preceding paragraph to be outstanding at any time, together with the aggregate principal amount of PPA BANs and PPA Take-Out Bonds outstanding at such time, shall not exceed $75,000,000, or such greater amount as shall be agreed to in writing by MEAG and Buyer from time to time, but no such PPA Bonds shall be issued for the purpose of financing Fuel Costs applicable to either of the Additional Units prior to the Commercial Operation Date thereof.~~

In the event that Buyer shall pay to MEAG any amount in respect of the principal of PPA Bonds as provided in the ~~second~~ preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to pay Costs of Acquisition and Construction and Financing Costs of the Plant Vogtle Additional Units PPA Project, it shall include in such borrowing an amount sufficient to reimburse Buyer for all amounts paid by it in respect of such principal that theretofore have not been reimbursed by MEAG less the otherwise applicable principal portion of any Debt Service otherwise billable by MEAG with respect thereto, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its commercially reasonable judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

In the event that MEAG and the PPA Project Entity do not, for any reason, borrow funds sufficient to reimburse Buyer as provided in the preceding paragraph, at the end of the Term of this Agreement, Buyer shall be refunded the portion of such principal so paid and not theretofore reimbursed in excess of the amount thereof that would have been payable by Buyer had such PPA Bonds been paid in accordance with their scheduled amortization (determined as aforesaid); provided, however, that if all or any portion of the proceeds of such PPA Bonds was used to fund a Non-amortized Reserve Fund (including the Nuclear Fuel Construction Fund-Revolving Account), then, at the end of the Term of this Agreement, Buyer shall be refunded the entirety of such principal so paid and not theretofore reimbursed with respect to such PPA Bonds that funded such Non-amortized Reserve Fund(s).

(c) ***Debt Service on PPA Bonds Issued to Finance Capital Improvements~~.~~ and Spent Fuel Storage Facilities.*** (i) In the case of PPA Bonds issued in accordance with the provisions of Section 401(e) hereof to finance the Costs of Acquisition and Construction and

Financing Costs of "capital improvements," as such term is defined in Section 401(e) hereof, for a particular Additional Unit (which only are to be issued following the Commercial Operation Date of the applicable Additional Unit), Buyer's obligation to pay ~~(i)~~ the interest ~~component~~and principal components of Debt Service of each such Series of PPA Bonds attributable to such Additional Unit shall commence ~~on the day following the date to which all interest is capitalized on the PPA Bonds of such Series and (ii) the principal component of Debt Service of each such Series of PPA Bonds attributable to such Additional Unit shall commence on the date that is one (1) year prior to the first due date of the principal component of Debt Service of such PPA Bonds and, in either such case,~~in accordance with Section 401(e) on the January 1 of the calendar year following the end of the Annual Period in which such Costs of Acquisition and Construction and Financing Costs were incurred and shall continue ~~only to~~until the last day on which Buyer is entitled to its Obligation Share of the Output of such Additional Unit pursuant to the terms of this Agreement. ~~In the event of a delay in the in-service date of the capital improvements for which the PPA Bonds of such Series are issued under Section 401(e) hereof, MEAG shall issue additional PPA Bonds under such Section to provide funds to capitalize interest on all such PPA Bonds until the actual in-service date of the capital improvements; provided, however, that in the event that MEAG determines it is practicably or economically infeasible for MEAG to issue such additional PPA Bonds at any time during the period between the estimated in-service date and the actual in-service date of the capital improvements, then MEAG shall not be required to issue such additional PPA Bonds and Buyer's obligation to pay interest on all such PPA Bonds shall commence on the day following the date to which all interest is capitalized on the PPA Bonds of such Series.~~

(ii) In the case of PPA Bonds issued in accordance with the provisions of Section 401(i) hereof to finance the Costs of Acquisition and Construction and Financing Costs of Spent Fuel Storage Facilities with respect to a particular Additional Unit, Buyer's obligation to pay the interest and principal components of Debt Service of each such Series of PPA Bonds attributable to the Spent Fuel Storage Facilities for such Additional Unit shall commence on the January 1 of the calendar year following the end of the Annual Period in which such Costs of Acquisition and Construction and Financing Costs were incurred and shall continue until the last day on which Buyer is entitled to its Obligation Share of the Output of such Additional Unit pursuant to the terms of this Agreement.

(d) ***Debt Service on Refunding PPA Bonds.*** In the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof, Buyer's obligation to pay (i) the interest component of Debt Service of each Series of such refunding PPA Bonds shall continue only for the same number of months for which Buyer would have been obligated to pay the interest component of Debt Service on the PPA Bonds and/or the portion of the principal of the DOE Guaranteed Loan refunded or repaid thereby (hereinafter referred to in this Section 204(d) as the "Refunded PPA Debt") had such Refunded PPA Debt not been so refunded or repaid, and (ii) the principal component of Debt Service of each such Series of refunding PPA Bonds shall continue only for the same number of months for which Buyer would have been obligated to pay the principal component of Debt Service on the Refunded PPA Debt had such Refunded PPA Debt not been so refunded or repaid.

(e) ***Commencement of Payment Obligations.*** Notwithstanding the foregoing and any other provision in this Agreement but subject to the other provisions of this Agreement relating to the payment of Debt Service, Buyer's obligation to pay its Obligation Share of the

Plant Vogtle Additional Units PPA Project Annual Costs shall commence simultaneously with the commencement of the obligation of the Additional Units Non-PPA Participants to pay their respective shares of the Plant Vogtle Additional Units Non-PPA Project Annual Costs under the Plant Vogtle Additional Units Non-PPA Power Sales Contracts, which obligation may commence prior to the Commercial Operation Date of either Additional Unit as described in Section 211 hereof. Notwithstanding the foregoing and any other provision of this Agreement, if it becomes practically or economically infeasible for MEAG to issue PPA Bonds due to a JEA Market Disruption, but it is practically and economically feasible for MEAG to issue Non-PPA Bonds, MEAG may commence billing Buyer its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs without simultaneously billing the Additional Units Non-PPA Participants for their respective Obligation Shares (as defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) of the Plant Vogtle Additional Units Non-PPA Project Annual Costs. Notwithstanding the foregoing and any other provision of this Agreement relating to the billing and payment of Plant Vogtle Additional Units PPA Project Annual Costs, in the event that MEAG shall not have sufficient funds to pay in full the principal of or interest on any PPA BANs or PPA Take-Out Bonds when due (including as a result of the inability of MEAG and the PPA Project Entity, for any reason, to borrow funds in an amount sufficient to refund any PPA BANs or PPA Take-Out Bonds at or prior to their respective due dates (whether through the issuance of other PPA Bonds (including, in the case of PPA BANs, PPA Take-Out Bonds) or otherwise), Buyer shall be obligated to pay to MEAG fifty percent (50%) of the amount of such shortfall, which amount shall be payable on or before the due date of such principal and/or interest, whether before or after the applicable Commercial Operation Date. In furtherance of the foregoing, MEAG agrees that (i) it will provide periodic notice to Buyer as to MEAG's expected ability to refund the principal of any PPA BANs or PPA Take-Out Bonds on or prior to the respective due dates thereof, not less than ninety (90) and thirty (30) days prior to such respective due dates and (ii) if, at any time prior to the respective due dates of the principal of such PPA BANs or PPA Take-Out Bonds, it shall determine that neither it nor the PPA Project Entity will be able to borrow funds in an amount sufficient to refund such principal, it promptly will provide notice to Buyer as to such determination; provided, however, that MEAG's failure to provide any such notice to Buyer shall not affect Buyer's obligation as stated in the preceding sentence, which obligation shall be absolute and unconditional.

In the event that Buyer shall pay to MEAG any amount in respect of the principal of PPA BANs and/or PPA Take-Out Bonds as provided in the preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to pay Costs of Acquisition and Construction and Financing Costs of the Plant Vogtle Additional Units PPA Project, it shall include in such borrowing an amount sufficient to reimburse Buyer and the Additional Units PPA Participants for all amounts paid by them in respect of such principal that theretofore have not been reimbursed by MEAG less the otherwise applicable principal portion of any Debt Service otherwise billable by MEAG with respect thereto, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its sole judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

In the case of any such PPA BANs and/or PPA Take-Out Bonds that were issued to finance or refinance Costs of Acquisition and Construction and Financing Costs of "capital improvements," as such term is defined in Section 401(e) hereof, for a particular Additional Unit following the Commercial Operation Date thereof, in the event that any amounts paid by Buyer in respect of the principal thereof exceeds the otherwise applicable principal portion of any Debt

Service otherwise billable by MEAG with respect thereto pursuant to Section 401(e) that theretofore have not been reimbursed by MEAG, at the end of the Term of this Agreement, Buyer shall be entitled to a payment from MEAG ~~calculated as follows. First, MEAG shall determine a separate imputed debt service for all such capital improvement items having comparable estimated economic useful lives based upon the following assumptions: (i) that PPA Bonds were issued to finance Buyer's Obligation Share of such capital improvement items on July 1 of the calendar year in which such capital improvements are placed in service at an interest rate equal to the average of the Bond Buyer Weekly 25 Revenue Bond Index as published in *The Bond Buyer* updated weekly on Thursday (Bloomberg ticker symbol is BBWK25RV) for such year (or, if such index shall cease to be published, at an interest rate equal to the average for such calendar year of such generally accepted alternate index as MEAG shall select with the written consent of Buyer, which consent shall not be unreasonably withheld); (ii) that such PPA Bonds were amortized over the shorter of (X) the term of the applicable Additional Unit's combined construction and operating license, or (Y) the estimated economic useful life of the capital improvement items; and (iii) that such PPA Bonds were structured upon a fully-amortizing level debt service basis for the assumed term, with the first principal installment of such PPA Bonds coming due on January 1 of the second full calendar year following the date on which such capital improvement items are placed in service. Second, with respect to each such capital improvement item (or group of capital improvement items having comparable estimated useful lives), at the end of the Term of this Agreement, MEAG shall reimburse Buyer the difference between the principal of such PPA BANs and/or PPA Take-Out Bonds paid by Buyer and the total principal payments that would have become due and owing by Buyer on the assumed PPA Bonds during the period from the time such principal was paid by~~

~~Buyer through the remaining Term of this Agreement under the imputed debt service calculation set forth in this paragraph.~~of such excess, but without interest thereon.

(f) ***Amounts Payable in Advance; Adjustments for Prior Months.*** Buyer shall pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs in advance for each month of each Power Supply Year as set forth in the Plant Vogtle Additional Units PPA Project Annual Budget or amended Plant Vogtle Additional Units PPA Project Annual Budget for the respective month and reflected in the monthly Buyer's Billing Statement for the respective month in accordance with Section 302 of this Agreement. In each monthly Buyer's Billing Statement, MEAG may charge or credit Buyer for any adjustment to the Buyer's Billing Statement for prior monthly periods required to reflect any other actual cost incurred or credit received by MEAG during any respective prior monthly period.

(g) ***Buyer's Obligation.*** Buyer shall pay its Obligation Share of Plant Vogtle Additional Units PPA Project Annual Costs whether or not the PPA Project Entity's Ownership Interest is completed or is operating or operable, and whether or not its Output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction, whether by offset or otherwise, and shall not be conditioned upon the performance or non-performance by any party of any agreement for any cause whatsoever. Buyer shall pay the Buyer's Additional Compensation Obligation only in the event the PPA Project Entity's Ownership Interest is operating, and Buyer shall not be responsible for paying the Buyer's Additional Compensation Obligation during periods in which the Output of the PPA Project Entity's Ownership Interest is suspended, interrupted, or terminated.

(h) ***Nature of Buyer's Payment Obligations.*** Buyer hereby agrees that amounts payable to MEAG under this Agreement (i) shall constitute a Contract Debt (as that term is defined in Buyer's Electric System Bond Resolution), payable as a Cost of Operation and Maintenance of Buyer's Electric System (as those terms are defined in Buyer's Electric System Bond Resolution), and (ii) shall be paid by Buyer as a cost of purchased power and energy for Buyer's wholesale and retail load and otherwise as an expense of operation and maintenance of Buyer's Electric System.

SECTION 205. PLANT VOGTLE ADDITIONAL UNITS PPA PROJECT ANNUAL COSTS.

(a) ***General.*** MEAG shall determine all of the Plant Vogtle Additional Units PPA Project Annual Costs, exclusive of costs paid from the proceeds of PPA Bonds or Advances, commencing with the first Power Supply Year, or such earlier time as MEAG shall determine in accordance with Section 205(b) of this Agreement. Such annual costs shall include the costs payable by MEAG or the PPA Project Entity under the Project Agreements and such other costs incurred by MEAG or the PPA Project Entity as set forth in Section 205(b) hereunder that are billed to Buyer pursuant to that Section. MEAG is expressly authorized to bill in accordance with Section 205(b) hereunder some or all of the Debt Service costs that are payable during construction and prior to the Commercial Operation Date of any of the Additional Units.

(b) ***Plant Vogtle Additional Units PPA Project Annual Costs.*** The Plant Vogtle Additional Units PPA Project Annual Costs for the generating and related facilities of the PPA Project Entity's Ownership Interest shall include the following items of cost and expense:

(1) "Plant Vogtle Additional Units PPA Project Annual Fixed Costs", which means all fixed costs allocable to the Plant Vogtle Additional Units PPA Project incurred by MEAG or the PPA Project Entity, including:

(A) Amounts that MEAG or the PPA Project Entity is required to pay for taxes or payments in lieu thereof attributable to the PPA Project Entity's Ownership Interest and/or the Plant Vogtle Additional Units PPA Project;

(B) Amounts required for renewals and replacements attributable to the PPA Project Entity's Ownership Interest, or payment or deposit of such amounts into any reserve fund or account;

(C) Amounts to be set aside by MEAG or the PPA Project Entity for the retirement from service or disposal of the facilities of the PPA Project Entity's Ownership Interest in accordance with the methodology set forth in **Exhibit B** hereto; provided, however, that Buyer's responsibility for such amounts that are incurred during the term of this Agreement plus such amounts that are estimated to be incurred after the term of this Agreement shall not exceed fifty percent (50%) of the total amount of such costs incurred during the term of this Agreement and estimated to be incurred after the term of this Agreement;

(D) Amounts that MEAG or the PPA Project Entity is required under the PPA Project Bond Resolution or the DOE Loan Documents to pay or deposit into any fund or account established by the PPA Project Bond Resolution or the DOE Loan Documents for the payment of Debt Service on the PPA Bonds or the DOE Guaranteed Loan, as applicable;

(E) Amounts (not otherwise included under any item of this Section 205(b)) for the Plant Vogtle Additional Units PPA Project that MEAG or the PPA Project Entity is required under the PPA Project Bond Resolution or the DOE Loan Documents, as applicable, to pay or deposit during any Power Supply Year into any other fund or account established by the PPA Project Bond Resolution or the DOE Loan Documents, as applicable, or payment or deposit of such amounts into any such fund or account established outside the PPA Project Bond Resolution or the DOE Loan Documents; provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such payments or deposits, the related financing costs shall also be included herein;

(F) Amounts for payment or deposit into any fund or account outside the pledge of the PPA Project Bond Resolution or the DOE Loan Documents attributable to costs or reserves of the Plant Vogtle Additional Units PPA Project, including such amounts established by MEAG in the Plant Vogtle Additional Units PPA Project Annual Budget to provide reasonable reserves for the payment of the PPA Project Entity's share of costs required pursuant to either the Ownership Agreement or the Operating Agreement; provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such payments or deposits, the related financing costs shall also be included herein;

(G) Amounts for payment of Additional Costs (as that term is described and defined in Section 2.2 of the Development Agreement) attributable to the PPA Project Entity's Ownership Interest incurred during any Power Supply Year, which expenditures, to the extent they are capital expenditures, shall be treated as capital costs under Section 206(b); and

(H) Without duplication, all fixed costs required to be paid by the PPA Project Entity (whether to DOE, as operating expenses or otherwise) in the DOE Loan Documents other than such costs and expenses set forth in Section 205(b)(2).

(2) "Plant Vogtle Additional Units PPA Project Other Annual Costs", which means all Plant Vogtle Additional Units PPA Project Annual Costs other than the Plant Vogtle Additional Units PPA Project Annual Fixed Costs allocable to the Plant Vogtle Additional Units PPA Project incurred by MEAG or the PPA Project Entity, including:

(A) All costs of producing and delivering Capacity and Energy from the PPA Project Entity's Ownership Interest to Buyer including (i) Fuel Costs and other ordinary operation and maintenance costs and provisions for reserves therefor, administrative and general costs, insurance and overhead costs and any charges payable by MEAG or the PPA Project Entity in connection with the Output of the PPA Project Entity's Ownership Interest, (ii) working capital reasonably required for operation of the Plant Vogtle Additional Units PPA Project, and (iii) a share, determined by MEAG to be allocable to the Plant Vogtle Additional Units PPA Project in accordance with the methodology set forth in **Exhibit C** hereto, of all operation and maintenance costs related to the operation and conducting of the business of MEAG, including salaries, fees for legal, engineering, and other services and all other expenses properly related to the conduct of the affairs of MEAG;

(B) Except to the extent funded by PPA Bonds or reserves held by MEAG or the PPA Project Entity, amounts required to pay the costs of or to provide reserves for (i) extraordinary operating and maintenance costs attributable to the Plant Vogtle Additional Units PPA Project including the prevention or correction of any unusual loss or damage to keep the facilities of the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom; provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such operating and maintenance costs, or reserves therefor, the related financing costs shall also be included herein; (ii) any major renewals, replacements, repairs, additions, betterments and improvements to the Additional Units necessary, in the opinion of MEAG or the PPA Project Entity, to keep the facilities of the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom, which expenditures, to the extent they are capital expenditures, shall be treated as capital costs under Section 206(b); provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such renewals, replacements, repairs, additions, betterments and improvements, or reserves therefor, the related financing costs shall also be included herein; and (iii) any major additions, improvements, repairs or modifications to any such facility, or any retirements or disposals of any such facility, required by any Governmental Authority having jurisdiction over the Additional Units or for which the PPA Project Entity shall be responsible by virtue of any obligation of the PPA Project Entity arising out of any contract to which the PPA Project Entity may be a party relating to ownership of the Additional Units or any facility thereof, including the Project Agreements, to the extent that MEAG or the PPA Project Entity is not reimbursed therefor from the proceeds of insurance or funds for such payments are not available to MEAG or the PPA Project Entity therefor from any funds or accounts established by MEAG or by or on behalf of the PPA Project Entity, or funds for such payment are not provided or to be provided by the issuance of PPA Bonds pursuant to Article IV of this Agreement, which expenditures, to the extent they are capital expenditures, shall be treated as capital costs under Section 206(b); provided, however, in the event MEAG or the PPA Project Entity utilizes letter of credit agreements or other financing instruments to finance such additions, improvements, repairs, modifications, retirements or disposals, or reserves therefor, the related financing costs shall also be included herein; and

(C) Without duplication, all amounts required to be paid by the PPA Project Entity (whether to DOE, as operating expenses or otherwise) in the DOE Loan Documents other than fixed costs as set forth in Section 205(b)(1).

SECTION 206. <u>TREATMENT OF CAPITAL COSTS; CERTAIN INTEREST EXPENSES</u>.

(a) ***<u>Financing of Capital Costs with PPA Bonds and Advances</u>.*** Except as provided in Section 206(b), (c) and (d) hereunder, MEAG shall finance or cause the PPA Project Entity to finance capital costs attributable to the PPA Project Entity's Ownership Interest and incurred by the PPA Project Entity during the term of this Agreement with proceeds of PPA Bonds or Advances, as applicable. At a minimum, all costs treated by the Agent as capital costs pursuant to the Ownership Agreement shall be treated as "capital costs" for purposes of this Section 206. Additionally, MEAG or the PPA Project Entity, as applicable, may also elect to treat as capital costs for purposes of this Section any other cost item which the Agent has treated as an expense item so long as MEAG re-characterizes such costs under the Plant Vogtle Additional Units Non-PPA Project Power Sales Contracts.

(b) ***Exception for Financing of Capital Costs Where Practically or Economically Infeasible.*** During any period when (i) MEAG determines it is practically or economically infeasible for (x) MEAG to issue PPA Bonds and Non-PPA Bonds, (y) the PPA Project Entity to satisfy the conditions to the making of an Advance and (z) the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) to finance capital costs attributable to the Non-PPA Project Entity's Ownership Interest and the Plant Vogtle Additional Units Non-PPA Project, or (ii) MEAG determines it is practically or economically infeasible for (x) MEAG to issue PPA Bonds and (y) the PPA Project Entity to satisfy the conditions to the making of an Advance to finance capital costs attributable to the PPA Project Entity's Ownership Interest, in both such cases, due to a JEA Market Disruption, but it is practically and economically feasible for MEAG to issue Non-PPA Bonds attributable to the Plant Vogtle Additional Units Non-PPA Project or for the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) to finance capital costs attributable to the Plant Vogtle Additional Units Non-PPA Project, and MEAG or the PPA Project Entity incurs capital costs during the term of this Agreement, MEAG or the PPA Project Entity shall finance such capital costs from a reserve fund maintained for the payment of renewals and replacements; provided, however, that, for any portion of such capital costs attributable to the PPA Project Entity's Ownership Interest that cannot be financed by such a reserve fund, MEAG shall bill Buyer its Obligation Share of such costs (including such costs incurred by the PPA Project Entity and billed to MEAG) pursuant to Sections 205(b)(1)(B) or 205(b)(2)(B)(ii) – (iii) hereof; and provided, further, that MEAG shall not bill Buyer its Obligation Share of such capital costs prior to the Commercial Operation Date of the first Additional Unit.

In the event that Buyer shall pay to MEAG any amount in respect of its Obligation Share of such capital costs as provided in the preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to pay such capital costs, it shall include in such borrowing an amount sufficient to reimburse Buyer for all amounts paid by it in respect of such capital costs that theretofore have not been reimbursed by MEAG, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its commercially reasonable judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

In the event that any such costs theretofore have not been reimbursed by MEAG, at the end of the Term of this Agreement, Buyer shall be entitled to a payment from MEAG calculated as follows. First, MEAG shall determine a separate imputed debt service for all such repair or replacement items having comparable estimated economic useful lives that are constructed or acquired with respect to each Additional Unit during a particular calendar year based upon the following assumptions: (i) that PPA Bonds were issued to finance Buyer's Obligation Share of such capital costs on July 1 of such calendar year at an interest rate equal to the average of the Bond Buyer Weekly 25 Revenue Bond Index as published in *The Bond Buyer* updated weekly on Thursday (Bloomberg ticker symbol is BBWK25RV) for such year (or, if such index shall cease to be published, at an interest rate equal to the average for such calendar year of such generally accepted alternate index as MEAG shall select with the written consent of Buyer, which consent shall not be unreasonably withheld); (ii) that such PPA Bonds were amortized over the shorter of

(X) the term of the applicable Additional Unit's combined construction and operating license, or (Y) the estimated economic useful life of the repair or replacement item(s); and (iii) that such PPA Bonds were structured upon a fully-amortizing level debt service basis for the assumed term, with the first principal installment of such PPA Bonds coming due on January 1 of the second full calendar year following the date on which such capital costs are incurred. Second, with respect to each such renewal or replacement item (or group of renewal or replacement items having comparable estimated useful lives), at the end of the Term of this Agreement, MEAG shall reimburse Buyer the difference between the capital costs paid by Buyer and the total principal payments that would have become due and owing by Buyer on the assumed PPA Bonds during the period from the time such capital costs were paid by Buyer through the remaining Term of this Agreement under the imputed debt service calculation set forth in this Section 206(b).

(c) ***Funding of Nuclear Fuel Construction Fund-Revolving Account.*** MEAG shall fund a Nuclear Fuel Construction Fund-Revolving Account from the proceeds of those PPA Bonds or Advances specifically allocated to fund Fuel Costs. MEAG shall utilize the funds within the Nuclear Fuel Construction Fund-Revolving Account to fund the PPA Project Entity's purchase of the initial core and subsequent nuclear fuel reloads except that the initial core may be funded using the proceeds of PPA Bonds and Advances, including the capitalized interest associated with the nuclear fuel on such PPA Bonds and Advances. If Fuel Costs are funded with proceeds of PPA Bonds or Advances, the amount of such costs that are amortized during a Power Supply Year shall be treated as capitalized costs and billed to Buyer pursuant to Section 205(b)(2)(A).

(d) ***Financing of Interest Costs.*** During any period when (i) MEAG determines it is practicably or economically infeasible for (x) MEAG to issue PPA Bonds and Non-PPA Bonds, (y) the PPA Project Entity to satisfy the conditions to the making of an Advance and (z) the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts), or (ii) MEAG determines it is practically or economically infeasible for (x) MEAG to issue PPA Bonds and (y) the PPA Project Entity to satisfy the conditions to the making of an Advance, in both such cases, due to a JEA Market Disruption, but it is practically and economically feasible for MEAG to issue Non-PPA Bonds or for the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) to finance interest costs attributable to either of the Additional Units and incurred by MEAG prior to the Commercial Operation Date of the applicable unit, Buyer shall bear Buyer's Obligation Share attributable to the Plant Vogtle Additional Units PPA Project of such interest costs that could not be financed for the PPA Project through the Commercial Operation Date of the applicable unit ("Capitalized Interest") and MEAG shall bill Buyer its Obligation Share of such annual Power Supply Year Capitalized Interest costs pursuant to Section 205(b)(1) hereof.

In the event that Buyer shall pay to MEAG any amount in respect of its Obligation Share of such annual Power Supply Year Capitalized Interest costs as provided in the preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to pay such Capitalized Interest, it shall include in such borrowing an amount sufficient to reimburse Buyer for all amounts paid by it in respect of such annual Power Supply Year Capitalized Interest costs that theretofore have not been reimbursed by MEAG, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its commercially reasonable judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

In the event that any such costs theretofore have not been reimbursed by MEAG, at the end of the Term of the Agreement, Buyer shall be entitled to a payment from MEAG calculated as follows. Attached hereto as **Exhibit I** is an example of the payment calculation described in this subpart. First, MEAG shall determine a separate imputed debt service for each such monthly amount billed to Buyer in respect of Capitalized Interest with respect to each of the Additional Units based upon the following assumptions: (i) that PPA Bonds were issued to finance such interest costs on the date on which Buyer pays such Capitalized Interest amount to MEAG at an interest rate (the "Assumed Rate") equal to the average of the Bond Buyer Weekly 25 Revenue Bond Index as published in *The Bond Buyer* updated weekly on Thursday (Bloomberg ticker symbol is BBWK25RV) during the month in which such Capitalized Interest amount is so billed and paid (or, if such index shall cease to be published, at an interest rate equal to the average for such calendar year of such generally accepted alternate index as MEAG shall select with the written consent of Buyer, which consent shall not be unreasonably withheld) and in an amount equal to the amount of such Capitalized Interest so paid, less assumed interest earnings thereon to the next following January 1 or July 1 (whichever shall occur first) at a rate of interest equal to the applicable Assumed Rate and plus assumed interest thereon to the Commercial Operation Date of the applicable Additional Unit at a rate of interest equal to the applicable Assumed Rate, compounded semi-annually on each January 1 and July 1; (ii) that such PPA Bonds were amortized over the term of the applicable Additional Unit's combined construction and operating license; and (iii) that such PPA Bonds were structured upon a fully-amortizing level debt service basis for the assumed term, with the first principal installment of such PPA Bonds coming due on January 1 of the second full calendar year following the Commercial Operation Date of the applicable Additional Unit. Second, at the end of the Term of this Agreement, MEAG shall reimburse Buyer the difference between (i) the sum of all Capitalized Interest amounts paid by Buyer plus interest on each such Capitalized Interest amount from the date so paid to the Commercial Operation Date of the applicable Additional Unit at a rate equal to the applicable Assumed Rate compounded semi-annually on each January 1 and July 1, and less interest earned on such Capitalized Interest amount at the Assumed Rate and (ii) the sum of the total principal payments that would have become due and owing by Buyer on the assumed PPA Bonds corresponding to each such Capitalized Interest amount during the period from the time such Capitalized Interest amount was paid by Buyer through the remaining Term of this Agreement under the imputed debt service calculations set forth in this Section 206(d).[3]

~~(e) ***True-Up for Debt Service on Post-Commercial Operation Capital Improvements.*** In the case of any PPA Bonds issued in accordance with the provisions of Section 401(e) hereof (which only are to be issued following the Commercial Operation Date of the applicable Additional Unit), in the event that Buyer shall pay any amounts in respect of Debt Service on such PPA Bonds prior to the actual in-service date of the capital improvements financed through the issuance of such PPA Bonds, then, at the end of the Term of this Agreement, Buyer shall be entitled to a payment from MEAG in an amount equal to such amounts in respect of Debt Service paid prior to the actual in-service date.~~

[3] Note to Draft: The prior Section 206(e) reimbursed Buyer for payments made for capital improvements made prior to the in-service date of such items. Under Section 401(e), this cannot occur.

SECTION 207. RESERVE FUNDS.

(a) ***General.*** All reserve funds maintained pursuant to this Agreement or the PPA Project Bond Resolution, or caused by MEAG or otherwise required to be held by or on behalf of the PPA Project Entity pursuant to the DOE Accounts Agreement, shall be either Non-amortized Reserve Funds or Amortized Reserve Funds. Provided, however, in the event that (i) MEAG determines it is practically or economically infeasible for (x) MEAG to issue PPA Bonds and Non-PPA Bonds, (y) the PPA Project Entity to satisfy the conditions to the making of an Advance and (z) the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts), to finance such reserves, or (ii) MEAG determines it is practically or economically infeasible for (x) MEAG to issue PPA Bonds and (y) the PPA Project Entity to satisfy the conditions to the making of an Advance to finance such reserves, in both such cases, due to a JEA Market Disruption, but it is practically and economically feasible for MEAG to issue Non-PPA Bonds or for the Non-PPA Project Entity (if applicable) to satisfy the conditions to the making of an Advance (as such term is defined in the Plant Vogtle Additional Units Non-PPA Power Sales Contracts) to finance such reserve funds for the Non-PPA Project, MEAG may utilize revenues derived from either year-end distributions or billings to Buyer under this Agreement to finance such reserve funds (other than reserve funds held by or on behalf of the PPA Project Entity that are financed using the proceeds of Advances), but only so long as MEAG is also utilizing revenues derived from either year-end distributions or billings to the Additional Units Non-PPA Participants under the Plant Vogtle Additional Units Non-PPA Power Sales Contracts to also finance such reserve funds for the Non-PPA Project, unless the billing was necessitated by a JEA Market Disruption.

In the event that Buyer shall pay to MEAG any amount to finance such reserve funds as provided in the preceding paragraph, MEAG agrees that on the first date thereafter on which it or the PPA Project Entity is able to borrow funds to finance such reserve funds, it shall include in such borrowing an amount sufficient to reimburse Buyer for all amounts paid by it in respect of such reserve funds that theretofore have not been reimbursed by MEAG, but without interest thereon; provided, however, that MEAG shall not be so obligated if, in its commercially reasonable judgment, the cost of borrowing funds for the purpose of such reimbursement shall be prohibitive.

To the extent that either Amortized Reserve Funds or Non-amortized Reserve Funds are funded with revenues derived from the foregoing sources, amounts placed into such reserve funds (i) derived from revenues attributable to Buyer to either initially fund such reserve funds or increase the funding of such reserve funds (but not to replenish such reserve funds) and (ii) which were not utilized for their intended purpose during the Term of this Agreement, shall be reimbursed by MEAG to Buyer at the end of the Term of this Agreement.

(b) ***Non-amortized Reserve Funds.*** For any Non-amortized Reserve Funds created under the PPA Project Bond Resolution, the Power Sales Contracts or the DOE Accounts Agreement, Buyer shall be responsible for paying its Obligation Share of any interest on the PPA Bonds and/or the DOE Guaranteed Loan, as applicable, that financed such Non-amortized Reserve Funds during each Power Supply Year during the Term of the Agreement, offset by Buyer's Obligation Share of any interest earned on such funds during such Power Supply Year that are not required under the PPA Project Bond Resolution and/or the DOE Loan Documents, as applicable, to be retained in such funds. Except as provided in Section 303 of this Agreement, Buyer shall not be entitled to any reimbursement at the end of the Term of this Agreement with respect to such funds.

(c) ***Amortized Reserve Funds.*** For any Amortized Reserve Funds created under the PPA Project Bond Resolution, the Power Sales Contracts or the DOE Accounts Agreement, Buyer shall be responsible for paying its Obligation Share of both principal and interest on the PPA Bonds and/or the DOE Guaranteed Loan, as applicable, that financed such Amortized Reserve Funds during each Power Supply Year during the Term of the Agreement, offset by Buyer's Obligation Share of any interest earned on such funds during such Power Supply Year that are not required under the PPA Project Bond Resolution and/or the DOE Accounts Agreement, as applicable, to be retained in such funds. At the end of the Term of this Agreement, MEAG shall reimburse Buyer the total amount of principal payments made by Buyer on PPA Bonds or the DOE Guaranteed Loan relating to such funds.

(d) ***Investment of Funds and Accounts.*** MEAG agrees that monies held in the Funds and Accounts (as those terms are defined in the PPA Project Bond Resolution) established pursuant to the PPA Project Bond Resolution or in Project Accounts (as that term is defined in the DOE Accounts Agreement) established pursuant to the DOE Accounts Agreement shall be invested and reinvested to the fullest extent practicable in Investment Securities (as defined in the PPA Project Bond Resolution) or Permitted Investments (as defined in the DOE Accounts Agreement), as applicable, which mature not later than such times as shall be necessary to provide monies when needed for payments to be made from such Funds and Accounts or Project Accounts, as applicable. Interest earned on any monies or investments in any Fund or Account established pursuant to the PPA Project Bond Resolution (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) shall be paid into the

Revenue Fund, subject to the specific exceptions provided for in Section 603 of the PPA Project Bond Resolution. Interest earned on any monies or investments in any Project Account established pursuant to the DOE Accounts Agreement (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) shall be applied pursuant to the DOE Accounts Agreement, and any amounts thereof distributed to MEAG by the PPA Project Entity shall be paid into the Revenue Fund.

(e) ***Operation of Reserve Funds.*** **Exhibit E** hereto sets forth the general principles that will be applied by MEAG with respect to each of the reserve funds that may be established by MEAG or caused by MEAG to be established by or on behalf of the PPA Project Entity pertaining to the Plant Vogtle Additional Units PPA Project. MEAG shall comply and shall cause the PPA Project Entity to comply with such principles with respect to the operation of each of the reserve funds; however, in the event that MEAG determines that it is necessary to operate any of the reserve funds in a manner different than the principles described in **Exhibit E**, it (i) will provide notice and an opportunity for Buyer to comment with respect to any proposed changes prior to their implementation; (ii) shall take into consideration any comments and proposed changes submitted by Buyer; and (iii) shall provide Buyer with a written response explaining MEAG's rationale for its disposition of Buyer's comments and proposed changes; provided, however, that MEAG shall have sole discretion to determine whether to incorporate any such comments or proposed changes.

(f) ***Accounts Held Outside of PPA Project Bond Resolution.*** To the extent that MEAG establishes any collateral or margin or other similar account(s) outside of the PPA Project Bond Resolution in order to secure its obligations to a third party under any contract or agreement entered into by MEAG in connection with the PPA Project, and all or a portion of the amounts deposited to such account(s) are derived from either year-end distributions or billings to Buyer under this Agreement, MEAG agrees that it shall pay a portion of any interest earnings it receives from the investment of moneys in such account(s) (in proportion to the amount on deposit in such account(s) funded from such year-end distributions or billings to Buyer) to Buyer promptly upon receipt of such earnings. To the extent not paid or credited to Buyer under Section 303 of this Agreement, at the end of the Term of this Agreement, MEAG shall reimburse Buyer for the amount deposited to such account(s) from such year-end distributions or billings to Buyer.

SECTION 208. OWNERSHIP AND OPERATION OF THE PPA PROJECT ENTITY'S OWNERSHIP INTEREST. The PPA Project Entity will acquire and own, and MEAG will issue PPA Bonds in Series from time to time under or in accordance with the PPA Project Bond Resolution or cause the PPA Project Entity to receive Advances to finance, the PPA Project Entity's Ownership Interest. MEAG may also, at its sole discretion, enter into Qualified Hedging Contracts relating to such PPA Bonds and Advances.

SECTION 209. INSURANCE. MEAG shall maintain or cause to be maintained by the PPA Project Entity, the Agent or otherwise, as Costs of Acquisition and Construction or as Plant Vogtle Additional Units PPA Project Annual Costs, such insurance with respect to the PPA Project Entity's Ownership Interest as shall be available and as is usually carried by utilities constructing and operating nuclear generating facilities and such other insurance as is usually carried by electric utilities in conformity with Prudent Utility Practice. In the event that an insurance policy covers the Plant Vogtle Additional Units PPA Project, the Plant Vogtle Additional Units Non-PPA Project and/or the Plant Vogtle Additional Units PPA-2 Project, the costs of such insurance coverage shall be allocated to each such Project based upon a fraction (a) the numerator of which is equal to such Project's percentage of MEAG's Interest in the Additional Units and (b) the denominator of which is equal to the sum of all such Projects' percentages of MEAG's Interest in the Additional Units (each such fraction being hereinafter referred to as an "Allocation Fraction"). Any payments made by an insurer to MEAG in connection with one or more claims under a policy that covers the Plant Vogtle Additional Units PPA Project, the Plant Vogtle Additional Units Non-PPA Project and/or the Plant Vogtle Additional Units PPA-2 Project shall be allocated to all such Projects based upon each such Project's respective Allocation Fraction. Any insurance payments received by MEAG or the PPA Project Entity under a policy providing coverage only for the Plant Vogtle Additional Units PPA Project shall be credited entirely to such Project. Any such payments allocated or credited to the Plant Vogtle Additional Units PPA Project as aforesaid (a) to the extent received by MEAG, shall be subject to the lien of the PPA Project Bond Resolution and (b) to the extent received by the PPA Project Entity, shall be subject to the security interest and lien of the DOE Secured Parties described in Section 605 hereof and, in either such case, may be applied to rebuild or replace the applicable Additional Unit or to prepay the DOE Guaranteed Loan in accordance with the DOE Loan Documents prior to any distribution thereof by the PPA Project Entity to MEAG.

Any payments received by MEAG or the PPA Project Entity during the term of this Agreement from business interruption insurance which are allocated to the Plant Vogtle Additional Units PPA Project in accordance with this section shall be credited and paid to Buyer to the extent that such payments cover losses that occurred during the term of this Agreement and pertain to Output that Buyer was entitled to receive pursuant to the terms of this Agreement, provided that such business interruption insurance payments, (a) to the extent received and for the time period held by MEAG, shall be subject to the lien of the PPA Project Bond Resolution and (b) to the extent received and for the time period held by the PPA Project Entity, shall be subject to the security interest and lien of the DOE Secured Parties described in Section 605 hereof and, provided, further, that once proceeds of such business interruption insurance are paid to Buyer as permitted by, and in accordance with the provisions of, the PPA Project Bond Resolution or the DOE Loan Documents, as applicable, such proceeds shall be free and clear of any such security interest or lien.

SECTION 210. PLEDGE OF PAYMENTS. All payments required to be made by Buyer pursuant to this Agreement attributable to the Plant Vogtle Additional Units PPA Project or to the Plant Vogtle Additional Units PPA Project Annual Costs, and any or all rights to collection or enforcement of such payments, may be pledged to secure the payment of the PPA Bonds and the DOE Secured Obligations.

SECTION 211. BUYER'S PAYMENT OBLIGATIONS IN THE EVENT OF PROJECT DELAY OR OWNERS' TERMINATION.

(a) ***Delay in Scheduled Commercial Operation Dates.*** In the event of a delay in the scheduled Commercial Operation Date of either or both of the Additional Units, MEAG may commence billing of the principal component of Debt Service of the PPA Bonds of any Series or of Debt Service of the DOE Guaranteed Loan relating to the delayed Additional Unit or Units prior to the Commercial Operation Date of such unit or units. Buyer shall be obligated to pay its Obligation Share of such principal component of Debt Service on the PPA Bonds of such Series and on the DOE Guaranteed Loan relating to such unit or units, which MEAG is required to structure in accordance with Section 401(d) hereunder, commencing on the date that is (x) one (1) year prior to the first due date of the principal component of Debt Service of the PPA Bonds of such Series and (y) three (3) months prior to the first due date of the principal component of Debt Service of the DOE Guaranteed Loan, as applicable, related to such unit or units. Provided, however, in the event that MEAG determines it is practicably or economically infeasible for MEAG to limit billing under the circumstances described above to the principal component relating to the PPA Bonds or to the DOE Guaranteed Loan, as applicable, or both, MEAG may bill the entirety of the Debt Service on such PPA Bonds or the portion of the principal of the DOE Guaranteed Loan related to such unit or units. Buyer shall (i) be entitled to its Obligation Share of the Output, and (ii) pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs of the affected Additional Unit for a twenty (20)-year term commencing on the Commercial Operation Date of such Additional Unit; provided, however, that (A) except (1) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof and (2) with respect to PPA BANs and PPA Take-Out Bonds (Buyer's obligation in respect of the payment of Debt Service on which is governed by the provisions of the penultimate sentence of the first paragraph of Section 204(e) hereof), Buyer's obligation to pay (x) the interest component of Debt Service of each such Series of PPA Bonds and of the DOE Guaranteed Loan attributable to such Additional Unit, which MEAG is required to structure in accordance with Section 401(d) hereunder, shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (y) the principal component of Debt Service of each such Series of PPA Bonds and of the DOE Guaranteed Loan attributable to such Additional Unit, which MEAG is required to structure in accordance with Section 401(d) hereunder, shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (B) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof, Buyer's obligation to pay (1) the interest component of Debt Service of each Series of such refunding PPA Bonds shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for the same number of months for which Buyer would have been obligated to pay the interest component of Debt Service on the PPA Bonds and/or the portion of the principal of the DOE Guaranteed Loan refunded or repaid thereby (hereinafter referred to in this Section 211(a) as the "Refunded PPA Debt") had such Refunded PPA Debt not been so refunded or repaid, and (2) the principal component of Debt Service of each such Series of refunding PPA Bonds shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for the same number of months for which Buyer would have been obligated to pay the principal component of Debt Service on the Refunded PPA Debt had such Refunded PPA Debt not been so refunded or repaid.

(b) ***Cancellation or Termination of Additional Unit(s) Prior to Commercial Operation Date.*** In the event that either or both of the Additional Units is cancelled or terminated pursuant to the Development Agreement prior to the Commercial Operation Date of such unit or units, Buyer shall be obligated to pay the following costs: (i) fifty percent (50%) of its Obligation Share of the Costs of Acquisition and Construction relating to the cancelled unit or units, but not including any such costs that have been paid with the proceeds of PPA Bonds or Advances, and (ii) its Obligation Share of Plant Vogtle Additional Units PPA Project Annual Costs relating to such unit or units for a period of twenty (20) years from the date that MEAG commences the billing of such Annual Costs relating to such unit or units to Buyer and the billing of the Plant Vogtle Additional Units Non-PPA Annual Costs relating to such unit or units to the Additional Units Non-PPA Participants; provided, however, that (A) except (1) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof and (2) with respect to PPA BANs and PPA Take-Out Bonds (Buyer's obligation in respect of the payment of Debt Service on which is governed by the provisions of the penultimate sentence of the first paragraph of Section 204(e) hereof), Buyer's obligation to pay (i) the interest component of Debt Service of each Series of PPA Bonds and of the DOE Guaranteed Loan attributable to such Additional Unit, which MEAG is required to structure in accordance with Section 401(d) hereunder, shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (ii) the principal component of Debt Service of each such Series of PPA Bonds and of the DOE Guaranteed Loan attributable to such Additional Unit, which MEAG is required to structure in accordance with Section 401(d) hereunder, shall be included as part of the Plant Vogtle Additional Units PPA Project Annual Costs only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (B) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof, Buyer's obligation to pay (1) the interest component of Debt Service of each Series of such refunding PPA Bonds shall be included as part of Plant Vogtle Additional Units PPA Project Annual Costs only for the same number of months for which Buyer would have been obligated to pay the interest component of Debt Service on the PPA Bonds and/or the portion of the principal of the DOE Guaranteed Loan refunded or repaid thereby (hereinafter referred to in this Section 211(b) as the "Refunded PPA Debt") had such Refunded PPA Debt not been so refunded or repaid and (2) the principal component of Debt Service of each such Series of refunding PPA Bonds shall be included as part of the Plant Vogtle Additional Units

PPA Project Annual Costs only for the same number of months for which Buyer would have been obligated to pay the principal component of Debt Service on the Refunded PPA Debt had such Refunded PPA Debt not been so refunded or repaid. Further provided, however, that any expenditures of MEAG or the PPA Project Entity made to retire from service or to dispose of either or both of the Additional Units shall be billed to Buyer either (x) as a component of decommissioning funds pursuant to Section 205(b)(1)(C) in accordance with the methodology in **Exhibit B** to this Agreement, or (y) pursuant to another subpart of Section 205(b)(1), provided that if billed under such other subpart, Buyer is billed no more than fifty percent (50%) of such expenditures, but no such expenditures shall be billed to Buyer under more than one subpart of Section 205(b)(1).

(c) ***Cancellation or Termination of Additional Unit(s) After Commercial Operation Date.*** In the event either or both of the Additional Units is cancelled or terminated pursuant to the Development Agreement after the Commercial Operation Date of such unit, Buyer shall be obligated to continue to pay its Obligation Share of the Plant Vogtle Additional Units PPA Project Annual Costs allocated to the cancelled unit for a period of twenty (20) years following the Commercial Operation Date of such cancelled unit. Provided, however, any expenditures of MEAG or the PPA Project Entity made to retire from service or to dispose of either or both of the Additional Units shall be billed to Buyer either (i) as a component of decommissioning funds pursuant to Section 205(b)(1)(C) in accordance with the methodology in **Exhibit B** to this Agreement, or (ii) pursuant to another subpart of Section 205(b)(1), provided that if billed under such other subpart, Buyer is billed no more than fifty percent (50%) of such expenditures, but no such expenditures shall be billed to Buyer under more than one subpart of Section 205(b)(1). Further provided, however, (A) that in the event that MEAG commences billing Buyer a Debt

Service component which MEAG is required to structure in accordance with Section 401(d) hereunder relating to such unit prior to the Commercial Operation Date, Buyer's obligation to pay (x) the interest component of Debt Service of each such Series of PPA Bonds and/or the DOE Guaranteed Loan attributable to such Additional Unit shall continue only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence and (y) the principal component of Debt Service of each such Series of PPA Bonds and/or the DOE Guaranteed Loan attributable to such Additional Unit shall continue only for a period of two hundred forty (240) months from and including the month in which such obligation shall commence, (B) in the case of PPA Bonds issued in accordance with the provisions of Section 401(e) hereof (which only are to be issued following the Commercial Operation Date of the applicable Additional Unit), Buyer's obligation to pay the interest and principal components of Debt Service of each such Series of PPA Bonds attributable to each Additional Unit shall continue only until the last day on which Buyer is entitled to its Obligation Share of the Output of such Additional Unit pursuant to the terms of this Agreement, (C) in the case of refunding PPA Bonds issued in accordance with the provisions of Section 401(f) hereof, Buyer's obligation to pay (i) the interest component of Debt Service of each Series of such refunding PPA Bonds shall continue only for the same number of months for which Buyer would have been obligated to pay the interest component of Debt Service on the PPA Bonds and/or the portion of the principal of the DOE Guaranteed Loan refunded or repaid thereby (hereinafter referred to in this Section 211(c) as the "Refunded PPA Debt") had such Refunded PPA Debt not been so refunded or repaid, and (ii) the principal component of Debt Service of each such Series of refunding PPA Bonds shall continue only for the same number of months for which Buyer would have been obligated to pay the principal component of Debt Service on the Refunded PPA Debt had such

Refunded PPA Debt not been so refunded or repaid, and (D) with respect to PPA BANs and PPA Take-Out Bonds, Buyer's obligation in respect of the payment of Debt Service on which shall be governed by the provisions of the penultimate sentence of the first paragraph of Section 204(e) hereof).

(d) ***Sale of Assets of Cancelled or Terminated Additional Unit(s).*** In the event that (i) either unit of the Additional Units is cancelled or terminated pursuant to the Development Agreement, and (ii) during the Term of this Agreement, MEAG directly or indirectly sells all or a portion of its interest in such cancelled or terminated Additional Unit, its nuclear fuel, its equipment, or its related facilities through a sale of such assets or a sale of its ownership interest in the PPA Project Entity, MEAG agrees to distribute to Buyer or credit on Buyer's Billing Statement fifty percent (50%) of its Obligation Share of the net proceeds allocated to the PPA Project Entity's Ownership Interest, if any, actually paid to and received by MEAG or the PPA Project Entity, as applicable, as a result of any such sale, provided that MEAG similarly distributes or credits any such net proceeds to any or all of the Additional Units Participants and provided, further, however, that the proceeds of such sale or disposition of such interest (a) to the extent received by MEAG, shall be subject to the lien of the PPA Project Bond Resolution and (b) to the extent received by the PPA Project Entity, shall be subject to the security interest and lien of the DOE Secured Parties on MEAG's ownership interest in the PPA Project Entity and on the PPA Project Entity's undivided ownership interest in the Additional Units, as applicable, described in Section 605 hereof and may be applied first as a prepayment of the DOE Guaranteed Loan or otherwise applied pursuant to the DOE Loan Documents prior to any distribution thereof by the PPA Project Entity to MEAG.

(e) ***Amendments to Development Agreement to Defer Construction of Additional Unit(s).*** In the event the Agent requests that the co-owners of Plant Vogtle approve an amendment to the Development Agreement to authorize the Agent to defer the construction of an Additional Unit for a period that, absent an amendment to the Development Agreement, would be treated as a discontinuation of the Additional Unit pursuant to Section 3.8 of that agreement, MEAG agrees that it shall take into consideration Buyer's position on such an amendment in the same manner in which MEAG considers the position of the Additional Unit Participants prior to determining whether to cause the PPA Project Entity to approve such amendment. However, after taking into account the collective interests of Buyer and the Additional Unit Participants, MEAG, in its sole discretion, shall cause the PPA Project Entity to elect to either approve or disapprove of any amendment to the Development Agreement.

SECTION 212. ALLOCATION OF COSTS AMONG PLANT VOGTLE ADDITIONAL UNITS PPA PROJECT, PLANT VOGTLE ADDITIONAL UNITS PPA-2 PROJECT AND PLANT VOGTLE ADDITIONAL UNITS NON-PPA PROJECT. Except (a) as provided in **Exhibit C** to this Agreement for the allocation of MEAG's administrative and general expenses and (b) as provided in the following sentence, MEAG covenants and agrees that it shall allocate all costs and other expenses incurred or payable by it directly, or indirectly through the PPA Project Entity, the PPA-2 Project Entity and/or the Non-PPA Project Entity, as applicable, in connection with its interest in the Additional Units, other than debt service and other debt-related and financing costs and expenses, among the Plant Vogtle Additional Units PPA Project, the Plant Vogtle Additional Units PPA-2 Project and the Plant Vogtle Additional Units Non-PPA Project in proportion to the respective number of MWs constituting each such Project. In the case of any costs related to the DOE Guaranteed Loan and any DOE-guaranteed loans obtained by the Non-PPA Project Entity and/or the PPA-2 Project Entity, other than debt service, MEAG Power shall allocate such costs based upon a fraction the numerator of which is the FFB Credit Facility Commitment (as defined in the DOE Loan Guarantee Agreement) and the denominator of which is the sum of such FFB Credit Facility Commitment and the FFB credit facility commitments of the Non-PPA Project Entity and/or the PPA-2 Project Entity.

SECTION 213. PRODUCTION TAX CREDIT. In any Power Supply Year during the Term of this Agreement in which MEAG directly, or indirectly from the Agent, the PPA Project Entity, or any other source, receives a payment or credit in exchange for the allocation to any person of the Production Tax Credit, from either or both of the Additional Units relating to the PPA Project, MEAG shall, at the end of such Power Supply Year, pay to Buyer or credit on Buyer's Billing Statements for the remaining month or months of the Power Supply Year next succeeding such Power Supply Year fifty percent (50%) of any such payment or credit representing the Production Tax Credit for such year.

SECTION 214. PRE-COMMERCIAL GENERATION. MEAG shall sell, or cause the PPA Project Entity to sell, all Pre-Commercial Generation at fair market value, and shall pay into the Construction Fund all revenues, income, rents, receipts, and other compensation of any type derived by MEAG from or attributable to the sale of any Pre-Commercial Generation.

ARTICLE III

BILLING AND PAYMENT

SECTION 301. THE PLANT VOGTLE ADDITIONAL UNITS PPA PROJECT ANNUAL BUDGET.

(a) ***Adoption of Annual Budgets.*** MEAG shall prepare and submit to Buyer a proposed Plant Vogtle Additional Units PPA Project Annual Budget at least ninety (90) days prior to the beginning of each Power Supply Year. Such budget shall show separately (i) the Plant Vogtle Additional Units PPA Project Annual Fixed Costs, and (ii) the Plant Vogtle Additional Units PPA Project Other Annual Costs. Within thirty (30) days after receipt of the Plant Vogtle Additional Units PPA Project Annual Budget, Buyer may submit to MEAG any matters or suggestions relating to such Plant Vogtle Additional Units PPA Project Annual Budget that Buyer may care to present, and MEAG shall give due consideration to said matters or suggestions. At its sole discretion and subject to the terms of this Agreement, MEAG shall then proceed with the consideration and adoption of such Plant Vogtle Additional Units PPA Project Annual Budget not less than thirty (30) nor more than forty-five (45) days prior to the beginning of such Power Supply Year, and shall cause copies of such adopted Plant Vogtle Additional Units PPA Project Annual Budget to be delivered to Buyer; provided, however, that the Plant Vogtle Additional Units PPA Project Annual Budget for the first Power Supply Year shall be prepared, considered, adopted and delivered in the most practicable manner available in the discretion of MEAG.

(b) ***Amendment of Annual Budgets***. As may be required from time to time during any Power Supply Year, MEAG may adopt an amended Plant Vogtle Additional Units PPA Project Annual Budget for and applicable to such Power Supply Year for the remainder of such Power Supply Year. MEAG shall prepare and submit to Buyer such amended Plant Vogtle Additional Units PPA Project Annual Budget at least thirty (30) days prior to the effective date of such amended Plant Vogtle Additional Units PPA Project Annual Budget. Any such amended Plant Vogtle Additional Units PPA Project Annual Budget shall show separately (i) the Fixed Costs, and (ii) the Other Costs. Within fifteen (15) days after receipt of the amended Plant Vogtle Additional Units PPA Project Annual Budget, Buyer may submit to MEAG any matters or suggestions relating to such amended Plant Vogtle Additional Units PPA Project Annual Budget that Buyer may care to present, and MEAG shall give due consideration to said matters or suggestions. At its sole discretion and subject to the terms of this Agreement, MEAG shall then proceed with the consideration and adoption of such amended Plant Vogtle Additional Units PPA Project Annual Budget, and shall provide copies of such adopted amended Plant Vogtle Additional Units PPA Project Annual Budget to Buyer.

(c) ***Estimates of Annual Budgets.*** In addition to Section 301(a) of this Agreement, by April 1 of the year before each Power Supply Year, MEAG shall prepare and submit to Buyer a reasonable best estimate under the circumstances of its Plant Vogtle Additional Units PPA Project Annual Budget from October 1 of the year before that Power Supply Year to September 30 of the Power Supply Year based on MEAG's current revenue requirements projections. Within thirty (30) days after receipt of such estimate, Buyer may submit to MEAG any matters or suggestions relating to such best estimate that Buyer may care to present, and MEAG shall give due consideration to said matters or suggestions.

(d) ***Submission of Matters or Suggestions to PPA Project Entity.*** MEAG agrees that any matters or suggestions that Buyer submits to MEAG under this Section 301 that relate to Project Costs (as defined in the PPA Project Entity Power Purchase Agreement) shall be submitted by MEAG to the PPA Project Entity under and in accordance with Section 5.1 of the PPA Project Entity Power Purchase Agreement.

SECTION 302. BILLING STATEMENT. In the last quarter of each year preceding a Power Supply Year, MEAG shall prepare and submit to Buyer a reasonable best estimate under the circumstances of the monthly due dates of Buyer's Billing Statements for the next succeeding Power Supply Year. MEAG shall bill Buyer each month during each Power Supply Year, in advance, but no sooner than the fifteenth (15th) day of the calendar month immediately preceding such month and no later than the twentieth (20th) day of the calendar month immediately preceding such month, by providing Buyer with a Buyer's Billing Statement for such month for Buyer's Obligation Share of Plant Vogtle Additional Units PPA Project Annual Costs as set forth in Section 205 hereof. Such statement shall be paid by Buyer on or before the tenth (10th) day from the date MEAG sends Buyer's Billing Statement to Buyer. Buyer shall perform its payment obligations hereunder by making payments to the Revenue Fund or, if otherwise specified by MEAG in a Buyer's Billing Statement delivered to Buyer hereunder (which Buyer's Billing Statement shall include a statement confirming that such direction to change funds is in compliance with the PPA Project Bond Resolution), to the Initial Power Purchaser Arrearages Payment Account in the Initial Power Purchaser Arrearages Fund established pursuant to the PPA Project Bond Resolution, in either such case, into an account held by the Trustee under the PPA Project Bond Resolution as MEAG shall notify Buyer (a) if Buyer shall not be in default in any of its payment obligations hereunder, at least thirty (30) days prior to the due date of any amount due hereunder and (b) if Buyer shall be in default in any of its payment obligations hereunder, at least ten (10) days prior to the due date of any amount due hereunder. Amounts due and not paid by Buyer on or before said day shall bear an additional charge of one and one-half percent (1½%) per month for each month, or fraction thereof, until the amount due is paid in full. At the end of each Power Supply Year, adjustments of billing shall be made in accordance with Section 303 hereof.

SECTION 303. ADJUSTMENT OF BILLING.

(a) ***General.*** At the end of each Power Supply Year, MEAG shall determine if the aggregate amount paid by Buyer under this Agreement to provide recovery of all MEAG's Plant

Vogtle Additional Units PPA Project Annual Fixed Costs and Plant Vogtle Additional Units PPA Project Other Annual Costs during such Power Supply Year was in the proper amount. Such determination shall be made by MEAG no later than the time that such determination is made by MEAG pursuant to Section 204(a) of the Plant Vogtle Additional Units Non-PPA Power Sales Contracts. Upon making such determination, any amount found to have been paid by Buyer in excess of the amount that should have been paid by Buyer shall, at the election of Buyer, either be paid to Buyer, or credited on Buyer's Billing Statements to Buyer for the remaining month or months of the Power Supply Year next succeeding the Power Supply Year for which such adjustment was determined to have been necessary. Buyer shall be fully compensated for any over recovery by the end of such next succeeding Power Supply Year either as the result of credits, payments or a combination thereof. The amount of any deficiencies shall be added to Buyer's Billing Statements in equal installments over the remaining month or months of the Power Supply Year next succeeding the Power Supply Year for which such adjustment was determined to be necessary.

(b) ***Performance of Year-End Reconciliation.*** The year-end reconciliation described in the foregoing subpart (a) shall be performed in a manner consistent with the provisions of the PPA Project Bond Resolution, including Section 511 thereof. **Exhibit F** hereto sets forth the general principles that MEAG will apply with respect to such year-end reconciliation.

(c) ***Intra-Year Adjustments.*** At its election, MEAG may establish a policy for making monthly, quarterly or semi-annual retroactive adjustments to Buyer's billings to account for variances between the billed amounts and the actual costs incurred during the respective period in order to avoid large cumulative adjustments at the end of the Power Supply Year under Section 303(a) of this Agreement. Such intra-year adjustments are not to be used to avoid a budget amendment when there are material changes affecting the remaining months of the Power Supply Year. MEAG shall consistently apply any such policy throughout the Term; provided, however, that MEAG may amend or revise any such policy no more than once every five (5) Power Supply Years.

SECTION 304. DISPUTED BILLING STATEMENT. In case any portion of any monthly Buyer's Billing Statement received by Buyer from MEAG shall be in bona fide dispute, Buyer shall pay MEAG the full amount of such Billing Statement. Upon determination of the correct amount, the difference between the correct amount and the full amount, if any, shall be credited to Buyer by MEAG after such determination. In the event such Billing Statement is in dispute, MEAG shall exercise due diligence in considering such dispute and will advise Buyer with regard to MEAG's position relative thereto within thirty (30) days following written notification by Buyer of such dispute.

SECTION 305. RESALE COVENANT. So long as MEAG has tax exempt PPA Bonds or Build America Bonds outstanding, Buyer agrees that it shall not, without the express written consent of MEAG, enter into any contract or agreement pursuant to which a non-exempt person agrees to purchase all or a portion of the Output of the PPA Project Entity's Ownership Interest in a manner that results in private business use within the meaning of the Internal Revenue Code of 1986, as amended, modified or re-enacted (or any successor thereto) (the "Code"). For purposes of the preceding sentence, "non-exempt person" shall mean any entity that is not a state, territory or possession of the United States, the District of Columbia or any political subdivision thereof.

SECTION 306. TAX COVENANT. Buyer hereby covenants and agrees that it shall take no action, nor shall it consent to or approve the taking of any action affecting any right, obligation, or interest under this Agreement, including any action related to the sale of all or a portion of Buyer's Obligation Share of the Output of the PPA Project Entity's Ownership Interest, that would, in the opinion of nationally-recognized tax counsel retained by MEAG, adversely affect (a) the exclusion from gross income for federal income tax purposes of the interest on the PPA Bonds of any Series the interest on which is intended to be so excluded or (b) the eligibility of MEAG to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on any Build America Bonds. In furtherance thereof, Buyer shall provide information reasonably requested by MEAG regarding compliance with the Code, including providing an appropriate certification that Buyer has complied fully with the provisions of this tax covenant. The certification form, which is subject to modification periodically to reflect further developments in the Federal income tax laws governing the exclusion from Federal gross income of interest on the PPA Bonds and the eligibility of MEAG to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on any Build America Bonds, is attached hereto as **Exhibit J**.

SECTION 307. RATE COVENANT. Buyer hereby covenants and agrees that it shall establish, maintain and collect rates and charges for the electric service of its Electric System so as to provide revenues sufficient, together with available Electric System reserves, to enable Buyer to pay to MEAG all amounts payable under this Agreement and to pay all other amounts payable from and all lawful charges against or liens on the revenues of its Electric System.

SECTION 308. REPORTS; SITE ACCESS.

(a) ***Reports.*** MEAG shall prepare and issue to Buyer the following reports during each Power Supply Year:

(1) Financial and operating statements relating to the Plant Vogtle Additional Units PPA Project on a quarterly basis;

(2) Status of the Plant Vogtle Additional Units PPA Project Annual Budget on a monthly basis commencing as of the date that MEAG first submits a Buyer's Billing Statement to Buyer pursuant to Section 302 hereof;

(3) Status of the construction budget of the Additional Units during construction on the same basis that such reports are received by MEAG or the PPA Project Entity; and

(4) Analysis of operations relating to the Additional Units on a monthly basis commencing as of the date that MEAG first submits a Buyer's Billing Statement to Buyer pursuant to Section 302 hereof on the same basis that such reports are received by MEAG or the PPA Project Entity.

In addition, within ten (10) days after receipt by the PPA Project Entity of any report furnished by the DOE Collateral Agent to pursuant to Section 2.18(b) or (c) of the DOE Accounts Agreement, MEAG shall provide, or shall cause the PPA Project Entity to provide, to Buyer a copy of such report.

(b) ***Examination of Records.*** Buyer, upon reasonable prior written notice to MEAG, at its sole expense, has the right to have its duly authorized representatives examine during regular business hours any reports, records, or other documents related to the PPA Project issued by the Agent to MEAG or the PPA Project Entity, of a legal, business, financial or commercial nature, including documents relating to dispatching and metering, the Engineering, Procurement and Construction Agreement, the price book, any other information regarding pricing or pricing disputes, information that MEAG or the PPA Project Entity has the right to audit, notices of and requests for changes and resulting change orders, invoices and related supporting documentation, information regarding insurance claims, the monthly status report, updates of the project schedule or payment schedules, and descriptions of the plant, its components, or its systems, and MEAG further agrees that, if requested to do so by Buyer, MEAG will cause the PPA Project Entity to request consent from the contractor with respect to disclosure of any additional information constituting contractor's Confidential Proprietary Information, as that term is defined in the Engineering, Procurement and Construction Agreement.

(c) ***Site Access.*** To the extent it is authorized to do so under the Project Agreements, and upon Buyer's prior written request, MEAG shall periodically cause the PPA Project Entity to permit Buyer and its designated representatives to access the Plant Vogtle site, at Buyer's sole expense, for the purpose of observing and reporting on plant conditions and activities. Buyer agrees that it shall exercise any such right of access in accordance with any requirements governing such access contained in the Project Agreements or as otherwise directed by the Agent, including complying with all applicable rules and regulations in effect at Plant Vogtle, whether imposed by a Governmental Authority or by the Agent.

SECTION 309. RECORDS AND ACCOUNTS. MEAG shall keep, and shall cause the PPA Project Entity to keep, accurate records and accounts of the facilities comprising the PPA Project Entity's Ownership Interest and of the operations of the PPA Project Entity's Ownership Interest in accordance with the Uniform System of Accounts. Said accounts shall be subject to MEAG's annual audit by a firm of independent certified public accountants experienced in electric utility accounting and of national reputation to be submitted to MEAG within one hundred and fifty (150) days after the close of each Power Supply Year. All transactions of MEAG and the PPA Project Entity relating to the Plant Vogtle Additional Units PPA Project with respect to each

Power Supply Year shall be subject to such an audit. A copy of MEAG's annual audit shall be provided to Buyer.

SECTION 310. AUDIT RIGHTS. Buyer, upon sixty (60) days' prior written notice to MEAG, at its sole expense, has the right to have its duly authorized representatives examine the records of MEAG and the PPA Project Entity during regular business hours to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. Buyer shall have one (1) year after the date on which a Buyer's Billing Statement is received to audit that Billing Statement. Audit rights under this Agreement shall be subject to any obligations of confidentiality to third parties imposed on MEAG or the PPA Project Entity. MEAG shall use, and shall cause the PPA Project Entity to use, commercially reasonable efforts to address or comply with such confidentiality obligations to enable Buyer to exercise its audit rights under this Agreement.

ARTICLE IV

PPA BONDS AND DOE GUARANTEED LOAN

SECTION 401. ISSUANCE OF PPA BONDS AND MAKING OF ADVANCES.

(a) ***General.*** MEAG may sell and issue PPA Bonds, and may cause the PPA Project Entity to draw upon the DOE Guaranteed Loan in accordance with the provisions of the PPA Project Bond Resolution and the DOE Loan Documents, respectively, at any time and from time to time to finance Costs of Acquisition and Construction and Financing Costs, including the issuance of PPA Bonds to pay the costs of (i) any major renewals, replacements, repairs, additions, betterments, or improvements to the Additional Units necessary, in the opinion of MEAG or the PPA Project Entity, to keep the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom, including ~~spent fuel storage~~

~~facilities~~Spent Fuel Storage Facilities, (ii) any major additions, improvements, repairs, or modifications to the Additional Units or any retirements or disposals of the Additional Units required by any Governmental Authority having jurisdiction over the Additional Units or for which MEAG or the PPA Project Entity shall be responsible by virtue of any obligation of MEAG or the PPA Project Entity arising out of any contract to which MEAG or the PPA Project Entity may be a party relating to ownership of the Additional Units or any facility thereof, including the Project Agreements, or (iii) additional Fuel inventory for each facility of the PPA Project Entity's Ownership Interest in any Power Supply Year to the extent that sufficient funds are not available in any reserves established by MEAG or the PPA Project Entity for Fuel Costs; provided, however, that no such PPA Bonds may be issued or Advance made for the purpose of adding additional generating units to the Plant Vogtle Additional Units PPA Project.

(b) ***Security for PPA Bonds and DOE Guaranteed Loan.*** Any PPA Bonds and the DOE Guaranteed Loan may be secured by assignment of all payments attributable to the Plant Vogtle Additional Units PPA Project or the Plant Vogtle Additional Units PPA Project Annual Costs to be made in accordance with or pursuant to the provisions of this Agreement and the Power Sales Contracts, as such payments may be increased and extended by reason of the issuance of such PPA Bonds or the making of additional Advances, and such PPA Bonds may be issued and such Advances may be made in amounts sufficient to pay the full amount of such costs and sufficient to provide such reserves as may be reasonably determined by MEAG or the PPA Project Entity to be desirable in accordance with the PPA Project Bond Resolution, the Project Agreements and the DOE Loan Documents, as appropriate.

(c) ***Allocation of Principal of PPA Bonds and Advances to Additional Units.*** In the event that the PPA Bonds of any Series are to be issued by MEAG or Advances are to be made by the PPA Project Entity to finance or refinance Costs of Acquisition and Construction and/or Financing Costs of both Additional Units, MEAG shall allocate the principal of the PPA Bonds of such Series and/or the principal of such Advances to each of the Additional Units, in such manner as MEAG shall deem appropriate.

(d) ***Structuring of Debt Service on PPA Bonds and Advances.*** MEAG agrees that, except as provided in subparts (e), (f), (g) ~~and~~, (h) and (i) hereof, it shall structure the Debt Service on each Series of PPA Bonds and each Advance in accordance with the following parameters:

(1) The principal of the PPA Bonds of such Series or the principal of such Advance (or, in the event that the PPA Bonds of such Series are to be issued or such Advance is to be made to finance Costs of Acquisition and Construction and Financing Costs of both Additional Units, the principal of the PPA Bonds of such Series or of such Advance allocated to each Additional Unit) shall be assumed to be amortized in such a manner as will result in level monthly Debt Service with respect to such principal over a period of forty (40) years. The assumed period of forty (40) years during which such amortization shall occur with respect to a particular Series or Advance (or the portion thereof allocated to a particular Additional Unit) shall commence (x) in the case of the PPA Bonds of such Series, not earlier than twelve (12) months nor later than thirty-six (36) months following the estimated Commercial Operation Date of the Additional Unit to which such principal of such PPA Bonds of such Series relates, as estimated by MEAG at the time of the pricing of the PPA Bonds of such Series and (y) in the case of such Advance, on the day of the third (3rd) month preceding the date on which the first quarterly principal installment on such Advance is due that corresponds numerically to

the day on which such principal installment is due (or, if there is no such corresponding day in the third (3rd) preceding month, on the last day of the third (3rd) preceding month), with such Debt Service being calculated, for the entire forty (40)-year amortization period, (i) in the event that all of the PPA Bonds of such Series or all of the principal of such Advance allocated to a particular Additional Unit shall bear interest at fixed rates during the entirety of the period beginning on the Assumed Completion Date applicable to such Additional Unit and ending on (a) in the case of the first unit of the Additional Units, December 31, 2038 and (b) in the case of the second unit of the Additional Units, December 31, 2039, at such actual fixed rates of interest, and (ii) in the event that any portion of the PPA Bonds of such Series or any portion of such Advance allocated to a particular Additional Unit shall not bear interest at fixed rates during the entirety of the period beginning on the Assumed Completion Date applicable to such Additional Unit and ending (a) in the case of the first unit of the Additional Units, December 31, 2038 and (b) in the case of the second unit of the Additional Units, December 31, 2039, (X) in the case of the portion of such PPA Bonds of such Series or the portion of such Advance that bear interest at fixed rates during the entirety of such period, at such actual fixed rates of interest and (Y) in the case of the portion of such PPA Bonds of such Series or any portion of such Advance that do not bear interest at fixed rates during the entirety of such period, at an assumed rate of interest of one percent (1%) per annum.

Notwithstanding anything in this Agreement to the contrary, the aggregate principal amount of Advances that do not bear interest at fixed rates during the entirety of the period beginning on the Assumed Completion Date applicable to such Additional

Unit and ending on (a) in the case of the first unit of the Additional Units, December 31, 2038 and (b) in the case of the second unit of the Additional Units, December 31, 2039 made as permitted by this Section 401(d) shall be limited in total to no more than $250,000,000, or such greater amount as shall be agreed to in writing by MEAG and Buyer from time to time.

(2) The amounts and due dates of all installments of principal coming due during the first twenty (20) years of the amortization of the principal of the PPA Bonds of such Series or of the principal of such Advance (or, in the event that the PPA Bonds of such Series are to be issued or such Advance is to be made to finance Costs of Acquisition and Construction and Financing Costs of both Additional Units, of all installments of principal coming due during the first twenty (20) years of the amortization of the principal of the PPA Bonds of such Series or of the principal of such Advance allocated to each Additional Unit) determined pursuant to the foregoing clause (1) shall be the actual amounts and due dates of the first twenty (20) years of the amortization of the principal of the PPA Bonds of such Series or of the principal of such Advance (or of the principal of the PPA Bonds of such Series or of the principal of such Advance allocated to each Additional Unit as aforesaid).

(3) MEAG and the PPA Project Entity shall have the sole discretion to determine the actual amount(s) and due date(s) of the amount of the principal of the PPA Bonds of such Series or the principal of such Advance (or, in the event that the PPA Bonds of such Series are to be issued or such Advance is to be made to finance or refinance Costs of Acquisition and Construction and Financing Costs of both Additional Units, of the amount of the principal of the PPA Bonds of such Series or the principal of

such Advance allocated to each Additional Unit) remaining after the establishment of the principal installments provided for in the foregoing clause (2). Without limiting the generality of the foregoing, MEAG and the PPA Project Entity shall have the sole discretion to cause such remaining amount(s) of principal to be due (X) on the same dates and in the same amounts as shall be determined pursuant to the foregoing clause (1), or (Y) on such other date(s) and in such other amount(s) as MEAG (or the PPA Project Entity, at the direction of MEAG) shall determine.

(e) ***PPA Bonds to Finance Capital Improvements*.** ~~PPA Bonds issued after~~After the Commercial Operation Date of a particular Additional Unit~~ to finance~~, the Costs of Acquisition and Construction and Financing Costs of (i) any major renewals, replacements, repairs, additions, betterments, or improvements to such unit necessary, in the opinion of MEAG, to keep the PPA Project Entity's Ownership Interest in good operating condition or to prevent a loss of revenues therefrom, ~~including spent fuel storage facilities~~ or (ii) any major additions, improvements, repairs, or modifications to such unit required by any Governmental Authority having jurisdiction over the Additional Units or for which MEAG (or the PPA Project Entity) shall be responsible by virtue of any obligation of MEAG (or the PPA Project Entity) arising out of any contract to which MEAG (or the PPA Project Entity) may be a party relating to ownership of the Additional Units or any facility thereof, including the Project Agreements (such items described in the foregoing clauses (i) and (ii) but excluding any Spent Fuel Storage Facilities being referred to herein as "capital improvements") incurred during each Annual Period shall be deemed to be a financed in a separate Series of PPA Bonds that shall not be subject to the debt service structure described in Section 401(d) hereof, but MEAG agrees that it shall ~~structure~~bill the interest and principal components of the Debt Service ~~on~~of each such Series of PPA Bonds in accordance with the following parameters:

(1) The principal of the PPA Bonds of such Series (or, in the event that the PPA Bonds of such Series are to be issued to finance Costs of Acquisition and Construction and Financing Costs of capital improvements to both Additional Units, the principal of the PPA Bonds of such Series allocated to each Additional Unit) initially financed during such Annual Period shall be allocated to each ~~such capital improvement item (or~~ group of capital improvement items ~~having comparable estimated useful lives)~~ and such principal shall be assumed to be amortized in such a manner as will result in level monthly principal components of Debt Service ~~with respect to such principal over the assumed period described in the following sentence~~over 20 years. The assumed period during which such amortization shall occur shall commence on January 1 of the ~~second~~ calendar year immediately following the ~~year in which~~Annual Period in which such capital improvements were financed. Such January 1 date shall constitute the in-service date of ~~the capital improvements (or group of capital improvements) is estimated to occur and shall end on the earlier of (X) the expiration of the term of the applicable Additional Unit's combined construction and operating license, or (Y) the end of the estimated economic useful life of the capital improvement item (or group of capital improvement items), as estimated at the time of the pricing of the PPA Bonds of such Series, with such Debt Service being calculated (i) in the event that all of the PPA Bonds of such Series shall bear interest at fixed rates for the entire term thereof, at the actual fixed rates of interest thereon, and (ii) in the event that any portion of the PPA Bonds of such Series shall not bear interest at fixed rates for the entire term thereof, (X) in the case~~

~~of the PPA Bonds of such Series that bear interest at fixed rates for the entire term thereof, at the actual fixed rates of interest thereon and (Y) in the case of the PPA Bonds of such Series that do not bear interest at fixed rates for the entire term thereof, at an assumed rate of interest of one percent (1%) per annum.~~all capital improvement items incurred in such Annual Period.

(2) The interest component of Debt Service of the PPA Bonds of such Series shall be included in the Plant Vogtle Additional Units PPA Project Annual Costs of the Plant Vogtle Additional Units PPA Project Annual Budget beginning with the year following the Annual Period in which such interest was financed.

(3) The actual PPA Bonds issued to fund capital improvements pursuant to this subpart (e) may constitute all or any portion of any Series of PPA Bonds (or of any maturity or maturities within a Series), as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of issuance thereof.

~~(2) The amounts and due dates of each installment of the principal of the PPA Bonds of such Series (or, in the event that the PPA Bonds of such Series are to be issued to finance Costs of Acquisition and Construction and Financing Costs of capital improvements for both Additional Units, of each installment of the principal of the PPA Bonds of such Series allocated to each Additional Unit) coming due on or before January 1 of the calendar year following the last day on which Buyer is entitled to its Obligation Share of the Output of the applicable Additional Unit pursuant to the terms of this Agreement determined pursuant to the foregoing clause (1) shall be the actual amounts~~

~~and due dates of each such installment of the principal of the PPA Bonds of such Series (or of the principal of the PPA Bonds of such Series allocated to each Additional Unit as aforesaid).~~

~~(3) MEAG shall have the sole discretion to determine the actual amount(s) and due date(s) of the amount of the principal of the PPA Bonds of such Series (or, in the event that the PPA Bonds of such Series are to be issued to finance or refinance Costs of Acquisition and Construction and Financing Costs of capital improvements for both Additional Units, of the amount of the principal of the PPA Bonds of such Series allocated to each Additional Unit) remaining after the establishment of the principal installments provided for in the foregoing clause (2). Without limiting the generality of the foregoing, MEAG shall have the sole discretion to cause such remaining amount(s) of principal to be due (X) on the same dates and in the same amounts as shall be determined pursuant to the foregoing clause (1), or (Y) on such other date(s) and in such other amount(s) as MEAG shall determine.~~

(f) ***Refunding PPA Bonds.*** Refunding PPA Bonds issued in accordance with the provisions of Section 402 hereof to refund PPA Bonds or to provide funds for contribution to the PPA Project Entity to repay Advances shall not be subject to the debt service structure described in subpart (d) hereof, but the Debt Service on each such Series of refunding PPA Bonds shall be structured in a manner consistent with the principles governing the issuance of PPA Bonds and the making of Advances hereunder, so as to equitably apportion the savings or dissavings, as applicable, resulting from the issuance of such refunding PPA Bonds both during the Term of this Agreement and during the period that the Additional Units PPA Participants are obligated to pay Debt Service on such refunding PPA Bonds under the Plant Vogtle Additional Units PPA

Power Sales Contracts. In particular, no refunding PPA Bonds shall be issued unless one of the following requirements is satisfied:

(1) in the case of refunding PPA Bonds allocable to a particular Additional Unit that bear interest at fixed rates for the entire term thereof that are to be issued to refund PPA Bonds or prepay a portion of the principal of the DOE Guaranteed Loan that do not bear interest at fixed rates during the entirety of the period beginning on the Assumed Completion Date applicable to such Additional Unit and ending on (a) in the case of the first unit of the Additional Units, December 31, 2038 and (b) in the case of the first unit of the Additional Units, December 31, 2039, the Debt Service on the refunding PPA Bonds is structured so as to result in level monthly Debt Service over the period from and including the month following the month in which the refunding PPA Bonds are issued to and including the month in which Buyer's obligation to pay the principal component of Debt Service on the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed Loan, as applicable, would have ended, had the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed Loan, as applicable, not been so refunded or prepaid, determined in the manner provided in Section 204(d) hereof; or

(2) in the case of refunding PPA Bonds to be issued to achieve Debt Service savings on PPA Bonds or the DOE Guaranteed Loan, the issuance of such refunding PPA Bonds shall result in (x) no cash flow dissavings in any year during the period from and including the year in which the refunding PPA Bonds are issued to and including the year preceding the final maturity date of the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed Loan, as applicable, and (y) the weighted average life of

the refunding PPA Bonds shall not exceed the remaining weighted average life of the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed Loan, as applicable, calculating such remaining weighted average life of the refunded PPA Bonds or the prepaid portion of the principal of the DOE Guaranteed Loan, as applicable, immediately prior to the issuance of the refunding PPA Bonds; or

(3) in the case of refunding PPA Bonds to be issued to extend the maturity of (X) any PPA Bonds any principal installment for which constitutes a Refundable Principal Installment (as defined in the PPA Project Bond Resolution) or (Y) any "bullet" maturity of any Advance that bears interest at a fixed rate for the entire term thereof and that was made to finance cost overruns (which, for purposes of this Section 401(f)(3), shall be either (i) costs in excess of the then current construction budget for the Additional Units as in effect as of the date of execution of the DOE Loan Guarantee Agreement or (ii) costs resulting from a delay in the actual Commercial Operation Date of either or both Additional Units) from the Assumed Completion Date thereof, the final maturity date of the refunding PPA Bonds shall be not later than the latest date on which the principal of the refunded PPA Bonds or repaid Advance, as the case may be, was permitted to mature in accordance with its forty (40)-year amortization period determined under subpart (d)(1) hereof, and the Debt Service on the refunding PPA Bonds shall be structured so as to result in level monthly Debt Service over the period from and including the month in which the maturity date of the refunded PPA Bonds or repaid Advance, as the case may be, was to occur to and including the month preceding the final maturity date of the refunding PPA Bonds, determined in the same manner provided in subpart (d)(1) hereof.

Notwithstanding the requirements of this section, the Parties agree that there may be opportunities to issue refunding PPA Bonds using a different Debt Service structure in order to refund PPA Bonds or prepay or repay Advances that would be to the mutual benefit of the Parties, and the Parties agree to consider such opportunities in good faith and in a timely manner in order to be able to implement such opportunities to the extent that both Parties, in their respective sole discretion, mutually agree to do so.

(g) ***PPA Bonds and Advances to Fund Non-amortized Reserve Funds.*** PPA Bonds issued and Advances made to fund Non-amortized Reserve Funds shall not be subject to the debt service structure described in subpart (d) hereof; provided, however, that MEAG shall structure any PPA Bonds issued or Advances made to fund Non-amortized Reserve Funds in a manner whereby (i) any payments of the principal components of such PPA Bonds or of such Advances shall occur after the Term of this Agreement, and (ii) Buyer shall not be required to pay its Obligation Share of the principal components of such PPA Bonds or of such Advances. For purposes of this subpart (g), (I) PPA Bonds issued to fund Non-amortized Reserve Funds may constitute all or any portion of any Series of PPA Bonds (or of any maturity or maturities within a Series), as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of issuance thereof and (II) any Advance made to fund Non-amortized Reserve Funds may constitute all or any portion of a particular Advance, as determined by the PPA Project Entity at the direction of an Authorized Officer of the Authority on or prior to the date of the making of such Advance.

(h) ***Exceptions to Level Debt Service Requirement for Combined Borrowings.*** It is understood and agreed by the Parties that (I) the DOE Loan Documents provide that, in connection with the making of any Advance, the PPA Project Entity is required to deliver to FFB the total principal amount (and, in certain cases, the proposed amortization of principal) with respect to each Advance prior to the date on which the interest rate on such Advance is set and, as a result, it may not be possible to structure exactly level monthly Debt Service with respect to a combination of two (or more) Advances, (including a 30-year fully-amortizing fixed rate Advance combined with a 30-year fixed rate Advance the principal of which is payable at the final maturity date of the DOE Guaranteed Loan) and (II) if MEAG intends to cause the PPA Project Entity to make one or more Advances, in connection therewith, MEAG may determine that it is advantageous for MEAG, Buyer and the Additional Units PPA Participants that the principal of such Advance(s) that otherwise would have been payable at the final maturity date of the DOE Guaranteed Loan instead be financed through the issuance of PPA Bonds of one or more Series the principal of which will be payable after the final maturity date of the DOE Guaranteed Loan.

In the case of either (I) or (II) set forth in the paragraph above (either or both together a "Combined Borrowing"), the Parties agree that MEAG may structure the Debt Service on such Advance(s) or on the PPA Bonds of such Series, whichever shall be the first to be made or issued, as applicable, in such manner as it shall determine in its sole discretion (the first such Advance(s) to be made or the first such PPA Bonds of such Series to be issued, as the case may be, is referred to in this subpart (h) as a "Non-Level Borrowing"), but in no event shall the final maturity date of the PPA Bonds of any such Series be later than forty-one (41) years after the estimated Commercial Operation Date of the second Additional Unit, as estimated by MEAG at the time of the pricing of the PPA Bonds of such Series. In the case of either (I) or (II) set forth in the paragraph above, MEAG shall use its best efforts to cause the aggregate Debt Service on the PPA Bonds of such Series or such Advance(s), whichever shall be the next to be issued or made (or designated by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) as the next to be issued or made if such PPA Bonds or such Advance(s) are made concurrently with the Non-Level Borrowing), as applicable, together with the Debt Service on such Non-Level Borrowing, to satisfy the requirements of the parameters set forth in clause (1) of subpart (d) of this Section 401 (the next PPA Bonds of such Series to be issued or the next such Advance(s) to be made, as the case may be, is referred to in this subpart (i) as a "Levelizing Borrowing" and such Levelizing Borrowing, together with the related Non-Level Borrowing, is referred to in this subpart (h) as a "Combined Borrowing"); provided, however, that if, following the making or issuance, as applicable, of such Non-Level Borrowing, MEAG is unable, for any reason whatsoever, to satisfy the requirements of such parameters as aforesaid, then the Parties agree that, at the end of the Term of this Agreement, one Party shall make to the other Party such payment, determined as provided in the following paragraph, as will compensate the other Party for MEAG's inability to create levelized Debt Service on such Combined Borrowing as set forth in Section 401(d).

If, as permitted by the first paragraph of this subpart (h), MEAG shall cause to be made and issued a Combined Borrowing and, despite MEAG's best efforts, the aggregate Debt Service on such Combined Borrowing fails to satisfy the requirements of clause (1) of subpart (d) of this Section 401, then, unless the Parties agree that no such adjustment shall be necessary, MEAG shall determine, in accordance with the procedure below, whether such Combined Borrowing, has resulted in Buyer being obligated to pay aggregate Debt Service on such Combined Borrowing with respect to each Additional Unit during the Term of this Agreement that is greater or less than the aggregate Debt Service that Buyer would have been obligated to pay with respect to such Additional Unit had such Combined Borrowing, been structured on a level debt service basis on the date that the related Levelizing Borrowing was made or issued (each, an "Assumed Level Debt Service Borrowing"), using an interest rate per annum equal to the actual yields to maturity for each separately stated maturity of the PPA Bonds and the Advance(s) constituting such Combined Borrowing, it being understood and agreed by the Parties that each installment of principal constituting a portion of a single stated maturity shall have and be deemed to have the same yield to maturity as is applicable to such stated maturity. Attached hereto as **Exhibit L** is an example of the true-up payment calculations described in this subpart. In the event that MEAG shall determine that Buyer is obligated to pay a greater amount of aggregate Debt Service on the Combined Borrowing with respect to a particular Additional Unit than it would have been obligated to pay during the Term of this Agreement on the applicable Assumed Level Debt Service Borrowing with respect to such Additional Unit, then, at the end of the Term of this Agreement, MEAG shall pay to Buyer the sum of the amounts, determined on an annual basis, equal to the difference between (X) the amount of the Debt Service on such Combined Borrowing that Buyer actually paid during each year during the Term of this Agreement with respect to such Additional Unit and (Y) the amount of the Debt Service on such Assumed Level Debt Service Borrowing that Buyer would have paid during such year with respect to such Additional Unit had such Combined Borrowing been structured on a level debt service basis, future valued to the date on which the Term of this Agreement shall end, using an interest rate per annum equal to the actual par weighted average yield to maturity of the PPA Bonds and/or the Advance(s) constituting such Combined Borrowing (the "Weighted Average Yield"). In the event that MEAG shall determine that Buyer is obligated to pay a lesser amount of aggregate Debt Service on the Combined Borrowing with respect to a particular Additional Unit than it would have been obligated to pay during the Term of this Agreement on the applicable Assumed Level Debt Service Borrowing with respect to such Additional Unit, then, at the end of the Term of this Agreement, Buyer shall pay to MEAG the sum of the amounts, determined on an annual basis, equal to the difference between (X) the amount of the Debt Service on such applicable Assumed Level Debt Service Borrowing that Buyer would have paid during each year during the Term of this Agreement with respect to such Additional Unit had such Combined Borrowing been structured on a level debt service basis and (Y) the amount of the Debt Service on such Combined Borrowing that Buyer actually paid during such year with respect to such Additional Unit, in each such case, future valued to the date on which the Term of this Agreement shall end, using an interest rate per annum equal to the Weighted Average Yield.

(i) ***Exceptions to Level Debt Service Requirement for Spent Fuel Storage Facilities.*** PPA Bonds issued to fund Spent Fuel Storage Facilities shall not be subject to the debt service structure described in subpart (d) hereof; provided, however, that MEAG shall structure any PPA Bonds issued to fund Spent Fuel Storage Facilities with respect to each Additional Unit in a manner whereby (i) any payments of the principal and interest components of Debt Service on such PPA Bonds shall commence on the January 1 of the calendar year following the end of the Annual Period in which such Costs of Acquisition and Construction and Financing Costs were incurred, (ii) Buyer's obligation to pay such principal and interest components of Debt Service shall continue thereafter until the last day on which Buyer is entitled to its Obligation Share of the Output of such Additional Unit pursuant to the terms of this Agreement, (iii) the principal portion of such PPA Bonds with respect to such Additional Unit shall be assumed to be amortized on a straight-line basis resulting in level monthly payments of the principal component of Debt Service over the remaining term of the operating license of such

Applicable Unit, and (iv) the Costs of Acquisition and Construction of the Spent Fuel Storage Facilities shall be deemed to be incurred equally between the Additional Units. For purposes of this subpart (i), PPA Bonds issued to fund Spent Fuel Storage Facilities may constitute all or any portion of any Series of PPA Bonds (or of any maturity or maturities within a Series), as determined by an Authorized Officer of the Authority (as defined in the PPA Project Bond Resolution) on or prior to the date of issuance thereof.

(j) ~~(i)~~ ***Procedure for Resolving Disputes*.** In the event that Buyer shall in good faith dispute any of the determinations made by MEAG as provided in subpart (h) of this Section 401, MEAG shall engage, in accordance with the procedure below, an individual employed by a nationally-recognized independent financial advisory firm experienced in the structuring and issuance of debt securities by political subdivisions (hereinafter referred to in this subpart (i) as a "Financial Advisor") who shall confirm whether or not such determination(s) have been made in accordance with the provisions of subpart (h). In the event that such Financial Advisor shall determine that any such determination made by MEAG as provided in subpart (h) was not made in accordance with the provisions of such subpart, then, at the end of the Term of this Agreement, one Party shall pay to the other Party such amount as such Financial Advisor shall calculate in accordance with the provisions of this subpart (i).

Such Financial Advisor shall be selected as follows: If, at the time of such selection, MEAG and Buyer both have on retainer the same Financial Advisor, then such Financial Advisor shall be engaged by MEAG to make the determination(s) provided for in this subpart (i). If, however, at such time, MEAG and Buyer do not both retain the same Financial Advisor, then each Party shall submit to the other a list containing the names of five qualified Financial Advisors, and the first Financial Advisor appearing on Buyer's list that also appears on MEAG's list shall be engaged by MEAG to make the determination(s) provided for in this subpart (i). If no Financial Advisor appears on both Parties' lists, then the Financial Advisor shall be selected in a blind drawing wherein the names of each of the proposed candidates appearing on the two lists are placed into a container held by MEAG's Chief Executive Officer and one name is drawn from the container by Buyer's Chief Executive Officer.

SECTION 402. ISSUANCE OF REFUNDING PPA BONDS. In the event it shall be advantageous, in the opinion of MEAG, to refund any PPA Bonds or prepay any portion of the principal of the DOE Guaranteed Loan, MEAG may issue and sell refunding PPA Bonds which may be secured by assignment of all payments attributable to the Plant Vogtle Additional Units PPA Project or the Plant Vogtle Additional Units PPA Project Annual Costs to be made in accordance with or pursuant to the provisions of this Agreement and the Power Sales Contracts.

SECTION 403. ISSUANCE OF PPA BANs AND PPA TAKE-OUT BONDS.

(a) ***Issuance of PPA BANs.*** In the event that MEAG, in its sole judgment, shall determine that it is advantageous for MEAG, Buyer and the Additional Units PPA Participants that any Series of PPA Bonds to be issued to finance or refinance the payment of a portion of the Costs of Acquisition and Construction and Financing Costs be issued in the form of PPA BANs, MEAG shall be authorized to issue such PPA BANs on such terms and conditions as MEAG, in its sole judgment, shall determine; provided, however, that in the case of any PPA BANs to be issued prior to the Commercial Operation Date of a particular Additional Unit MEAG shall fund, from the proceeds of such PPA BANs, all interest to accrue thereon through the maturity date thereof.

(b) ***Security for PPA BANs.*** In addition to any assignment of all payments attributable to the Plant Vogtle Additional Units PPA Project or the Plant Vogtle Additional

Units PPA Project Annual Costs to be made in accordance with or pursuant to the provisions of this Agreement and the Power Sales Contracts, as such payments may be increased and extended by reason of the issuance of any PPA BANs, as permitted by Section 401(b) hereof, such PPA BANs may be secured by an assignment of proceeds of other PPA Bonds (including PPA Take-Out Bonds) to be issued to refund such PPA BANs.

(c) ***Issuance of PPA Take-Out Bonds.*** In the event that MEAG shall issue PPA BANs as provided in paragraph (a) of this Section but shall not borrow (whether through the issuance of PPA Bonds satisfying the structuring requirements of Section 401(d) hereof or otherwise), on or before the maturity date of such PPA BANs, funds in an amount sufficient to pay such PPA BANs on the maturity date thereof, MEAG shall be authorized to issue PPA Take-Out Bonds in an aggregate principal amount not to exceed the sum of (i) the principal amount of such PPA BANs and (ii) MEAG's costs and expenses in connection with the issuance of the PPA Take-Out Bonds, on such terms and conditions as MEAG, in its sole judgment, shall determine; provided, however, that the PPA Take-Out Bonds shall be payable as to principal in ten (10) equal semi-annual installments, commencing on the first business day of the sixth month following the date of issuance thereof and on the first business day of each sixth month thereafter.

(d) ***Limitation on Amount of PPA BANs and PPA Take-Out Bonds.*** Notwithstanding anything herein to the contrary, the total aggregate principal amount of PPA BANs and PPA Take-Out Bonds to be outstanding at any time, together with the aggregate principal amount of the PPA Bonds described in the second paragraph of Section 204(b) hereof outstanding at such time, shall not exceed $75,000,000, or such greater amount as shall be agreed to in writing by MEAG and Buyer from time to time, but no such PPA BANs or PPA

Take-Out Bonds shall be used to finance Fuel Costs applicable to either of the Additional Units prior to the Commercial Operation Date thereof.

SECTION 404. ADJUSTMENT OF THE PLANT VOGTLE ADDITIONAL UNITS PPA PROJECT COSTS.

(a) ***Excess PPA Bond Proceeds.*** In the event the proceeds derived from the sale of any PPA Bonds (including by reimbursement from the PPA Project Entity to MEAG of proceeds of PPA Bonds previously issued and applied for Costs of Acquisition and Construction and Financing Costs) exceed the aggregate amount required for the purposes for which such PPA Bonds were issued, the amount of such excess attributable to the issuance of the PPA Bonds shall be timely used during the Term of this Agreement to make up any deficiency then existing in any fund or account under the PPA Project Bond Resolution in the manner therein provided, and any balance shall be timely used during the Term of this Agreement (a) to retire by purchase, redemption or defeasance PPA Bonds in advance of maturity or (b) to retire by prepayment Advances in advance of maturity, in each such case, in a manner consistent with the principles governing the issuance of PPA Bonds and the making of Advances hereunder, so as to equitably apportion the Debt Service savings resulting from the retirement of such PPA Bonds or Advances both during the Term of this Agreement and during the period that the Additional Units PPA Participants are obligated to pay Debt Service on the PPA Bonds and the DOE Guaranteed Loan under the Plant Vogtle Additional Units PPA Power Sales Contracts and, in such event, MEAG will reduce such elements of the Plant Vogtle Additional Units PPA Project Annual Costs as are necessary and appropriate to reflect such accelerated retirement or prepayment or redemption.

(b) ***Amounts Required to be Applied to Prepayment of DOE Guaranteed Loan.*** In addition, Buyer acknowledges and agrees that certain amounts held under the DOE Accounts Agreement may be applied only to the prepayment of the DOE Guaranteed Loan (hereinafter referred to in this Section 404(b) as a "DOE debt retirement"), and that, as a result of such application, it may not be possible to maintain level Debt Service over the Term of this Agreement and the term of the Plant Vogtle Additional Units PPA Power Sales Contracts. In any such circumstance, MEAG agrees that it shall use its best efforts to maintain level Debt Service as aforesaid, but if, despite its best efforts, it is unable to do so, it will use its best efforts to equitably apportion the Debt Service savings resulting from the DOE debt retirement both during the Term of this Agreement and during the period that the Additional Units PPA Participants are obligated to pay Debt Service on the PPA Bonds and the DOE Guaranteed Loan under the Plant Vogtle Additional Units PPA Power Sales Contracts and, in such event, MEAG will reduce such elements of the Plant Vogtle Additional Units PPA Project Annual Costs as are necessary and appropriate to reflect such DOE debt retirement.

MEAG agrees that if, at the end of the Term of this Agreement, any amounts that are intended for the prepayment of the DOE Guaranteed Loan but were not applied to prepayment and remain on deposit in any such account under the DOE Accounts Agreement, MEAG shall pay (from a source other than a DOE Accounts Agreement account) Buyer an amount with respect to each Additional Unit equal to the principal amount of Advances that matured during the Term of this Agreement that would have been prepaid if such amounts had been applied to DOE debt retirement on the respective dates that such amounts were received by the PPA Project Entity, on a level debt service basis, using an assumed interest rate per annum of four percent

(4%), but without interest thereon. Attached hereto as **Exhibit** **M** is an example of the calculation of the payment described in this paragraph.

If, as a result of any DOE debt retirement as provided in the second preceding paragraph, MEAG shall be unable to maintain level Debt Service both during the Term of this Agreement and during the period that the Additional Units PPA Participants are obligated to pay Debt Service on the PPA Bonds and the DOE Guaranteed Loan under the Plant Vogtle Additional Units PPA Power Sales Contracts, or to equitably apportion the Debt Service savings resulting from such DOE debt retirement, in either case, despite MEAG's best efforts, unless the Parties agree that no such adjustment shall be necessary, MEAG shall determine, in accordance with the following procedures, whether the amount of Debt Service paid by Buyer with respect to each Additional Unit after giving effect to such DOE debt retirement is greater or less than the amount of Debt Service that Buyer would have paid with respect to such Additional Unit had such DOE debt retirement been structured on a level debt service basis (each, an "Assumed Level Debt Service Debt Retirement"), using an interest rate per annum equal to (i) if the amounts applied to such DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed as part of the original construction of the Additional Units, four percent (4%) (attached hereto as **Exhibit** **N** are examples of these true-up payment calculations, as further described in subparagraph (1) below) and (ii) if the amounts applied to such DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed subsequent to the Commercial Operation Date of the applicable Additional Unit(s), the weighted average yield to maturity of the applicable Advance(s) made or PPA Bonds issued to finance the acquisition and construction of such assets (attached hereto as **Exhibit O** are examples of these true-up payment calculations, as further described in subparagraph (2) below):

(1) If the amounts applied to such DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed as part of the original construction of the Additional Units, at the end of the Term of this Agreement, MEAG shall calculate the sum of the amounts, determined on an annual basis, commencing with the year in which the amounts were received, equal to the difference between (X) the amount of Debt Service that Buyer actually paid during each year during the Term of this Agreement with respect to each Additional Unit after giving effect to such DOE debt retirement and (Y) the amount of Debt Service that Buyer would have paid during such year with respect to such Additional Unit, taking into account such applicable Assumed Level Debt Service Debt Retirement, in each such case, future valued to the date on which the Term of this Agreement shall end, using an interest rate per annum of four percent (4%).

(2) If the amounts applied to such DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed subsequent to the Commercial Operation Date of the applicable Additional Unit(s), at the end of the Term of this Agreement, MEAG shall calculate the sum of the amounts, determined on an annual basis, commencing with the year in which the amounts were received, equal to the difference between (X) the amount of Debt Service that Buyer actually paid during each year during the Term of this Agreement with respect to each Additional Unit after giving effect to such DOE debt retirement and (Y) the amount of Debt Service that Buyer would have paid during such year with respect to such

Additional Unit, taking into account such applicable Assumed Level Debt Service Debt Retirement, in each such case, future valued from the date(s) on which the applicable Advance(s) were made or PPA Bonds issued to finance the acquisition and construction of such assets, using an assumed interest rate per annum equal to the actual weighted average yield to maturity of such applicable Advance(s) and/or PPA Bonds.

(3) In the case of any determination pursuant to either (1) or (2) above, MEAG shall calculate (X) the aggregate amount of Debt Service that Buyer actually paid during each year during the Term of this Agreement with respect to each Additional Unit after giving effect to such DOE debt retirement, future valued as aforesaid, and (Y) the aggregate amount of Debt Service that Buyer would have paid during each year during the Term of this Agreement with respect to such Additional Unit, taking into account such applicable Assumed Level Debt Service Debt Retirement, future valued as aforesaid, and, at the end of the Term of this Agreement, (i) if the amount determined pursuant to (X) above shall be greater than the amount determined pursuant to (Y) above, MEAG shall pay Buyer the amount of the difference between (X) and (Y), without interest thereon and (ii) if the amount determined pursuant to (X) above shall be less than the amount determined pursuant to (Y) above, Buyer shall pay MEAG the amount of the difference between (X) and (Y), without interest thereon.

In the event that Buyer shall in good faith dispute any of the determinations or calculations made by MEAG as provided in this Section 404(b), MEAG shall engage, in accordance with the procedure set forth in Section 401(~~i~~j), a Financial Advisor who shall confirm whether or not such determination(s) and/or calculation(s) have been made in accordance with the provisions of this Section 404(b). In the event that such Financial Advisor shall determine that any such determination(s) and/or calculation(s) made by MEAG as provided in this Section 404(b) was not made in accordance with the provisions of this Section 404(b), then, at the end of the Term of this Agreement, one Party shall pay to the other Party such amount as such Financial Advisor shall calculate in accordance with the provisions of this Section 404(b).

(c) ***Notice of Application of Amounts to Retirement of PPA Bonds or Prepayment of DOE Guaranteed Loan.*** MEAG agrees that it (i) will provide advance notice to Buyer of its intent to apply any such excess proceeds and/or amounts held under the DOE Accounts Agreement to the retirement by purchase, redemption or defeasance of any PPA Bonds in advance of maturity or the retirement by prepayment of any Advances in advance of maturity as aforesaid, which notice shall identify the PPA Bonds or Advances to be so retired (or the method by which such PPA Bonds or Advances shall be selected) and the method of such retirement; (ii) will provide Buyer the opportunity to comment with respect to such matters prior to their implementation; (iii) shall take into consideration any comments and proposed changes with respect to such matters submitted by Buyer; and (iv) shall provide Buyer with a written response explaining MEAG's rationale for its disposition of Buyer's comments and proposed changes; provided, however, that MEAG shall have sole discretion to determine whether to incorporate any such comments or proposed changes with respect to such matters.

ARTICLE V

EVENTS OF DEFAULT; REMEDIES; INDEMNIFICATION

SECTION 501. EVENTS OF BUYER'S DEFAULT; CONTINUING OBLIGATION; REMEDIES.

(a) ***Non-Payment Default.*** Buyer's failure to make to MEAG any of the payments for which provision is made in this Agreement shall constitute a default on the part of Buyer. MEAG shall provide written notice to Buyer prior to invoking the remedies provided for hereunder. In the event of a non-payment default by Buyer, Buyer shall not be relieved of its liability for payment of any amounts required to be made under this Agreement, and MEAG further shall have the right and obligation to exercise its best efforts to recover from Buyer any amount in default. In enforcement of any right of recovery, MEAG may bring against Buyer any suit, action, or proceeding in law or in equity, including mandamus, injunction, and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement, or obligation to make payment for which provision is made in this Agreement, and MEAG may, upon sixty (60) days' written notice to Buyer, cease and discontinue providing service under this Agreement. If the default continues for a period in excess of 180 days, MEAG may, at its discretion, permanently discontinue service to Buyer. In the event MEAG permanently discontinues service to Buyer in accordance with this Section 501(a), MEAG agrees to apply the net proceeds from any sale, lease or other arrangement to a third party of all or a portion of the Output of the PPA Project Entity's Ownership Interest to which Buyer was previously entitled under this Agreement to mitigate Buyer's payment obligations under Article II of this Agreement in the manner permitted by the PPA Project Bond Resolution and the DOE Loan Documents.

(b) ***Other Defaults.*** Buyer's failure to comply with any other covenant, agreement, representation, warranty or obligation of this Agreement shall also constitute a default on the part of Buyer. In the event of a default by Buyer other than a default in making a payment when due under this Agreement, MEAG may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Agreement against Buyer but MEAG may not discontinue service as a result of a default by Buyer other than a non-payment default.

SECTION 502. DEFAULT BY MEAG. MEAG's failure to comply with any covenant, agreement, representation, warranty or obligation of this Agreement or the PPA Project Entity Power Purchase Agreement shall constitute a default on the part of MEAG. In the event of a default by MEAG, Buyer may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement, or obligation of this Agreement or the PPA Project Entity Power Purchase Agreement against MEAG; provided, however, that nothing in this Agreement shall be construed to permit Buyer to terminate, rescind, void, or otherwise abandon all or any portion of its obligations to MEAG under this Agreement as the result of a default by MEAG. As to Buyer's remedy of specific performance hereunder, MEAG hereby acknowledges that the damages recoverable at law in the event of a default by MEAG will be difficult to ascertain and will not adequately compensate Buyer, and, therefore, specific performance is an appropriate remedy to enforce any covenant, agreement, or obligation of this Agreement or the PPA Project Entity Power Purchase Agreement against MEAG in the event of a default hereunder.

SECTION 503. ABANDONMENT OF REMEDY. In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the Parties to such proceeding shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of MEAG and Buyer shall continue as though no such proceedings had been taken. Any such abandonment shall not be deemed a waiver of any other or further default hereunder.

SECTION 504. LIMITATION ON DAMAGES; MITIGATION.

(a) ***General.*** The Parties confirm that the express remedies and measures of damages provided in this Agreement satisfy the essential purposes hereof for breach of any provision of this Agreement for which an express remedy or measure of damages is herein provided.

(b) ***Remedies Exclusive.*** For breach of any provision for which an express and exclusive remedy or measure of damages is provided, the Parties agree that such express remedy or measure of damages shall be the sole and exclusive remedy, the obligor's liability shall be limited as set forth in such provision, and all other remedies or damages at law or in equity are waived.

(c) ***Limitation to Actual Damages.*** If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct actual damages only.

(d) ***Limitations on Damages.*** Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages by statute, in tort, in contract, at law or in equity, or otherwise; provided, that if either Party is held liable to a third party for such damages and the Party held liable for such damages is found to be entitled to indemnification therefor from the other Party hereto, the indemnifying Party shall be liable for, and obligated to reimburse the indemnified Party for, such damages. This Section 504 shall (i) apply to the fullest extent allowed by law irrespective of whether liability of MEAG or Buyer is claimed, or found to be based in contract (including breach of warranty or contract), tort (including negligence or negligent misrepresentation of MEAG, Buyer, or others), strict liability, law or equity, or otherwise, and (ii) survive the completion of the services or the termination of this Agreement.

(e) ***Validity of Limitations on Damages.*** All limitations on damages contained in this Agreement shall apply even if the remedies provided in this agreement are deemed to "fail of their essential purpose" or are otherwise held to be invalid or unenforceable.

(f) ***Duty to Mitigate Damages.*** Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of this Agreement; provided, that in no event shall the mitigating Party owe any payment to the non-performing Party in connection with such mitigation.

SECTION 505. INDEMNIFICATION. MEAG and Buyer shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying Party and not caused in whole or in part by the negligence of the other Party; provided that any liability which is incurred by MEAG through the operation and maintenance of the Plant Vogtle Additional Units PPA Project and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of MEAG, and any payments made by MEAG to satisfy such liability shall become part of the Plant Vogtle Additional Units PPA Project Annual Costs.

ARTICLE VI

DELIVERY OF OUTPUT; SERVICE;

DOE GUARANTEED LOAN ARRANGEMENTS

SECTION 601. **AUTHORITY AND RESPONSIBILITY.** Buyer acknowledges that the Agent has the sole authority and responsibility for the planning, licensing, design, construction, acquisition, completion, start up, commissioning, renewal, addition, replacement, modification and decommissioning of each of the Additional Units as well as sole responsibility for the management, control, operation and maintenance of the Additional Units. Buyer further acknowledges that the Agent shall have sole authority for the scheduling of the operation and dispatching of the output of each of the Additional Units. In the event the Agent fails to comply with its obligations, MEAG shall cause the PPA Project Entity to pursue with reasonable diligence any valid claims against the Agent subject to any limitations in the Project Agreements. Buyer acknowledges that, in the event the Agent fails to comply with its obligations, the sole and exclusive remedy of the co-owners (including the PPA Project Entity) under the Project Agreements is to remove the Agent. Neither MEAG nor the PPA Project Entity assumes any responsibility for those matters that fall within the authority and responsibility of the Agent, nor shall MEAG or the PPA Project Entity be liable to Buyer in any way for such matters. Buyer further agrees that any failure by the Agent to comply with its obligations or otherwise perform, in whole or in part, shall not excuse Buyer's performance under this Agreement.

SECTION 602. **REPLACEMENT OR SUCCESSOR AGENT.** MEAG shall notify Buyer as soon as practicable in the event the co-owners of Plant Vogtle consider appointing a replacement or successor to the Agent. After receiving such notice, Buyer may submit to MEAG any matters or suggestions relating to any Person proposed as such a replacement or successor that Buyer may care to present, and MEAG agrees for itself and on behalf of the PPA Project Entity to take into consideration such matters or suggestions timely submitted by Buyer in the same manner in which MEAG considers the matters or suggestions of the Additional Units PPA Participants, the Additional Units PPA-2 Participants and the Additional Units Non-PPA Participants prior to determining whether to cause the PPA Project Entity to approve or disapprove of any such Person. However, after taking into account the collective interests of Buyer, the Additional Units PPA Participants, the Additional Units PPA-2 Participants and the Additional Units Non-PPA Participants, and the requirements of the DOE Loan Documents, MEAG, in its sole discretion, shall elect to cause the PPA Project Entity either to approve or disapprove the appointment of any Person proposed as a replacement or successor Agent.

SECTION 603. SERVICE. Buyer acknowledges that the Agent may temporarily interrupt, increase or reduce deliveries of electric energy from the PPA Project if the Agent determines that such interruption, increase or reduction is necessary in case of emergencies. The Agent may also interrupt or reduce deliveries of electric energy from the PPA Project in order to install equipment in or make repairs to or replacements, investigations, and inspections of or to perform other maintenance work on its generation or transmission facilities and related apparatuses (planned interruptions). MEAG shall notify Buyer of any planned interruption or reduction, giving the Agent's reason therefor, and stating the Agent's estimate of the probable duration thereof.

SECTION 604. ELECTRIC INTERCONNECTION AND TRANSMISSION SERVICE.

(a) ***Connection to Transmission System.*** Buyer's payment obligations calculated and billed in accordance with Articles II and III of this Agreement shall include its Obligation Share of the costs of all property and equipment for connecting the Additional Units to the transmission system at the point where said transmission system forms part of the Georgia Integrated Transmission System (the "Delivery Point"), including the step-up transformers, high side bushing to the electrical transmission system, all related switching stations, remote terminal unit and connections to Supervisory Control and Data Acquisition System (SCADA).

(b) ***Transmission Services.*** Buyer shall arrange, either directly or indirectly through a third party, for all transmission service and transmission ancillary services and shall pay all costs pursuant to the transmission provider's tariff and the transmission provider's protocols including all costs associated with line losses, necessary to transmit the Output delivered under this Agreement from the Delivery Point to any point at which Buyer redelivers the Output to its customer(s).

(c) ***Coordination of Energy Delivery.*** Energy delivery hereunder shall be coordinated with the Agent, MEAG and Buyer and in accordance with the transmission provider's tariff and applicable North American Electric Reliability Corporation (NERC) requirements. To facilitate this effort, the Parties shall develop operating procedures no later than six (6) months prior to the Commercial Operation Date of the first Additional Unit. These operating procedures will address issues associated with the delivery and determination of the quantity of energy delivered. These issues will include, but are not limited to: physical energy delivery method, metering systems, accounting and serving station service loads, allocation of common load between multiple units, rounding methodology, electronic communication of unit output, and daily communications.

SECTION 605. DOE GUARANTEED LOAN ARRANGEMENTS.

(a) ***General.*** Buyer acknowledges and agrees that, in connection with the entry into the DOE Loan Documents, MEAG will transfer the PPA Project Portion of MEAG's Interest to the PPA Project Entity, MEAG's wholly-owned, special-purpose direct subsidiary. In connection with this transfer, MEAG will enter into the PPA Project Entity Power Purchase Agreement with the PPA Project Entity in the form set forth in **Exhibit P** to this Agreement pursuant to which MEAG will purchase the Output of the PPA Project Entity's Ownership Interest for resale to Buyer under this Agreement and to the Additional Units PPA Participants under the Power Sales Contracts during the respective terms of this Agreement and the Power Sales Contracts. Other than during the continuance of an event of default by Buyer under this Agreement, during the Term of this Agreement MEAG agrees and covenants that it will not (i) amend, modify or waive any provision of the PPA Project Entity Power Purchase Agreement from the form set forth in **Exhibit P** hereto or (ii) provide any consent or agreement under or in connection with the PPA Project Entity Power Purchase Agreement, including with respect to consent to assignment by the PPA Project Entity of its rights and obligations under the PPA Project Entity Power Purchase Agreement (other than a collateral assignment for security purposes), in each case, without the prior written consent of Buyer, which consent shall not be unreasonably withheld.

(b) ***Security Interests and Liens Permitted.*** Buyer acknowledges and agrees that (i) MEAG may grant a first-priority security interest in and lien on its ownership interest in the PPA Project Entity to the DOE Collateral Agent, and (ii) the PPA Project Entity may grant a first-priority security interest in and lien on all of its assets, including its undivided ownership interest in the Additional Units, its right, title and interest in, to and under the PPA Project Entity Power Purchase Agreement and the Project Agreements and all other collateral specified in the DOE Loan Documents, to the DOE Collateral Agent, in each such case, to secure the DOE Secured Obligations under the DOE Loan Documents and the DOE Guaranteed Loan.

(c) ***Buyer's Consent and Direct Agreement.*** In connection with such assignment and security interest, Buyer hereby agrees to enter into a consent and direct agreement with the DOE Collateral Agent for the benefit of the DOE Secured Parties in substantially the form attached hereto as **Exhibit K**.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

SECTION 701. MEAG'S REPRESENTATIONS AND WARRANTIES. MEAG represents and warrants as follows:

(a) MEAG is a public body corporate and politic, a public corporation and an instrumentality of the State of Georgia, duly organized and validly existing under the laws of the State of Georgia. The PPA Project Entity is a limited liability company, duly organized and validly existing under the laws of the State of Georgia.

(b) MEAG has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement. The execution, delivery and performance of this Agreement by MEAG have been duly authorized by all necessary corporate action on the part of MEAG and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of MEAG or any other party to any other agreement with MEAG. The PPA Project Entity has the power and authority to enter into and perform the PPA Project Entity Power Purchase Agreement and is not prohibited from entering into the PPA Project Entity Power Purchase Agreement or discharging and performing all covenants and obligations on its part to be performed pursuant to the PPA Project Entity Power Purchase Agreement. The execution, delivery and performance of the PPA Project Entity

Power Purchase Agreement by the PPA Project Entity have been duly authorized by all necessary limited liability company action on the part of the PPA Project Entity and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of the PPA Project Entity or any other party to any other agreement with the PPA Project Entity.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by MEAG with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Applicable Law presently in effect having applicability to MEAG, the documents of formation of MEAG or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which MEAG is a party or by which any of its property is bound. The execution and delivery of the PPA Project Entity Power Purchase Agreement, consummation of the transactions contemplated therein, and fulfillment of and compliance by the PPA Project Entity with the provisions of the PPA Project Entity Power Purchase Agreement will not conflict with or constitute a breach of or a default under any Applicable Law presently in effect having applicability to the PPA Project Entity, the documents of formation of the PPA Project Entity or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which the PPA Project Entity is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by MEAG. This Agreement is a legal, valid and binding obligation of MEAG enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity. The PPA Project Entity Power Purchase Agreement has been duly executed and delivered by the

PPA Project Entity. The PPA Project Entity Power Purchase Agreement is a legal, valid and binding obligation of the PPA Project Entity enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) No bankruptcy is pending against MEAG or to its knowledge threatened against it. No bankruptcy is pending against the PPA Project Entity or to its knowledge threatened against it.

(f) MEAG has negotiated and entered into this Agreement in the ordinary course of its respective business, in good faith, for fair consideration and on an arm's length basis.

(g) MEAG MAKES NO WRITTEN OR ORAL REPRESENTATION, WARRANTY, OR COVENANT EITHER EXPRESS OR IMPLIED, REGARDING THE CURRENT OR FUTURE EXISTENCE OF ANY ENVIRONMENTAL ATTRIBUTES OR PRODUCTION TAX CREDIT OR ANY LAW GOVERNING THE EXISTENCE OF ANY ENVIRONMENTAL ATTRIBUTES OR PRODUCTION TAX CREDIT UNDER THIS AGREEMENT OR OTHERWISE OR THEIR CHARACTERIZATION OR TREATMENT UNDER APPLICABLE LAW OR OTHERWISE. BUYER SHALL SOLELY BEAR THE RISK OF NOT OBTAINING ANY ENVIRONMENTAL ATTRIBUTES OR PRODUCTION TAX CREDIT.

(h) OTHER THAN THOSE WARRANTIES AND GUARANTIES EXPRESSLY SET FORTH IN THE TERMS OF THIS AGREEMENT, MEAG MAKES NO WARRANTIES AND GUARANTIES OF ANY KIND WHATSOEVER, EXPRESS, IMPLIED, ORAL, WRITTEN OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING BY CUSTOM,

TRADE USAGE, PROMISE, EXAMPLE OR DESCRIPTION, ALL OF WHICH WARRANTIES AND GUARANTIES ARE EXPRESSLY DISCLAIMED BY MEAG AND WAIVED BY BUYER.

SECTION 702. BUYER'S REPRESENTATIONS AND WARRANTIES. Buyer represents and warrants as follows:

(a) Buyer is a body politic and corporate organized and existing under the laws of the State of Florida and an independent agency of the City of Jacksonville, Florida.

(b) Buyer has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement.

(c) The execution, delivery and performance of this Agreement by Buyer have been duly authorized by all necessary corporate action on the part of Buyer and do not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Buyer or any other party to any other agreement with Buyer.

(d) No authorization, approval, order, license, permit, franchise or consent, and no registration, declaration or filing with any Governmental Authority is required on the part of Buyer in connection with the execution, delivery and performance of this Agreement except those which Buyer anticipates will be timely obtained in the ordinary course of performance of this Agreement.

(e) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Buyer with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Applicable Law presently in effect having applicability to Buyer, the documents of formation of Buyer or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Buyer is a party or by which any of its property is bound.

(f) This Agreement has been duly executed and delivered by Buyer. This Agreement is a legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(g) Buyer has the financial resources and capability to satisfy its obligations under this Agreement.

(h) Amounts payable to MEAG under this Agreement (i) shall constitute a Contract Debt (as that term is defined in Buyer's Electric System Bond Resolution), payable as a Cost of Operation and Maintenance of Buyer's Electric System (as those terms are defined in Buyer's Electric System Bond Resolution), and (ii) shall be paid by Buyer as a cost of purchased power and energy for Buyer's wholesale and retail load and otherwise as an expense of operation and maintenance of Buyer's Electric System.

(i) No bankruptcy is pending against Buyer or to its knowledge threatened against it.

(j) Buyer has negotiated and entered into this Agreement in the ordinary course of its respective business, in good faith, for fair consideration and on an arm's length basis.

ARTICLE VIII

DISPUTE RESOLUTION

SECTION 801. DISPUTE RESOLUTION.

(a) Each of MEAG and Buyer shall appoint a representative to coordinate with the other Party the implementation of this Agreement (each a "Representative" and collectively the

"Representatives"). If any dispute arises with respect to any Party's performance hereunder, the Representatives shall meet to attempt to resolve such dispute, either in person or by telephone, within ten (10) days after the written request of either Representative. If the Representatives are unable to resolve such dispute within thirty (30) days after their initial meeting (in person or by telephone), senior officers or executives of Buyer and senior officers or executives of MEAG shall meet, either in person or by telephone, within ten (10) days after either Representative provides written notice that the Representatives have been unable to resolve such dispute. If such senior officers or executives are unable to resolve such dispute within thirty (30) days after their initial meeting (in person or by telephone), either Party may refer the dispute to the Superior Court of Fulton County, Georgia or the U.S. District Court for the Northern District of Georgia pursuant to Section 1003, which shall be the sole legally binding forums available to the Parties for resolution of a dispute hereunder.

(b) While any dispute is pending, the Parties shall continue to perform their obligations under this Agreement notwithstanding such dispute.

ARTICLE IX

NOTICES AND COUNTERPARTS

SECTION 901. NOTICES. Except as may be otherwise expressly provided for herein, all notices, requests, statements and other communications to be given under this Agreement shall be made to the addresses and persons specified in **Exhibit D** hereto. All notices, requests, statements or payments shall be made in writing except where this Agreement expressly provides that notice may be made orally. Notices required to be in writing shall be delivered by hand delivery, express courier (*e.g.*, UPS, FedEx, or DHL), facsimile or electronic mail (so long as a copy of such electronic mail notice is provided thereafter by hand delivery or express courier).

Except as may otherwise be specified in this Agreement, all notices, requests, statements and other communications shall be deemed to have been duly given on (i) the date of delivery if delivered by hand or by express courier; (ii) the time stamp upon delivery if sent by electronic mail; (iii) date of receipt of a time-stamped, legible copy thereof if sent by facsimile; or (iv) the earlier of the dates set forth in clauses (i), (ii) and (iii) if delivery is made by more than one of such means. Either Party may change its respective notice information upon giving the other Party at least fourteen (14) days' prior written notice thereof.

SECTION 902. COUNTERPARTS. This Agreement may be executed in counterparts, including in facsimile and electronic formats (including portable document format (.pdf)), each of which is an original and all of which constitute one and the same instrument.

ARTICLE X

MISCELLANEOUS PROVISIONS

SECTION 1001. ASSIGNMENT.

(a) ***General.*** Except as provided in subsection (b) of this Section 1001, neither Party may assign or transfer all or any part of any right, obligation, or interest under this Agreement without the prior written consent from the other Party or if any such assignment or transfer is prohibited under the PPA Project Bond Resolution or the DOE Loan Documents. Any such attempted assignment or transfer shall be null, void and without effect; provided, however, that nothing in this Section 1001 shall limit the authority of Buyer to sell to a third party all or a portion of Buyer's Obligation Share of the Output of the PPA Project Entity's Ownership Interest, subject to the provisions of Sections 305 and 306 hereof.

(b) ***Exception to Secure PPA Bonds and DOE Secured Obligations.*** Notwithstanding subsection (a) of this Section 1001, Buyer acknowledges and agrees that

MEAG may assign and pledge to the Trustee designated in the PPA Project Bond Resolution, for the benefit of the DOE Collateral Agent, DOE and the other secured parties identified therein, all its right, title and interest in and to all payments to be made to MEAG under the provisions of this Agreement attributable to the Plant Vogtle Additional Units PPA Project or to the Plant Vogtle Additional Units PPA Project Annual Costs as security for the payment of the amounts due and payable and other obligations under, or secured by, the PPA Project Bond Resolution (including as security for amounts owed by the PPA Project Entity under the DOE Loan Documents) and, upon the execution of such assignment and pledge, such Trustee shall have all rights and remedies herein provided to MEAG, including to give all notices, take all actions and exercise all rights, including any or all rights to collection that are provided to MEAG as set forth in this Agreement, on behalf or in the place of MEAG, and any reference herein to MEAG shall be deemed, with the necessary changes in detail, to include such Trustee. The Trustee and the PPA Project Entity each shall be a third-party beneficiary of the covenants and agreements of Buyer herein contained.

SECTION 1002. SEVERABILITY. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the Parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein, and this Agreement shall be construed to adopt, but not to enlarge upon, all of the applicable provisions of said Act, and all the applicable provisions of the Constitution and general laws of Georgia, and, if any provisions hereof conflict with any applicable provision of said Constitution or laws, the former as proposed by the legislature, approved by the people of the State of Georgia and interpreted by the courts of the State of Georgia, and the latter as adopted by the legislature and as interpreted by the courts of the State of Georgia, shall prevail in lieu of any provision hereof in conflict or not in harmony therewith.

SECTION 1003. GOVERNING LAW; JURISDICTION AND VENUE. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia, applied without giving effect to principles of conflicts of laws or choice of law that would require the application of the law of any other state. Each Party irrevocably submits to the jurisdiction and venue of the Superior Court of Fulton County, Georgia and the U.S. District Court for the Northern District of Georgia in any dispute arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such dispute may be heard and determined in the Superior Court of Fulton County, Georgia and the U.S. District Court for the Northern District of Georgia. Each Party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such proceeding. The Parties further agree, to the extent permitted by law, that any final and unappealable judgment against any of them in any proceeding contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment.

SECTION 1004. FORWARD CONTRACT. The Parties acknowledge and agree that this Agreement and the transactions contemplated by this Agreement constitute a "forward contract" and that each Party is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

SECTION 1005. ENTIRE AGREEMENT. Except as provided in the final paragraph of Section 101 hereof, this Agreement amends and restates and replaces the Original Agreement in its entirety and this Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein.

SECTION 1006. DRAFTING AND INTERPRETATION. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

SECTION 1007. AMENDMENT. Subject to Section 103(b) of this Agreement, no amendment, modification or change to this Agreement shall be enforceable unless set forth in writing and executed by both Parties.

SECTION 1008. NON-WAIVER. No waiver by any Party hereto of any one or more defaults by the other Party in the performance of any of the provisions of this Agreement shall be construed as a waiver of any other default or defaults whether of a like kind or different nature. No failure or delay by any Party hereto in exercising any right, power, privilege, or remedy hereunder shall operate as a waiver thereof.

SECTION 1009. SURVIVAL. Upon the expiration of the Term of this Agreement (the "Termination Date"), the Parties shall no longer be bound by the terms and conditions hereof, except (i) to the extent necessary to enforce any rights and the obligations of the Parties, including payment obligations, arising under this Agreement prior to such Termination Date, (ii) to the extent necessary to enforce the right to receive any payments pursuant to **Exhibit B** to this Agreement and (iii) the obligations of the Parties hereunder with respect to confidentiality, audit and indemnification shall survive any termination of this Agreement and shall continue for a period of one (1) year following such Termination Date, provided that such obligations with respect to indemnification shall continue only with respect to claims for indemnification based upon events or circumstances occurring or arising on or before the Termination Date.

SECTION 1010. RELATIONSHIPS OF PARTIES. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall any Party be an agent, representative, trustee or fiduciary of any other Party.

SECTION 1011. EXHIBITS. Any and all Exhibits referred to in this Agreement are, by such reference, incorporated herein and made a part hereof for all purposes.

SECTION 1012. ATTORNEYS' FEES. If a Party commences a legal proceeding against the other Party because of an alleged breach of such Party's obligations under this Agreement, each Party shall bear its own expenses, including attorneys' fees, incurred in connection with the legal proceeding and any appeal thereof.

SECTION 1013. BINDING EFFECT. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

SECTION 1014. NO ADVERSE DISTINCTION. MEAG shall not make any adverse distinction in connection with discharging its responsibilities to Buyer under this Agreement and in discharging MEAG's responsibilities (i) to the Additional Units PPA Participants under the Plant Vogtle Additional Units PPA Power Sales Contracts or (ii) to the Additional Units Non-PPA Participants under the Plant Vogtle Additional Units Non-PPA Power Sales Contracts.

SECTION 1015. COOPERATION. The Parties shall cooperate with each other and with each other's employees and agents by taking all actions necessary to fully effectuate the intent of this Agreement, including providing upon reasonable request to each other all information and documents relevant to the purposes of this Agreement and making their employees and agents available in connection with any of the matters addressed in this Agreement.

Without limiting the generality of the foregoing, Buyer shall (i) provide to MEAG such information regarding Buyer as MEAG shall reasonably determine to be necessary or desirable in connection with the issuance by MEAG of any PPA Bonds or the making by the PPA Project Entity of any Advance and (ii) shall enter into, and perform its obligations under, such continuing disclosure undertakings as are necessary to comply with the provisions of paragraph (b)(5) of Rule 15c2-12, as amended, promulgated by the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, with respect to any issue of PPA Bonds that are subject to the requirements of said paragraph (b)(5) of Rule 15c2-12. In addition, notwithstanding the foregoing, this Section 1015 shall not require, nor shall it be construed to require, a Party to provide information or documents or to make its employees or agents available in contravention of any contractual obligation or limitation (including any such obligation or limitation in this Agreement or the Project Agreements), or in contravention of any obligation or limitation under Applicable Law.

SECTION 1016. FLORIDA PUBLIC RECORDS LAW. The parties acknowledge that Buyer is a body politic and corporate that is subject to Chapter 119, Florida Statutes, and related statutes known as the "Public Records Laws." If a request is made to Buyer to view or disclose (i) any information provided by MEAG to Buyer prior to the Execution Date of this Agreement, including any "Confidential Information," as that term is defined in the Parties' October 9, 2006 Confidential Information Exchange Agreement, or (ii) any information provided by MEAG to Buyer pursuant to the terms of this Agreement, Buyer shall notify MEAG of such request and the date that such records will be viewed by or released to the requester unless MEAG obtains a court order enjoining such disclosure. If MEAG fails to obtain a court order enjoining disclosure, Buyer will release the requested information on the date specified. Such release shall be deemed to be made with MEAG's consent and will not be deemed to be a violation of law, including laws concerning trade secrets, copyright or other intellectual property.

SECTION 1017. COMPLIANCE WITH OBLIGATIONS. MEAG agrees and covenants that it will fully and timely comply with its obligations under and in connection with, and, to the extent applicable, cause the PPA Project Entity to fully and timely comply with its obligations under and connection with, this Agreement, the PPA Project Entity Power Purchase Agreement, the PPA Project Bond Resolution, the DOE Loan Guarantee Agreement and the other DOE Loan Documents, including payment of all costs and compliance with all financial obligations in such documents; provided, however, that MEAG's failure to comply with the provisions of this Section shall not affect Buyer's obligations as set forth in Section 502 and Section 204(g).

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, MEAG has caused this Agreement to be executed in its corporate name by its duly authorized officers and, by the execution hereof it is acknowledged that payments made under this Agreement may be assigned, as provided in this Agreement, and MEAG has caused its corporate seal to be hereunto impressed and attested; Buyer has caused this Agreement to be executed in its corporate name by its duly authorized officers and its corporate seal to be hereunto impressed and attested, and delivery hereof by MEAG to Buyer is hereby acknowledged, all as of the day and year first above written. This Agreement shall not become effective as to either Party unless and until executed by both Parties.

[*Signature blocks on following pages*]

MUNICIPAL ELECTRIC
AUTHORITY OF GEORGIA

BY:________________________________

TITLE:

DATE:______________________________

ATTEST:

BY:________________________________

TITLE:

DATE:______________________________

(SEAL)

JEA

BY:__________________________________
TITLE: Managing Director and Chief Executive Officer
DATE:________________________________

ATTEST:

BY:__________________________________
TITLE:
DATE:________________________________

JEA OFFICIAL SEAL CREATED OCT 1, 1968

I hereby certify that the expenditure contemplated by the forgoing Agreement has been duly authorized, and provision has been made for the payment of monies provided herein to be paid.

____
Title:

Approved as to Form:

____
Office of General Counsel
City of Jacksonville, Florida

~~EXHIBIT A~~

~~DESCRIPTION OF MEAG'S INTEREST~~
~~IN THE PLANT VOGTLE ADDITIONAL UNITS~~

~~I. MEAG's Interest.~~

~~MEAG's Interest in the Additional Units shall consist of the ownership (whether owned in whole or in part by MEAG or by any entity (including the PPA Project Entity) that is a wholly-owned subsidiary of MEAG (a "Project Entity")) of a twenty-two and seven-tenths percent (22.7%) undivided interest in the two additional nuclear units, each 1,102 megawatts Nominally Rated, to be located at Plant Vogtle, in Burke County, Georgia and consisting of (i) nuclear power reactors, the turbine-generators, the buildings housing the same, the associated auxiliaries and equipment, and the related transmission facilities (as more specifically described in the application, and amendments thereto, filed by the Georgia Power Company with the Nuclear Regulatory Commission for a Combined Construction and Operating License); (ii) inventories of materials, supplies, Fuel, tools and equipment for use in connection with the Additional Units to be constructed at Plant Vogtle; (iii) land adequate for the Additional Units or, alternatively, appropriate easements granting the right of use to land adequate for the Additional Units, and site preparation, foundations, fencing and fire protection; (iv) the right of use of the infrastructure and system supporting the existing units one and two at Plant Vogtle as well as existing services supporting such units; (v) all property and equipment for connecting the generating facilities to the transmission system at the point where said transmission system forms part of the Georgia Integrated Transmission System (as determined as of June 15, 2008, the dated date of the Power Sales Contracts), including the step-up transformers, high side bushing to the electrical transmission system, all related switching stations, remote terminal unit and connections to Supervisory Control and Data Acquisition System (SCADA); (vi) inventories of~~

~~materials, supplies, tools and equipment; (vii) prepayment of initial supply of Fuel; and (viii) the additional facilities of the Additional Units as described in Part II of this **Exhibit A**.~~

~~II. Additional Facilities.~~

~~The additional facilities of the Additional Units shall include (i) any major renewals, replacements, repairs, additions, betterments and improvements to the Additional Units necessary, in the opinion of MEAG, to keep the Additional Units in good operating condition or to prevent a loss of revenues therefrom, and (ii) any major additions, improvements, repairs and modifications to the Additional Units and any disposals of the Additional Units required by any Governmental Authority having jurisdiction over the Additional Units, or for which MEAG (or a Project Entity) shall be responsible by virtue of any obligation of MEAG (or such Project Entity) arising out of any contract to which MEAG (or such Project Entity) may be a party relating to ownership of the Additional Units or any facility thereof.~~

~~EXHIBIT B~~

~~METHODOLOGY FOR DETERMINING~~

~~DECOMMISSIONING COSTS~~

~~The methodology used to estimate annual decommissioning costs related to the Additional Units and included within Section 205(b)(1)(C) of this Agreement shall be determined based on the following assumptions: first, MEAG shall obtain the estimated current dollar cost estimate for decommissioning for each Additional Unit based on the greater of (i) the most recent Nuclear Regulatory Commission's Minimum Funding Estimate available at the time the Plant Vogtle Additional Units PPA Project Annual Budget for a given Power Supply Year is prepared, or (ii) the costs established by the most recent site specific study available for each Additional Unit performed by the Agent (which study is anticipated to be revised every three years); second, MEAG shall estimate the PPA Project's proportionate share of the future decommissioning funding cost estimate based on an assumed inflation rate ("Inflation Rate"), which Inflation Rate shall not exceed the inflation rate utilized as the index for the annual escalation to year of expenditure composite (40-year operation) in the most recent asset retirement obligation liability study for the Additional Units ("ARO Study") performed by an experienced consultant on behalf of the operator of the Additional Units (currently Southern Nuclear Operating Company, Inc.), and which will be applied to the PPA Project's proportionate share of the current dollar costs decommissioning estimate to project the PPA Project's proportionate share of the future decommissioning amounts required at the end of the respective operating license periods of each Additional Unit; third, MEAG will calculate the estimated amount necessary to be deposited in each year in inflation-adjusted payments (equal present value amounts) ("Inflation-Adjusted Payments") over the projection period, which period shall~~

~~be forty (40) years, into the decommissioning trust fund established for each Additional Unit which, when invested at an assumed interest rate ("Earnings Rate") (taking into consideration the balances available at the beginning of the projection period offset by estimated annual investment management fees and expenses), will accumulate to the PPA Project's proportionate share of the future decommissioning funding cost estimate required at the end of each Additional Unit's respective operating license period, and the resultant annual Inflation-Adjusted Payments calculated in the aforesaid annual projection shall be the amounts included as part of the Plant Vogtle Additional Units PPA Project Annual Costs to insure that the estimated cost of decommissioning is recovered by the end of the term of the operating license of each Additional Unit. The Inflation Rates with respect to each Power Supply Year and the Earnings Rates with respect to each Power Supply Year that MEAG uses to calculate the decommissioning cost estimates and estimated amounts to be deposited into the decommissioning trust for the PPA Project shall be the same Inflation Rates and Earnings Rates that MEAG uses when it calculates the decommissioning cost estimates and estimated amounts to be deposited into the decommissioning trust for the Non-PPA Project.~~

~~MEAG anticipates that the differential between the Inflation Rate and the Earnings Rate used in the annual decommissioning projection will range from one percent (1%) to two percent (2%). Provided, however, that the annual decommissioning funding amount will not be less than the minimum allowable annual contribution level as prescribed by Nuclear Regulatory Commission regulations as are in effect from time to time and that if such earnings on the decommissioning fund are in the future subject to federal income tax, MEAG shall retain the discretion to adjust the Earnings Rate used in future decommissioning projections to compensate for such taxes.~~

~~Within ninety (90) days of the expiration of the period that each Additional Unit's output is being delivered to Buyer over the Term of this Agreement or within ninety (90) days after the date MEAG or the PPA Project Entity receives the subsequent site specific study if a site specific study has not been received within eighteen (18) months prior to the expiration of the period that each Additional Unit's output is being delivered to Buyer, MEAG shall, using the methodology set forth in this **Exhibit B**, determine the then-current total cost estimate for decommissioning the portion of the Additional Units in the PPA Project. In determining such cost estimate for decommissioning, MEAG shall utilize (a) the most recent Nuclear Regulatory Commission's Minimum Funding Estimate for each Additional Unit, and (b)(i) the most recent site specific study performed by the Agent (if revised within eighteen (18) months prior to the Termination Date of this Agreement) or, alternatively, (ii) the next site specific study performed by the Agent following the expiration of the Term of this Agreement. Second, MEAG shall escalate both of the applicable funding estimates from the mid-point of the year used to estimate the decommissioning cost of the Additional Units to the expiration of the term of the forty (40) year operating license utilizing a true-up inflation rate, fifty percent (50%) of such number reflecting the inflation rate contained in the applicable ARO Study and the remaining fifty percent (50%) of such number reflecting the average of the Inflation Rates utilized by MEAG during the term of this Agreement in calculating the projected decommissioning costs (the "True-up Inflation Rate"). The higher of the two escalated funding estimates shall constitute the estimated total decommissioning costs at the end of the operating license (the "Total Decommissioning Costs"). Third, MEAG shall utilize a funding methodology based on annual Inflation Adjusted Payments to determine the amount of money ("Targeted Amount") that Buyer should have accumulated as of the expiration of the term of this Agreement in order to be on track to achieve its share (which~~

~~share shall not exceed fifty percent (50%)) of the Total Decommissioning Costs as of the expiration of the forty (40) year operating license, using a True-up Earnings Rate that equals the True-up Inflation Rate plus the difference between the average of the Earnings Rates utilized by MEAG during the term of this Agreement and the average of the Inflation Rates utilized by MEAG during the term of this Agreement. To the extent that the amounts paid by Buyer under Section 205(b)(1)(C) of this Agreement for each Additional Unit, including earnings offset by related fees and such amounts, exceed the Targeted Amount of the Total Decommissioning Costs, MEAG shall refund such excess amounts to Buyer. Alternatively, to the extent that such amounts paid by Buyer, including earnings offset by related fees, is less than the Targeted Amount of the Total Decommissioning Costs, Buyer shall pay such deficient amounts to MEAG. Any payment due under this calculation at the option of the party owing may be paid (i) within thirty (30) days with no interest; or (ii) in equal monthly payments based on a thirty (30) day month over a three-hundred-sixty (360) day year with six percent (6%) interest over (x) a period of up to five (5) years if such payments are less than ten million dollars or; (y) a period of up to ten (10) years if such payments are over ten million dollars.~~

~~MEAG shall arrange to appoint an independent trustee to administer the Decommissioning Trust for the Plant Vogtle Additional Units in a common trust. The Trustee in accordance with Nuclear Regulatory Commission (NRC) regulations will maintain separate accounting for each Additional Unit, with separate sub accounting within each unit for the assets contributed and earnings net of related fees thereon by the Non-PPA Project, the PPA Project and the PPA-2 Project. The assets in the PPA Project, the Non-PPA Project and the PPA-2 Project in the Decommissioning Trust may be commingled for investment purposes in a common~~

~~investment trust and MEAG will administer the selection of investment managers in accordance with NRC rules and procedures in effect from time to time.~~

~~EXHIBIT C~~

~~METHODOLOGY FOR ALLOCATION OF MEAG'S~~

~~ADMINISTRATIVE AND GENERAL EXPENSES~~

~~MEAG's Administrative and General Expenses ("A&G Expenses") are allocated to the generation units and the transmission unit that comprise MEAG's Projects. Currently, MEAG has nine generation units and one transmission unit. The Additional Units will increase MEAG's generation units to eleven. That portion of the A&G Expenses that can be directly traced to a specific unit or group of units is allocated to such unit or group of units. For example, the A&G Expenses incurred within the Office of Vice President, Transmission, are allocated to the transmission unit. Similarly, the costs incurred by the Office of Vice President, Power Supply, are allocated to the eleven generation units on an equal pro-rata basis. The remaining A&G Expenses are allocated among the twelve units (the eleven generation units and transmission) either on a direct methodology among the units or on an equal basis among the units. Each of the units' allocable portion of the A&G Expenses (as determined above) will be assigned to the separate projects which funded such unit on an equal basis. MEAG will apply the methodology described in this **Exhibit C** consistently across all of MEAG's generation and transmission units in a manner that is consistent with its past practice with respect to such methodology.~~

~~EXHIBIT D~~

~~NOTICE~~

~~MEAG:~~
~~Municipal Electric Authority of Georgia~~
~~Attention: James E. Fuller, Senior Vice President & Chief Financial Officer~~
~~1470 Riveredge Parkway, N.W.~~
~~Atlanta, GA 30328~~
~~Fax: (770) 952-7862~~
~~Email: jfuller@meagpower.org~~
~~Copies to:~~
~~Municipal Electric Authority of Georgia~~
~~Attention: Peter M. Degnan, Esq., Senior Vice President & General Counsel~~
~~1470 Riveredge Parkway, N.W.~~
~~Atlanta, GA 30328~~
~~Fax:~~
~~Email: pdegnan@meagpower.org~~
~~and~~
~~Orrick, Herrington & Sutcliffe LLP~~
~~Attention: Carl F. Lyon, Esq.~~
~~51 West 52nd Street~~
~~New York, NY 10019~~
~~Fax: (212) 506-5151~~
~~Email: cflyon@orrick.com~~
~~JEA:~~
~~JEA~~
~~Attention: Paul E. McElroy, CEO & Managing Director~~
~~21 West Church Street~~
~~Jacksonville, FL 32202-3139~~
~~Fax: 904-665-4238~~
~~Email: mcelp@jea.com~~

~~Copies to:~~
~~Melissa H. Dykes, Chief Financial Officer~~
~~21 West Church Street~~
~~Jacksonville, FL 32202-3139~~
~~Fax: 904-665-4238~~
~~Email: dykemh@jea.com~~
~~Attention: General Counsel~~
~~117 West Duval Street~~
~~Jacksonville, FL 32202~~
~~Fax: 904-630-1731~~
~~Email: JodyB@coj.net~~
~~Gibson, Dunn & Crutcher LLP~~
~~Attention: William R. Hollaway, Esq.~~
~~1050 Connecticut Avenue, N.W.~~
~~Washington, DC 20036-5306~~
~~Fax: (202) 530-9654~~
~~Email: whollaway@gibsondunn.com~~

~~EXHIBIT E~~

~~Revenue Fund - Working Capital: It is anticipated that the initial balance in this fund would be funded from PPA Bond proceeds at a level of forty-five (45) days of working capital based on the projected annual budget for the PPA Project. The intention is to treat this reserve to the extent funded from PPA Bond proceeds as a non-amortizing reserve fund where the principal amount of the PPA Bonds issued for this purpose would be structured to mature after the expiration of the twenty (20)-year term of the Agreement. Subsequent debt issuances to increase the working capital levels in this fund also are anticipated to be structured to mature after the twenty (20)-year term of the Agreement. If additional funds were needed and MEAG did not have access to the capital markets, to the extent monies were retained from year-end surplus amounts or contributed from payments by Buyer under this Agreement, there would be a need to refund to Buyer the monies contributed to the fund to increase in the working capital level which were not PPA Bond-funded.~~

~~Debt Service Reserve Account in Debt Service Fund: It is anticipated that the balance in this Account would be funded from PPA Bond proceeds at the maximum level allowable by IRS regulations to allow the account to be funded with proceeds of tax exempt PPA Bonds and/or Build America Bonds. Typically this amount is about one year's maximum annual debt service on all outstanding PPA Bonds at the time the PPA Bonds are issued, but the regulations set out more complex limitations. It is anticipated that this reserve would be a non-amortizing reserve fund[1] and at the end of the term of the Agreement, Buyer would be refunded any principal~~

~~[1] In accordance with Section 207 of Amendment No. 2 to the Original Agreement, dated as of January 26, 2010, if MEAG shall reasonably determine that it is necessary to avoid an adverse impact on the expected ratings for the PPA Bonds or the economics of the PPA Project, then the Debt Service Reserve Account in the Debt Service Fund established pursuant to the PPA Project Bond Resolution may constitute an amortizing reserve fund.~~

~~payments contributed over the term of the Agreement assuming this reserve was fully funded at the end of the term of the Agreement.~~

~~Reserve and Contingency Fund: The initial amount of the Reserve and Contingency Requirement (as defined in the PPA Project Bond Resolution) would be funded from proceeds of tax exempt PPA Bonds, and when combined with amounts on deposit in the DOE Reserve & Contingency Account established pursuant to the DOE Accounts Agreement, would approximate one-half of one percent of the total gross plant. It is anticipated that to the extent this reserve was funded from PPA Bond proceeds, the reserve requirement would be considered a non-amortizing reserve fund[2] and any principal contributions paid by Buyer would be refunded to Buyer at the end of the term of the Agreement. If MEAG did not have access to the capital markets and excess monies were retained from surplus monies at the end of a contract year to increase the Reserve and Contingency Requirement during the term of the Agreement, the retained surplus or billings in the fund would need to be reimbursed to Buyer at the end of the Term.~~

~~Nuclear Fuel Construction Fund-Revolving Account: It is anticipated that this reserve would be funded from PPA Bond proceeds at the amount projected to be necessary to handle nuclear fuel working capital needs over the first ten (10) to fifteen (15) years of unit operations. This fund would be treated as a non-amortizing reserve in that the principal payments would be structured to mature after the twenty (20)-year term of the Agreement.~~

~~[2] In accordance with Section 207 of Amendment No. 2 to the Original Agreement, dated as of January 26, 2010, if MEAG shall reasonably determine that it is necessary to avoid an adverse impact on the expected ratings for the PPA Bonds or the economics of the PPA Project, then the initial amount of the Reserve and Contingency Requirement may constitute an amortizing reserve fund.~~

~~DOE Debt Service Reserve Account: The Debt Service Reserve Requirement (as defined in the DOE Loan Guarantee Agreement) is expected to equal the greatest amount of projected principal and interest payments due on the DOE Guaranteed Loan (without taking into account "bullet" maturities) over any consecutive eighteen (18)-month period, determined at or about the time of the funding of the DOE Debt Service Reserve Account and at or about the time of the making of each Advance thereafter. It is anticipated that the DOE Debt Service Reserve Account established pursuant to the DOE Accounts Agreement will not be cash-funded until approximately three (3) months prior to the first date on which principal is due on the DOE Guaranteed Loan. Following the making of any withdrawal from the DOE Debt Service Reserve Account, it is expected that the amount so withdrawn will be funded with revenues of the Plant Vogtle Additional Units PPA Project within 180 days after the making of such withdrawal. It is anticipated that this reserve would be a non-amortizing reserve fund; provided, that, if MEAG shall reasonably determine that it is necessary to avoid an adverse impact on the expected ratings for the PPA Bonds or the economics of the PPA Project, then the DOE Debt Service Reserve Account may constitute an amortizing reserve fund and, at the end of the term of the Agreement, Buyer would be refunded any principal payments contributed over the Term of the Agreement assuming this reserve was fully funded at the end of the Term of the Agreement.~~

~~DOE Reserve & Contingency Account: The initial amount on deposit in the DOE Reserve & Contingency Account established pursuant to the DOE Accounts Agreement held by the DOE Collateral Agent on behalf of the PPA Project Entity would be funded from PPA Bond proceeds, and when combined with amounts on deposit in the Reserve and Contingency Fund established pursuant to the PPA Project Bond Resolution, would approximate one half of one percent of the total gross plant. It is anticipated that to the extent this reserve was funded from~~

~~PPA Bond proceeds contributed to the PPA Project Entity, the reserve requirement would be considered a non-amortizing reserve fund; provided that if MEAG shall reasonably determine that it is necessary to avoid an adverse impact on the expected ratings for the PPA Bonds or the economics of the PPA Project, then the initial amount of the DOE Reserve & Contingency Account may constitute an amortizing reserve fund and any principal contributions paid by Buyer would be refunded to Buyer at the end of the term of the Agreement. If MEAG did not have access to the capital markets and excess monies were retained from surplus monies at the end a contract year to increase the DOE Reserve & Contingency Account requirement under the DOE Accounts Agreement during the term of the Agreement, the retained surplus or billings in the account would need to be reimbursed to Buyer at the end of the term of the Agreement.~~

~~EXHIBIT F~~

~~Under Section 511 of the PPA Project Bond Resolution, amounts remaining in the Revenue Fund at the end of each year may be applied to the purposes set forth therein, including to reduce the cost of PPA Project power and energy to Buyer during the term of this Agreement. In general, such excess amounts arise from (a) earnings from the investment of amounts on deposit in the various funds and accounts maintained under the PPA Project Bond Resolution (other than the Construction Fund established thereunder) and the DOE Accounts Agreement, except to the extent that such earnings are required to be retained in the Debt Service Reserve Account in the Debt Service Fund, the Reserve and Contingency Fund, the DOE Debt Service Reserve Account or the DOE Reserve & Contingency Account in order to restore the amounts therein to the respective requirements therefor and (b) the ten (10) percent "coverage" amount required to be deposited pro rata to the Reserve and Contingency Fund and the DOE Reserve & Contingency Account each year, except to the extent that such amount is required to be retained in the Reserve and Contingency Fund or the DOE Reserve & Contingency Account in order to restore the amount therein to the requirement for such fund.~~

~~Section 511 of the PPA Project Bond Resolution also permits MEAG to use amounts remaining in the Revenue Fund at the end of any year to fund capital items or additional reserves for the PPA Project. However, it is anticipated that any such items or reserves would be financed from proceeds of additional PPA Bonds to the extent that MEAG has access to the credit markets at the time such funding is needed.~~

~~It is anticipated that following the completion of MEAG's annual audit of its financial statements for each year following the Commercial Operation Date of the first Additional Unit, MEAG will determine whether any surplus amounts remain in the Revenue Fund as of the end of~~

~~such year. To the extent that any surplus amounts remain in the Revenue Fund, it is anticipated that such amounts will be, at the election of Buyer, paid to Buyer or credited on Buyer's Billing Statements.~~

~~EXHIBIT G~~

~~MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA~~
~~Plant Vogtle Additional Units PPA Project Revenue Bonds~~

~~SECOND AMENDED AND RESTATED~~
~~PLANT VOGTLE ADDITIONAL UNITS PPA PROJECT~~
~~BOND RESOLUTION~~
~~Adopted December __, 2014~~

~~EXHIBIT H~~

~~AMENDED AND RESTATED~~
~~PLANT VOGTLE ADDITIONAL UNITS PPA POWER SALES CONTRACT BETWEEN~~
~~MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA~~
~~AND THE UNDERSIGNED ADDITIONAL UNITS PPA PARTICIPANT~~

~~EXHIBIT I~~

~~Example of Section 206(d) Payment Calculation~~

~~Buyers Payment of Capitalized Interest on 1/28/2015~~	~~$3,000,000.00~~
~~Interest Income from 1/28-6/30/2015 @ 5.01%~~	~~(63,877.50)~~
~~Assumed Interest 1/28-6/30/2015 @ 5.01%~~	~~63,877.50~~
~~Subtotal~~	~~$3,000,000.00~~
~~Assumed Interest 7/1-12/31/2015 @ 5.01%~~	~~75,150.00~~
~~Subtotal~~	~~3,075,150.00~~
~~Assumed Interest 1/1-3/31/2016 @ 5.01%~~	~~38,516.25~~
~~Amount Assumed Bonded for Imputed Debt Service Calculation~~	~~$3,113,666.25~~

Period Ending	Principal	Coupon	Interest	Debt Service
1/1/2017	-	0	$116,996.01	$116,996.01
1/1/2018	$27,225.63	0.0501	155,994.68	183,220.31
1/1/2019	28,589.63	0.0501	154,630.68	183,220.31
1/1/2020	30,021.97	0.0501	153,198.34	183,220.31
1/1/2021	31,526.08	0.0501	151,694.24	183,220.32
1/1/2022	33,105.53	0.0501	150,114.78	183,220.31
1/1/2023	34,764.12	0.0501	148,456.20	183,220.32
1/1/2024	36,505.80	0.0501	146,714.50	183,220.30
1/1/2025	38,334.74	0.0501	144,885.56	183,220.30
1/1/2026	40,255.31	0.0501	142,965.00	183,220.31
1/1/2027	42,272.10	0.0501	140,948.20	183,220.30
1/1/2028	44,389.94	0.0501	138,830.38	183,220.32
1/1/2029	46,613.87	0.0501	136,606.44	183,220.31
1/1/2030	48,949.23	0.0501	134,271.08	183,220.31
1/1/2031	51,401.58	0.0501	131,818.72	183,220.30
1/1/2032	53,976.80	0.0501	129,243.50	183,220.30
1/1/2033	56,681.04	0.0501	126,539.26	183,220.30
1/1/2034	59,520.76	0.0501	123,699.54	183,220.30
1/1/2035	62,502.75	0.0501	120,717.56	183,220.31
1/1/2036	65,634.14	0.0501	117,586.18	183,220.32
1/1/2037	68,922.41	0.0501	114,297.90	183,220.31
1/1/2038	72,375.42	0.0501	110,844.88	183,220.30
1/1/2039	76,001.43	0.0501	107,218.88	183,220.31
1/1/2040	79,809.10	0.0501	103,411.20	183,220.30
1/1/2041	83,807.54	0.0501	99,412.78	183,220.32
1/1/2042	88,006.29	0.0501	95,214.02	183,220.31
1/1/2043	92,415.41	0.0501	90,804.90	183,220.31
1/1/2044	97,045.42	0.0501	86,174.88	183,220.30
1/1/2045	101,907.40	0.0501	81,312.92	183,220.32
1/1/2046	107,012.96	0.0501	76,207.36	183,220.32
1/1/2047	112,374.31	0.0501	70,846.00	183,220.31
1/1/2048	118,004.26	0.0501	65,216.04	183,220.30
1/1/2049	123,916.27	0.0501	59,304.04	183,220.31
1/1/2050	130,124.48	0.0501	53,095.84	183,220.32
1/1/2051	136,643.72	0.0501	46,576.60	183,220.32
1/1/2052	143,489.57	0.0501	39,730.74	183,220.31
1/1/2053	150,678.39	0.0501	32,541.92	183,220.31
1/1/2054	158,227.38	0.0501	24,992.92	183,220.30
1/1/2055	166,154.57	0.0501	17,065.74	183,220.31
1/1/2056	174,478.91	0.0501	8,741.40	183,220.31
	$3,113,666.26		$4,148,921.81	$7,262,588.07

~~Buyers Payment of Capitalized Interest @ 1/28/2015~~	~~$3,000,000.00~~
~~Assumed Buyers Loss Opportunity Cost on Capitalized Interest Payment 1/28/2015 to 3/31/2016~~	~~177,543.75~~
~~Assumed Interest Income from 1/28-6/30/2015~~	~~(63,877.50)~~
~~Assumed Bond Size~~	~~$3,113,666.25~~
~~Imputed Principal Installments 1/1/2018 - 1/1/2037~~	~~$901,193.43~~
~~Buyer Reimbursement at end of term of PPA~~	~~$2,212,472.82~~

~~EXHIBIT J~~
~~FORM OF TAX CERTIFICATION~~
~~TAX CERTIFICATE AS TO ARBITRAGE AND~~
~~THE PROVISIONS OF SECTIONS 141-150 OF~~
~~THE INTERNAL REVENUE CODE OF 1986~~

~~In connection with the issuance by the Municipal Electric Authority of Georgia (the **"Authority"**) of its Plant Vogtle Additional Units PPA Project Revenue Bonds, 20__ Series _ (the **"Bonds"**), which are being issued to finance or refinance the PPA Project (as defined below) and in furtherance of the covenants of JEA contained in Section 306 of the Power Purchase Agreement, dated as of May 12, 2008, as amended and restated, between the Authority, as Seller, and JEA, as Buyer (the **"Purchase Contract"**), and pursuant to Treasury Regulations Section 1.148-2(b)(2), JEA makes and enters into the following Tax Certificate.~~

~~**SECTION 1. DEFINITIONS.** For purposes hereof, the following definitions shall apply:~~

~~**a. Code** shall mean the Internal Revenue Code of 1986.~~

~~**b. Special Tax Counsel** shall mean Nixon Peabody LLP or any other law firm appointed by the Authority, having a national reputation in the field of municipal finance whose opinions are generally accepted by purchasers of municipal bonds.~~

~~**c. Treasury Regulations** shall mean the Treasury Regulations to the extent applicable to the Bonds.~~

~~SECTION 2. REPRESENTATIONS.~~

~~**(a) Purpose.** JEA understands that the Bonds will be issued by the Authority on the date hereof (the **"Delivery Date"**) to finance or refinance costs of the PPA Project, as defined in the Purchase Contract. For purposes hereof, the term "Project" shall refer only to the output that is purchased by JEA pursuant to the Purchase Contract.~~

~~**(b) Statement as to Facts, Estimates and Circumstances.** The facts and estimates set forth in this Tax Certificate on which JEA's expectations as to the use of the Project based are made to the best of the knowledge and belief of the undersigned officer of JEA, and JEA's expectations are reasonable.~~

~~**(c) Responsible Person.** The undersigned is an officer of JEA responsible for the matters described herein and has made due inquiry with respect to and is fully informed as to the matters set forth herein.~~

~~SECTION 3. RESTRICTIONS ON NONGOVERNMENTAL USE.~~

~~**(a) In general.** JEA does not expect that the Project will be used in any trade or business carried on by any natural person or any activity carried on by anyone other than a natural person or a state or local governmental unit (the **"Private Use Limits"**). For purposes of this section, "use" includes the sale of power to nongovernmentally owned utilities pursuant to~~

~~output or requirements contracts as well as any other arrangements for the sale or transmission of power on terms different from those available to the general public. Except as permitted by paragraph (c) below, JEA shall not permit any private business use of the Project. This requirement is applied by taking into account any arrangements JEA has with third parties for the sale of power from the Project that would be taken into account as a "use" of the Project if made by JEA. JEA agrees to notify the Authority prior to any such use.~~

~~**(b) Reasonable Expectations.** JEA reasonably expects to comply with the Private Use Limits throughout the term of the Bonds.~~

~~**(c) Other Uses of the Project.** JEA has and may enter into a variety of arrangements with nongovernmental persons, including wholesale and retail customers of JEA and nongovernmental utilities and other providers of electric generation and transmission service. With respect to the Project, each of these arrangements will satisfy one of the following exceptions to the limitations on private business use and private security or payments:~~

~~(1) in the case of sales of electric generation service, the term of such transactions will not exceed three years (including renewal options), such transactions will be negotiated, arm's length arrangements that provide for compensation at fair market value or are based on generally applicable and uniformly applied rates, and the Project was not acquired with a principal purpose of providing that facility for use by that nongovernmental person;~~

~~(2) in the case of sales of electric generation service, the compensation for such service will not exceed JEA's properly allocable cost of ordinary and necessary expenses that are directly attributable to the operation of the Project used by the nongovernmental person;~~

~~(3) in the case of sales of electric generation service, the output is sold (i) to a retail customer pursuant to a requirements contract that does not involve minimum guaranteed payments, or (ii) under a contract pursuant to which the average annual payments to be made under the contract do not exceed 1 percent of the average annual debt service on all outstanding tax-exempt bonds issued to finance the Project;~~

~~(4) the use of the Project is by (i) an entity that qualifies as an agency of JEA, as approved by the Internal Revenue Service or Special Tax Counsel, or (ii) absent advice from Special Tax Counsel to the contrary, The Energy Authority, Inc., provided, in either case that such entity does not, in turn, use the output of the Project in a manner that gives rise to private business use;~~

~~(5) in the case of sales of electric generation service, the output is sold to a customer pursuant to a wholesale requirements contract wherein (i) the term of the contract does not exceed the lesser of 5 years or the term of the Bonds, and (ii) the amount of the output sold does not exceed 5% of the available output of the Project; or~~

~~(6) in the case of sales of electric generation service, output that is allocable to portions of the Project that were financed with amounts other than the proceeds of obligations the interest on which is excluded from gross income for federal income tax purposes.~~

~~JEA may use the output of the Project in a manner that gives rise to private business use provided that the aggregate of such private business use by JEA does not exceed JEA's share of the permitted $15 million of private business use. For this purpose, JEA's share of the permitted $15 million of private business use shall be based on the portion of such $15 million allocable to the Bonds (and other obligations) issued under the PPA Project Bond Resolution (as defined in the Purchase Contract) that is allocable to JEA based on the term of the Purchase Contract, the measurement period for the Bonds, the output purchased under the Purchase Contract, and the available output of the PPA Project. The provisions of this Section 3 shall only apply to sales of output that are, under the applicable Treasury Regulations, allocable to the Project.~~

~~**SECTION 4. RECORDKEEPING**. JEA shall retain records related to the matters described herein as reasonably necessary to establish compliance with the requirements of this Tax Certificate and shall provide copies of such records as reasonably required by the Authority. JEA shall provide the Authority with such other information related to the Project as may be reasonably required by the Authority to determine the tax-exempt status of the Bonds.~~

~~**SECTION 5. AMENDMENTS.** This Tax Certificate has been executed pursuant to section 306 of the Purchase Contract wherein JEA has covenanted to comply with the provisions of this Tax Certificate in order that it not adversely affect the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation. This Tax Certificate sets forth a portion of the information, representations, and procedures necessary in order for Special Tax Counsel to render its opinion regarding the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation and may be amended or supplemented from time to time to maintain such exclusion only with the approval of Special Tax Counsel.~~

~~Notwithstanding any other provision herein, the covenants and obligations contained herein may be and shall be deemed modified to the extent JEA secures an opinion of Special Tax Counsel that any action required hereunder is no longer required or that some further action is required in order to maintain the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation. To that end, JEA shall be permitted to supplement or modify this Tax Certificate in a manner which is mutually acceptable both to JEA's bond counsel and to Special Tax Counsel.~~

~~**SECTION 6. SUPPLEMENTATION OF THIS CERTIFICATE.** JEA understands the need to supplement this Tax Certificate periodically to reflect further developments in the Federal income tax laws governing the exclusion from Federal gross income of interest on the Bonds and will, periodically, seek the advice of its bond counsel as to the propriety of seeking the review of and supplements to this Tax Certificate from Special Tax Counsel.~~

~~**JEA**~~

~~Dated:~~ ____________

~~By:~~ ________________________________

~~EXHIBIT K~~

~~FORM OF BUYER'S CONSENT AND DIRECT AGREEMENT~~

~~[to come from DOE]~~

~~**EXHIBIT L**~~

~~Example of Section 401(h) True-Up Payment Calculations~~

~~[to come from MEAG]~~

~~**EXHIBIT M**~~

~~Example of True-Up Payment Calculation~~

~~under second paragraph of Section 404(b)~~

~~[to come from MEAG]~~

~~EXHIBIT N~~

~~Example of True-Up Payment Calculations under third paragraph of Section 404(b) in the case where amounts applied to DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed as part of the original construction of the Additional Units~~

~~[to come from MEAG]~~

~~EXHIBIT O~~

~~Example of True-Up Payment Calculations under third paragraph of Section 404(b) in the case where amounts applied to DOE debt retirement were derived, directly or indirectly, from assets of the Additional Units that were acquired or constructed subsequent to the Commercial Operation Date of the applicable Additional Unit(s)~~

~~[to come from MEAG]~~

~~EXHIBIT P~~

~~FORM OF PPA PROJECT ENTITY POWER PURCHASE AGREEMENT~~

Summary report: Litera Compare for Word 11.5.0.74 Document comparison done on 10/12/2023 3:28:54 PM	
Style name: Standard	
Intelligent Table Comparison: Active	
Original DMS: nd://4135-7669-7419/1/MEAG 10-23 Second Amended and Restated JEA Power Purchase Agreement.docx	
Modified DMS: nd://4135-7669-7419/6/MEAG 10-23 Second Amended and Restated JEA Power Purchase Agreement.docx	
Changes:	
Add	73
~~Delete~~	229
~~Move From~~	13
Move To	13
Table Insert	0
~~Table Delete~~	1
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	329

BOARD RESOLUTION: 2024-02
January 30, 2024

A RESOLUTION BY THE BOARD SCHEDULING A PUBLIC RATE HEARING AT THE FEBRUARY 27, 2024 JEA BOARD OF DIRECTORS MEETING TO UPDATE THE RATES FOR ELETRIC SYSTEM TARIFF DOCUMENTS; DIRECTING THE MANAGING DIRECTOR/CEO, OR HIS DESIGNEE, TO GIVE NOTICE OF THE RATE HEARING IN THE MANNER PROVIDED IN THE JEA CHARTER; PROVIDING FOR CORRECTION OF ERRORS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with Section 21.04 of the JEA Charter, when establishing or altering rates, assessments, fees or charges for retail service, JEA shall first give notice of and hold a public hearing in the City of Jacksonville; and

WHEREAS, presentation regarding the Electric rates were presented to JEA's Finance and Operations Committee at its September 15, 2023 meeting and to the Board of Directors at its September 26, 2023 and November 7, 2023 meetings; and

WHEREAS, the JEA Board of Directors has reviewed the documents attached hereto as Exhibit A and incorporated herein, and has determined that it is in the best interests of JEA to hold a rate hearing to adopt the Electric System Tariff documents in substantially the same form as attached,

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

1. The recitals stated above are hereby incorporated into and made part of this Resolution, and such recitals shall serve as findings of fact.

2. A public rate hearing on the rates for electric and the associated tariffs is hereby scheduled to be heard at the JEA Board of Directors meeting scheduled for February 27, 2024. The Board hereby directs the Managing Director/CEO, or his designee, to give notice of the hearing in the manner prescribed in Section 21.04(f) of the JEA Charter.

3. If there are any typographical, administrative, or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, such errors may be corrected with no further action by the Board.

4. This Resolution shall be effective upon approval by the Board.

Dated this 30th day of January 2024.

JEA Board Chair

JEA Acting Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

ELECTRIC TARIFF DOCUMENTATION

VOLUME 2

JEA
225 N. Pearl St..
Jacksonville, Florida 32202
(904) 665-6000

DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail electric service to the major portion of Duval County, including the City of Atlantic Beach and the Town of Baldwin. In addition, JEA provides retail electric service to the Town of Orange Park, to parts of St. Johns and Clay Counties.

Submitted to the Public Service Commission

Approved by the JEA Board
February 27, 2024

Original Sheet No. 2.0

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Effective April 1, 2023

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VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

Second Revised Sheet No. 3.1
Canceling First Sheet No. 3.1

(Continued from Sheet No. 3.0)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

RATE SCHEDULES

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 4.0
Canceling Original Sheet No. 4.0

RS
RATE SCHEDULE RS

Residential Service

Available
In all territory served by JEA.

Applicable
To any residential customer in a single-family individual house, apartment, or mobile home for domestic, non-commercial purposes. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
Basic Monthly Charge: $15.75

Energy Charge: $0.06821per kWh

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$15.75 per month Basic Monthly Charge.

Term and Conditions
(a) Service will be made available under this rate schedule upon the execution of a service agreement governing how JEA's current billing system calculates charges for the specific service supplied to the customer.

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

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 5.0
Canceling Original Sheet No. 5.0

GS
RATE SCHEDULE GS

General Service

Available
In all territory served by JEA.

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

Character of Service
JEA's standard voltage levels.

Rate per Month
Basic Monthly Charge: $21.00

Energy Charge: $0.06276 per kWh

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$21.00 per month Basic Monthly Charge

Primary Service Discount
Where customer contracts for service at 4,160 volts or higher, a discount of 0.10 cent per kilowatt hour shall be allowed, when the customer provides all equipment necessary for service from JEA's existing primary lines.

Terms and Conditions

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

(b) Service Agreements will be placed on this rate schedule initially on the basis of estimated load (based on past experience or connected load survey). Thereafter, when the service agreement incurs an integrated 15-minute demand of 75 kW or higher four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period, such service agreement will be reclassified to the General Service Demand rate schedule and billed thereon commencing with such billing month.

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

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 5.1
Canceling Original Sheet No. 5.1

GST
RATE SCHEDULE GST

General Service Time of Day (Optional)

Available
In all territory served by JEA.

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

Character of Service
JEA's standard voltage levels.

Rate per Month
Basic Monthly Charge: $24.00

Energy Charge:
$0.12690 per kWh during On-Peak hours
$0.04177 per kWh during Off-Peak hours

Definition of Billing Period
On-Peak periods shall be defined as follows:

6 a.m.-10 a.m. - November through March; weekdays only
6 p.m.-10 p.m. - November through March; weekdays only
12 p.m.-9 p.m. - April through October; weekdays only

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

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$24.00 per month Basic Monthly Charge

Primary Service Discount
Where customer contracts for service at 4,160 volts or higher, a discount of $0.10 cent per kilowatt hour shall be allowed, when the customer provides all equipment necessary for service from JEA's existing primary lines.

(Continued on Sheet No. 5.2)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

Original Sheet No. 5.2

(Continued from Sheet No. 5.1)

Terms and Conditions

(a) Service under this rate will be made available at the option of the General Service customer, subject to the availability of TOD metering equipment.

(b) Customer has the option of terminating service under this rate schedule at any time without assessment of disconnection charges. Any customer requesting to return to optional TOD rate on the same premises shall remain on the TOD rate for a period of not less than twelve (12) consecutive months.

(c) Service Agreements will be placed on this rate schedule initially on the basis of estimated load (based on past experience or connected load survey). Thereafter, when the service agreement incurs an integrated 15-minute on-peak demand of 75 kW or higher four (4) or more months out of twelve consecutive, monthly billing periods ending with the current billing period, such service agreement will be reclassified to the Optional General Service Demand TOD rate schedule and billed thereon commencing with such billing month.

(d) Service hereunder is subject to the Rules and Regulations of JEA.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

First Revised Sheet No. 6.0
Canceling Original Sheet No. 6.0

GSD
RATE SCHEDULE GSD

General Service Demand

Available
In all territory served by JEA.

Applicable
To any service agreement where the measured monthly billing demand is 75 kW or more four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
The charge per month shall consist of the total of basic monthly, demand, and energy charges as follows:

(COM30)		(COM31)	
Basic Monthly Charge:	$185.00 per Month	Basic Monthly Charge:	$185.00 per Month
Demand Charge:	$8.40 per kW of billing demand	Demand Charge:	$0.00 per kW of billing demand
Excess Reactive Demand Charge:	As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)	Excess Reactive Demand Charge:	Not applicable
Energy Charge:	$0.03330 per kWh plus Fuel Charge	Energy Charge:	$0.07510 per kWh plus Fuel Charge

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$185.00 Basic Monthly Charge plus the demand charge as computed above.

Determination of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

(Continued on Sheet No. 6.1)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

(Continued from Sheet No. 6.0)

Primary Service Discount

A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

Terms and Conditions

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

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

(c) Should the Metered Demand be less than 75 kW for any 12-month period, the service agreement may be reclassified to Rate Schedule GS, at the option of JEA.

(d) Should the customer demonstrate that the future Metered Demand is expected to be reduced below the applicable demand then the customer's service agreement may be reclassified to Rate Schedule GS, at the option of JEA.

(e) Customer has the option of terminating service under the COM31 rate schedule at any time. Any customer requesting to return to the COM31 rate on the same premises shall remain on the COM31 rate for a period of not less than twelve (12) consecutive months.

Original Sheet No. 6.2

GSDT
RATE SCHEDULE GSDT

General Service Demand Time of Day (Optional)

Available
In all territory served by JEA.

Applicable
To any service agreement where the measured monthly On-Peak billing demand is 75 kW or more four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
The charge per month shall consist of the total of the basic monthly, demand and energy charges as follows:

Basic Monthly Charge:

$185.00 per month

Demand Charge:

$8.53 per kW of On-Peak Demand
$4.93 per kW of Additional Off-Peak Demand

Excess Reactive Demand (KVAR) Policy:

As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:
$0.06514 per kWh during On-Peak hours
$0.02202 per kWh during Off-Peak hours
Plus applicable Fuel Charge

Definitions of Billing Periods
On-Peak periods shall be defined as follows:

6 a.m.-l0 a.m. - November through March; weekdays only
6 p.m.-l0 p.m. - November through March; weekdays only
12 p.m.-9 p.m. - April through October, weekdays only

(Continued on Sheet No. 6.3)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 6.3

(Continued from Sheet No. 6.2)

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

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$185.00 Basic Monthly Charge plus demand charges as computed above.

Determination of Billing Demand
The billing demand for the month shall be the maximum integrated 15-minute metered kW demand in the month.

Determination of On-Peak and Off-Peak Demand
The On-Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the On-Peak period. The Off-Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the Off-Peak period.

Determination of Additional Off-Peak Demand
The Additional Off-Peak Demand for the month shall be the amount by which the Off-Peak Demand exceeds the On-Peak Demand.

Primary Service Discount
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

Terms and Conditions

(a) Service under this rate will be made available at the option of the General Service Demand customer, subject to the availability to TOD metering equipment accompanied by payment of deposit or bond as required by JEA.

(b) Customer has the option of terminating service under this rate schedule at any time without assessment of disconnection charges. Any customer requesting to return to optional TOD rate on the same premises shall remain on the TOD rate for a period of not less than twelve (12) consecutive months.

(c) Should the On-Peak Demand be less than 75 kW for any 12-month period, the customer may be reclassified to Rate Schedule GST, at the option of JEA.

(d) Should the customer demonstrate that the future On-Peak Demand is expected to be reduced below the applicable demand then the customer's service agreement may be reclassified to Rate Schedule GST, at the option of JEA.

(e) Service hereunder shall be subject to the Rules and Regulations of JEA

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

First Revised Sheet No. 7.0
Canceling Original Sheet No. 7.0

GSLD
RATE SCHEDULE GSLD

General Service Large Demand

Available
In all territory served by JEA where service can be rendered from the transmission facilities of JEA.

Applicable
To any service agreement where the measured monthly billing demand is 1,000 kW or more four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
The charge per month shall consist of the total of the basic monthly, demand and energy charges follows:

Basic Monthly Charge: $750.00 per month

Demand Charge: $12.16 per kW for all kW of Billing Demand

Excess Reactive Demand Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge: $0.02588 per kWh

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill
$750.00 Basic Monthly Charge plus the demand charge as computed above, plus any special service charges as defined in the agreement.

(Continued on Sheet No. 7.1)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

Original Sheet No. 7.1

(Continued from Sheet No. 7.0)

Determination of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, as may be adjusted per sheet No. 5.1, but not less than any applicable contract minimum demand.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Primary Service Discount
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

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

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

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

(c) Should the Metered Demand be less than 1,000 kW for any 12-month period, the customer may be reclassified to Rate Schedule GSD, at the option of JEA.

(d) Should the customer demonstrate that the future Metered Demand is expected to be reduced below the applicable demand then the customer's service agreement may be reclassified to Rate Schedule GSD, at the option of JEA.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

First Revised Sheet No. 7.2
Canceling Original Sheet No. 7.2

GSLDT
RATE SCHEDULE GSLDT

General Service Large Demand Time of Day (Optional)

Available
In all territory served by JEA where service can be rendered from the transmission facilities of JEA.

Applicable
To any service agreement where the measured monthly On-Peak billing demand is 1,000 kW or more four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
The charge per month shall consist of the total of the basic monthly, demand, and energy charges as follows:

Basic Monthly Charge: $750.00 per month

Demand Charge:
$12.31 per kW of On-Peak Demand
$ 7.13 per kW of Additional Off-Peak Demand

Excess Reactive Demand Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:
$0.04638 per kWh during On-Peak hours
$0.01703 per kWh during Off-Peak hours

Definition of Billing Periods
On-Peak periods shall be defined as follows:

6 a.m.-10 a.m. - November through March; weekdays only
6 p.m.-10 p.m. - November through March; weekdays only
12 p.m. - 9 p.m. - April through October; weekdays only

(Continued on Sheet No. 7.3)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

(Continued from Sheet No. 7.2)

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

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$750.00 Basic Monthly Charge plus the demand charges computed above, plus any special service charges as defined in the agreement.

Determination of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand, but not less than any applicable contract demand.

Determination of On-Peak and Off-Peak Demand
The On-Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the On-Peak period. The Off- Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the Off-Peak period.

Determination of Additional Off-Peak Demand
The Additional Off-Peak Demand for the month shall be the amount by which the Off-Peak Demand, as may be adjusted per sheet No. 5.1, exceeds the On-Peak Demand.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0).

Primary Service Discount
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken 4,160 volts or higher, but less than 69,000 volts, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

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

Terms and Conditions
(a) Service under this rate will be made available at the option of the General Service Large Demand customer, subject to the availability to TOD metering equipment accompanied by payment of deposit or bond as required by JEA.

(Continued on Sheet No. 7.4)

Original Sheet No. 7.4

(Continued from Sheet No. 7.3)

(b) Customer has the option of terminating service under this rate schedule at any time without assessment of disconnection charges. Any customer requesting optional TOD rate for the second time on the same premises shall remain on the TOD rate for a period of not less than twelve (12) consecutive months.

(c) Should the On-Peak Demand be less than 1,000 kW for any 12-month period, the service agreement may be reclassified to Rate Schedule GSDT, at the option of JEA.

(d) Should the customer demonstrate that the future On-Peak Demand is expected to be reduced below the applicable demand then the customer's service agreement may be reclassified to Rate Schedule GSDT, at the option of JEA.

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

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

First Revised Sheet No.7.5
Canceling Original Sheet No.7.5

GSLDHLF
RATE SCHEDULE GSLD-HLF

General Service Large Demand – High Load Factor (Optional)

Available

In all territory served by JEA.

Applicable

To any service agreement that meets the following conditions:

(a) Measured monthly billing demand is 700 kW or greater and
(b) Customer uses 475 kWh per kW of Ratcheted Demand or greater for six (6) or more billing periods out of the last twelve (12) consecutive billing periods.

Resale of energy purchased under this rate schedule is not permitted.

Character of Service

JEA's standard voltage levels.

Rate per Month

The charge per month shall consist of the basic monthly, demand, energy, and fuel charges as follows:

Basic Monthly Charge: $750.00 per month

Demand Charge: $12.16 per kW for all kW of Billing Demand

Excess Reactive Demand Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:
For the first 350 kWh per kW of Ratcheted Demand: $0.02588 per kWh
For the next 200 kWh per kW of Ratcheted Demand: $0.01912 per kWh
For all energy above 550 kWh per kW of Ratcheted Demand: $0.00800 per kWh

Fuel Charge: as stated in the Fuel Charge (Sheet No. 20.0), where all energy up to 350 kWh per kW of Ratcheted Demand is priced at the GSLD levelized charge and all additional energy is priced at the GSLD off-peak charge.

Primary Service Discount

A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

(Continued on Sheet No. 7.6)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

Original Sheet No. 7.6

(Continued from Sheet No. 7.5)

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

Minimum Bill
$750.00 Basic Monthly Charge.

Definition of Billing Demand
The maximum integrated 15-minute metered kW demand in the billing period.

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

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Terms and Conditions
(a) Service will be made available under this rate schedule upon application for service accompanied by payment of deposit or bond as required by JEA.

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

(c) Should the Billing Demand fall below 700 KW, the customer may be reclassified to Rate Schedule GSD, at the option of JEA. Should customer use fall below 475 kWh per KW of Ratcheted Demand, the customer may be reclassified to Rate Schedule GSLD, at the option of JEA.

(d) Selection of the GSLD-HLF rate will require the customer to relinquish all JEA Rider service agreement(s) currently in effect with no penalty to either party.

(e) Selection of the GSLD-HLF rate on the service agreement will preclude the election of any JEA Rider, except Rider EDP.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

First Revised Sheet No. 8.0
Canceling Original Sheet No. 8.0

ISXLD
RATE SCHEDULE ISXLD

Interruptible Service Extra Large Demand (Closed to New Customers)

Available

In all territory served by JEA where service can be rendered from JEA transmission voltage facilities having adequate capacity to serve the load.

Applicable

To any customer with measured monthly billing demand of 50,000 kW or greater eight (8) or more billing periods out of the last twelve (12) consecutive billing periods. All service hereunder will be rendered through a single metering installation and may be completely interrupted by JEA. Resale of energy purchased under this rate schedule is not permitted.

Customers taking service under this rate schedule are required to execute a service agreement contract.

Character of Service

JEA's 69,000 voltage level or higher

Limitation of Service

Interruptible service is electric service that can be interrupted either automatically or manually at the sole discretion of JEA. Interruptible service under this rate schedule is subject to interruption during any time period that electric power and energy delivered hereunder from JEA's available generating resources is required (a) to maintain service to JEA's firm power customers and firm power sales commitments, (b) to supply emergency Interchange service to another utility for its firm load obligations only, (c) in connection with maintenance outages on JEA's system, or (d) when JEA operates the peaking generators or purchases power at a cost that exceeds that of operating its peaking generators

Rate per Month

The charge per month shall consist of the total of the basic monthly, demand, energy, peaking, and fuel charges as follows:

Basic Monthly Charge: $1,500.00 per month

Demand Charge: $12.16 per kW for all kW of Billing Demand

Demand Interruptible Credit: $5.14 per kW

Excess Reactive Demand Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

(Continued on Sheet No. 8.1)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective September 1, 2024

First Revised Sheet No. 8.1
Canceling Original Sheet No. 8.1

(Continued from Sheet No. 8.0)

Energy Charge:
For the first 300 kWh per kW of Ratcheted Demand: 1.470cent per kWh
For the next 65 kWh per kW of Ratcheted Demand: 1.340cent per kWh
For all energy above 365 kWh per kW of Ratcheted Demand: 1.270cent per kWh

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

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

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

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

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

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0).

Buy-Through Provision
Customers served under this rate schedule may elect to participate in the optional Buy-Through Provision. JEA will solicit power and energy purchases from other sources on the customer's behalf during periods when JEA would otherwise interrupt the customer's electrical loads. Customer may request enrollment in the Buy-Through Provision (or re-enrollment after withdrawing) by making written request to JEA, to which JEA shall respond within thirty (30) days. Should JEA not be able to arrange Buy-Through power, the customer may, at its option, arrange for reliable delivery to JEA of the amount of power to be interrupted, which JEA will sell to the customer. The customer must notify JEA of the power provider in sufficient time for JEA to establish a contract with the provider, if none exists. When JEA is successful in making said purchases, Customer shall pay JEA's cost of purchasing such power plus 3 mils per kWh in lieu of the otherwise-applicable energy charge listed in Rate Schedule ISXLD. Customer may withdraw from participation by providing one year's advance written notice to JEA.

(Continued on Sheet No. 8.2)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective September 1, 2024

First Revised Sheet No. 8.2
Canceling Original Sheet No. 8.2

(Continued from Sheet No. 8.1)

Term and Conditions

(a) Service will be made available under this rate schedule upon execution of a Service Agreement accompanied by payment of deposit or bond as required by JEA.

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

(c) Should the Billing Demand be reduced below the applicable demand of 50,000 kW, JEA may, at its option, reclassify the service agreement to Rate Schedule GSLD.

(d) In addition to the Limitation of Service described above, JEA may further interrupt electric service upon 30 days advance notice to test the availability and operability of interruptible capacity irrespective of JEA system capacity availability or operating conditions.

(e) Selection of the ISXLD rate schedule will require an existing customer to relinquish all JEA Riders on that service agreement currently in effect with no penalty to either party and will preclude election of any JEA Rider on that service agreement.

(f) In the event interruption of service is due to Limitation of Service (d), customers will be notified electronically no later than 4:00pm Eastern Time of the time periods which interruption will be in effect for the following day.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective September 1, 2024

Original Sheet No. 8.3

GSXLD-TOU
RATE SCHEDULE GSXLD-TOU

General Service Extra Large Demand TOU (Experimental)

Available

In all territory served by JEA where service can be rendered from JEA transmission voltage facilities having adequate capacity to serve the load.

Applicable

To any service agreement with combined On-peak and Off-peak monthly billing demand of 50,000 kW or greater four (4) or more billing periods out of twelve (12) consecutive billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Customers taking service under this rate schedule are required to execute a service agreement contract.

Character of Service

JEA's 69,000 voltage level or higher

Rate per Month

The charge per month shall consist of the total of the basic monthly, demand, energy, and fuel charges as follows:

Basic Monthly Charge: $1,500.00 per month

Demand Charge:
$13.62 per kW of On-Peak Demand
$11.14 per kW of Additional Off-Peak Demand

Excess Reactive Demand (Kvar) Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:
$0.01300 per kWh during On-Peak hours
$0.01006 per kWh during Off-Peak hours

(Continued on Sheet No. 8.4)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective September 1, 2024

Original Sheet No. 8.4

(Continued from Sheet No. 8.0)

Definition of Billing Periods
On-Peak periods shall be defined as follows:
6 a.m.-10 a.m. - November through March; weekdays only
6 p.m.-10 p.m. - November through March; weekdays only
12 p.m. - 9 p.m. - April through October; weekdays only

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

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

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

Definition of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, but not less than any applicable contract minimum demand. In no event shall Billing Demand be less than 50,000 kW.

Determination of On-Peak and Off-Peak Demand
The On-Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the On-Peak period. The Off- Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the Off-Peak period.

Determination of Additional Off-Peak Demand
The Additional Off-Peak Demand for the month shall be the amount by which the Off-Peak Demand, as may be adjusted per sheet No. 8.1, exceeds the On-Peak Demand.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0).

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

Term and Conditions
(a) Service will be made available under this rate schedule upon execution of a Service Agreement accompanied by payment of deposit or bond as required by JEA.

(b) Service hereunder shall be subject to the Rules and Regulations of JEA

(Continued on Sheet No. 8.5)

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Effective September 1, 2024

Original Sheet No. 8.5

(Continued from Sheet No. 8.4)

(c) Should the Combined On and Off Peak Billing Demand Total be reduced below the applicable demand of 50,000 kW, any amount below the minimum demand will be charged at the Additional Off-peak rate.

(d) Selection of the TOU-RTP-DA rate schedule will require an existing customer to relinquish all JEA Riders on that service agreement currently in effect with no penalty to either party and will preclude election of any JEA Rider on that service agreement.

(e) JEA and the customer may agree for JEA to provide additional services, including related water, sewer and energy services, vary the term of service, with a maximum total length of ten (10) years, and modify terms and conditions. As mutually agreeable, negotiated services, terms and conditions shall be set forth in the associated Service Agreement contract.

VICTOR BLACKSHEAR, DIRECTOR
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Effective September 1, 2024

Original Sheet No. 9.0

SS-1
RATE SCHEDULE SS-1

Standby and Supplemental Service

Available
In all territory served by JEA.

Applicable
To any service agreement, at a point of delivery, whose electric service requirements for the load are supplied or supplemented from the customer's generation equipment at that point of service and who requires standby and supplemental service from JEA. A service agreement is required to take service under this rate schedule if the customer's total generation capacity is 50 kW or greater and the full load requirement is 75 kW or greater four (4) or more months out of twelve (12) consecutive billing periods ending with the current billing period. For purposes of determining applicability of this rate schedule, the following definitions shall be used:

Standby Service: Electric energy or capacity supplied by JEA to replace energy or capacity ordinarily generated by the customer's own generation equipment during periods of either scheduled (maintenance) or unscheduled (backup) outages of all or a portion of the customer's generation.

Supplemental Service: Electric energy or capacity supplied by JEA in addition to that which is normally provided by the customer's own generation equipment.

Full Load Requirement: The sum of the metered demand and the kW nameplate rating of the customer's generating unit(s).

Customers taking service under this rate schedule are required to execute an interconnection agreement. This rate schedule does not apply to existing customers who own generating capacity covered by JEA's Net Metering Policy. For the purposes of this rate schedule an existing customer is one who has physically connected to JEA and executed an interconnection agreement prior to the original effective date of this rate schedule (January 1, 2015).

Character of Service
JEA's primary and secondary voltage levels.

Rate per Month
The charge per month shall consist of the basic monthly, demand, energy, and fuel charges as follows:

Basic Monthly Charge: per the applicable time of day rate schedule.

Facilities Demand Charge: The applicable demand charge as provided below:

GSDT: $0.93 per kW of Contract Demand Primary
GSDT: $1.25 per kW of Contract Demand Secondary
GSLDT: $0.89 per kW of Contract Demand Primary
GSLDT: $0.96 per kW of Contract Demand Secondary

(Continued on Sheet No. 9.1)

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Effective April 1, 2023

Original Sheet No. 9.1

(Continued from Sheet No. 9.0)

Standby Demand Charge: The sum of the on-peak demand charge less the Facilities Demand Charge above multiplied by the reliability adjustment factor which is equal to the assumed reliability factor set forth in the interconnection agreement but not less than 0.1, and divided by 0.7. For generators 5 MW and larger the reliability factor shall be one (1) minus the annual generating unit operating hours divided by the hours in the year (8760 for non-leap years and 8784 for leap years) divided by 0.7. The standby demand charge is applied to the kW nameplate rating of the generating unit(s).

The calculation for the Standby Demand Charge is:
SDC = (OPDC – FDC) * RAF / 0.7

Where:
SDC = Standby Demand Charge
OPDC = On Peak Demand Charge per the applicable time of day rate schedule
FDC = Facilities Demand Charge
RAF = Reliability Adjustment Factor
0.7 = System Peak Coincident Factor

Supplemental Demand Charge The on-peak demand charge per the applicable time of day rate schedule less the Facilities Demand Charge above. The supplemental demand charge is applied to the Metered Demand.

Excess Reactive Demand Charge: per applicable time of day rate schedule.

Energy Charge: per applicable time of day rate schedule.

Fuel Charge: as stated in the Fuel Charge (Sheet No. 20.0). Charge per applicable time of day rate schedule.

Primary Service Discount: A discount of 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, when the customer provides all of the equipment required to take service at JEA's existing primary lines.
(Demand Discount is included in the rates charged above)

Minimum Bill: The Basic Monthly charge per the applicable time of day rate schedule.

Metered Demand: The maximum integrated 15-minute on peak and off-peak metered kW demand measured during the month.

Contract Demand: The kW demand as stated in the interconnection agreement.

Determination of Excess Reactive Demand: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0).

<u>Terms and Conditions</u>

(a) Service is available under this rate schedule upon execution of an interconnection agreement accompanied by payment of deposit or bond as required by JEA and satisfaction of JEA Facility Interconnection Requirements.

(Continued on Sheet No. 9.2)

(Continued from Sheet No. 9.1)

(b) Service herein shall be subject to the Rules and Regulations of JEA.

(c) Customers receiving service under this rate schedule will be required to give JEA a written notice at least sixty (60) months prior to reclassification to any other standard JEA rate schedule unless it can be shown that such reclassification is in the best interests of the customer, JEA, and JEA's other ratepayers

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 10.0

SL
RATE SCHEDULE SL

Street Lighting

Available
In all territory served by JEA.

Applicable
To any Public Agency (State, County or Municipal governments) and to Owner's Associations for automatically-controlled lighting of public thoroughfares and to JEA's private residential customers who are owners of the property in question for automatically-controlled area lighting.

Character of Service
Dusk-to-dawn automatically-controlled lighting owned, operated and maintained by JEA, and governed by JEA's Management Directive for Street Lighting, MD909.

Schedule of Rates

Rate Code	Service Type	Wattage & Type	Fixture Types	Monthly kWh	Monthly Non-Fuel Charge $/ Fixture*
SLHPS1	Standard	70W HPS	CH,PT	29	$6.42
SLHPS2	Standard	200W HPS	CH, FL	88	$7.59
SLHPS3	Standard	250W HPS	CH	108	$7.78
SLHPS4	Standard	400W MH	CH, FL	169	$8.73
SLMHS1	Standard	100W MH	DA	47	$10.70
SLMHS2	Standard	150W MH	PT	67	$7.69
SLMHS3	Standard	175W MH	PT	76	$7.79
SLMHS4	Standard	320W MH	CH, FL	130	$8.34
SLMHS5	Standard	150W MH	DA	67	$13.49
SLMHS6	Standard	400W MH	CH, FL	164	$8.72
SLMHS7	Standard	175W MH	DA	76	$13.59
SLMHE1	Historic Energy & O&M	150W MH	DA	67	$2.04
SLMHE2	Historic Energy & O&M	175W MH	DA	76	$2.14
SLMHE3	Energy & O&M	320W MH	CH, FL,SB	130	$2.75
SLMHE4	Energy & O&M	400W MH	CH, FL, SB	164	$3.13
SLLED1	Standard	40W LED	CH	15	$6.34
SLLED2	Standard	40W LED	PT	16	$7.10
SLLED3	Standard	115W LED	CH	41	$7.28
SLLED4	Standard	162W LED	SB	59	$11.13
SLLED5	Standard	275W LED	CH	99	$9.08
SLLED6	Standard	72W LED	PT	26	$7.53
SLLED7	Standard	100W LED	DA	36	$9.30
SLLED8	Standard	60W LED	AC	22	$7.81
SLLED9	Standard	150W LED	TD	54	$10.65

HPS = High Pressure Sodium LED = Light Emitting Diode MH = Metal Halide
AC = Acorn CH = Cobra Head DA = Decorative Acorn FL = Floodlight
PT = Post Top SB = Shoebox TD = Tear Drop

*Monthly Fixture charge is valid for bills of 30 days only. The charge will vary depending on the actual number of days billed.

(Continued on Sheet No. 10.1)

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Effective April 1, 2023

(Continued from Sheet No. 10.0)

Energy Only (Rate Code ENERGY97) the monthly charge shall be computed as follows:

Total Wattage (including Ballast) x 360 Hours x $0.03325

Types of Service

The types of service are defined as follows:

(a) STANDARD SERVICE:
(Applicable Rate Codes SLHPS1-4, SLMHS1-7, SLLED1-7). In addition to Energy and O&M service, as described below, this service also includes an ownership cost for the initial installation of the fixture assembly including bracket, accessories, and labor. The applicable rates are for both overhead and underground fed lighting systems. Underground systems and fixture types not listed above require a contribution-in-aid-of construction to cover the differential cost between overhead versus underground systems and standard versus non-standard fixture types.

(b) ENERGY ONLY SERVICE:
(Applicable Rate Code ENERGY97). This service shall apply to those lights where special arrangements have been made with JEA and applies to those decorative standards which are supplied and installed by others in the Downtown area. Maintenance and replacement of the standard shall be on a contractual or cost plus basis.

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0). The Fuel Charge is applied to the Monthly kWh.

Terms and Conditions

The following Terms and Conditions apply to Lighting Service:

(a) Monthly charges for all Rate Codes are based upon JEA having an existing source of electrical power to each lighting installation

(b) Monthly charges are based on an overhead service. An initial charge will be required for all underground installations, unless facilities charge is applied

(c) Prior to installation of area lighting facilities. JEA's private residential customers who are owners of the property in question, shall execute a contract for lighting service with JEA. The initial term for such contracts shall be three (3) years. In the event the light is removed prior to the expiration of the first three (3) year contract, either at the customer's request or for non-payment of a bill, a "Take-Down" fee shall be assessed the customer. All charges due under this contract shall be applicable to any service agreement the customer may then or thereafter have with JEA.

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Effective April 1, 2023

Original Sheet No. 11.0

OS
RATE SCHEDULE OS

Unmetered Miscellaneous Service for Traffic Signalization and Other Uses

Available
In all territory served by JEA.

Applicable
To any service agreement whose service is not provided by any other rate schedule, for his entire electric requirements at a single location. Consumption hereunder will be calculated based upon electric rating of component(s). Resale of energy purchased under this rate schedule is not permitted. Rate Code TRAF98 hereunder shall be applicable to unmetered traffic signalization installations. Rate Code SMPWRS99 hereunder shall be applicable to unmetered shot spotter and small cell towers.

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

Rate per Month

Rate Code SMPWRS99 - $5.75 Facilities Charge per installation, plus $0.03233 per calculated KWH

Rate Code TRAF98 - $1.40 Facilities Charge per installation, plus $0.03050 per calculated KWH

To these codes shall be added the applicable Fuel Charges and any other adjustment.

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0).

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

Terms and Conditions

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

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

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

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

VICTOR BLACKSHEAR, DIRECTOR
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Effective April 1, 2023

RIDER SCHEDULES

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 12.0
Canceling Original Sheet No. 12.0

GSXLD
RIDER GSXLD

General Service Extra Large Demand Rider

Available
In all territory served by JEA.

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

Character of Service
JEA's standard voltage levels.

Rate per Month
For customers executing an General Service Extra Large Demand Electric Service Agreement contract the charges per month listed below will apply to the customer's respective accounts

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

	GSXLD-GS	GSXLD-GSD	GSXLD-GSLD
Basic Monthly Charge	$21.00	$185.00	$750.00
Demand Charge per kW	Not Applicable	$6.98	$10.06
Energy Charge per kWh	$0.05133	$0.02392	$0.01865
Fuel Charge	See Sheet No. 20.0	See Sheet No. 20.0	See Sheet No. 20.0
Energy Only Charge per kWh	Not Applicable	$0.05160	Not Applicable
Excess kVar Charge per Excess kVar	Not Applicable	See Sheet No. 23.0	See Sheet No. 23.0

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill
Will be the applicable Basic Monthly Charge as listed above, plus any special service charges as defined in the agreement.

Multiple Account Option
Customers with two (2) or more existing service agreements with an Aggregate Load totaling 25,000 kW or more are eligible for service under this rate schedule.

(Continued on Sheet No. 12.1)

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Effective April 1, 2024

Original Sheet No. 12.1

(Continued from Sheet No. 12.0)

Definition of Aggregated Load
The sum of the highest billing demands for each account for the past 12 months.

Determination of Billing Demand
The Billing Demand for the month shall be either the totalized or the non-totalized maximum integrated 15-minute metered kW demand in the month.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Primary Service Discounts
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all the equipment required to take service at JEA's existing primary lines.

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

Term of Service
Service under this rider shall be for a minimum initial term of 10 years from the commencement of service. Customers desiring to terminate service under this rate schedule after the initial five (5) years will be required to give JEA a minimum of sixty (60) months' notice prior to the transfer to JEA's standard rates, or if allowed by law, receive service from another provider of electricity. Should the customer elect to terminate the General Service Extra Large Demand Electric Service Agreement contract with JEA with less than the required five (5) years notice, then the customer shall pay an amount equal to the monthly kW demand charge times the customer's average billing demand for the most recent 12 months for the remainder of the contract term.

(Continued on Sheet No. 12.2)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

Original Sheet No. 12.2

(Continued from Sheet No. 12.1)

Terms and Conditions

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

(b) The customer may not purchase electricity from another entity during the period the accounts are under contract.

(c) The customer must maintain a minimum aggregate load of 25,000 kW in a 12-month period to remain eligible for this rate.

(d) Election of JEA's General Service Extra Large Demand Rider will preclude the election of any other Rider.

(e) Customer must maintain a minimum aggregate electric demand of 25,000 kW for one JEA billing within any 12-month period. In the event that such aggregate demand is not maintained by the customer, JEA will require the customer to select one of the following options:

1. Terminate service under this Rider and pay termination fees applicable to cancellation with less than 36-month notice; or
2. Revert to the conditions of the General Service Large Demand Rate Schedule

(f) JEA and the customer may agree for JEA to provide additional services, including related water, sewer, and energy services, and modify terms and conditions. As mutually agreeable, negotiated services, terms and conditions shall be set forth in the General Service Extra Large Demand Rider Electric Service Agreement contract.

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(For Future Use)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

Original Sheet No. 14.0

MA
RIDER MA

Multiple Account Load Factor Improvement Rider

Available
In all territory served by JEA.

Applicable
To customers whose services are eligible for Rate Schedules GS, GSD, and GSLD, and whose combined kW demand is 1,000 kW or more for four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. This rider is not available to any pooling or other purchasing arrangement in which entities that would otherwise be individual customers totalize their electricity purchases through any other customer. Resale of energy purchased under this rider is not permitted.

Character of Service
JEA's Standard voltage levels.

Rate per Month
The charge per month shall be the energy, demand, and excess reactive demand charges as listed under JEA's GSLD Rate Schedule plus a $1,000 per month basic monthly charge and a monthly $185.00 per account site fee.

Definition of Combination
The combination of meters shall mean the combining of the separate consumption and registered kW demand for the customer with three or more service locations throughout JEA's service territory.

Determination of Billing Demand
The Billing Demand for the month shall be the coincidental maximum integrated 15-minute metered kW demand in the month.

Terms and Conditions
(a) Service hereunder shall be subject to the Rules and Regulations of JEA.

(b) JEA will install demand meters on accounts receiving service under JEA's General Service (GS) Rate Schedule who are totalized.

(c) Time of Day billing is not available with Rider MA.

(d) The customer may add a qualifying service agreement at any time. However, if the customer deletes an service agreement that is under the MA Rider, that service agreement may not be restored to the MA Rider for a period of 12 months.

(e) If the customer's aggregate load falls below 699 kW, the customer's participation in this Rider may be terminated.

(f) Customer taking service under this rider will be subject to having their coincident peak demand adjusted if there is an indication of a power factor of less than 90% lagging based on metering. Any demand adjustments will be based on the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

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First Revised Sheet No. 15.0
Canceling Original Sheet No. 15.0

EDP
RIDER EDP

Economic Development Program Rider

Available
To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2025.

Applicable
To new or existing Customers who have executed an Economic Development Program Electric Service Agreement contract with JEA on or after October 1, 2013, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDHLF. New or incremental existing metered demand under this rider must be a minimum of 300 kW at a single site of delivery and the Customer must employ an additional work force of at least 15 full-time employees in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after October 1, 2013. JEA reserves the right to accept or not accept any application for the Economic Development Program Rider (EDP).

Character of Service
JEA's standard voltage levels.

Rate per Month
Customers executing an Economic Development Program Electric Service Agreement contract on or after October 1, 2013 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5 MW Discount	For 5MW or greater Discount*	Less than 5MW Discount in Targeted Areas	For 5MW or greater Discount in Targeted Areas*
Year 1*	30%	30%	35%	35%
Year 2	25%	30%	30%	35%
Year 3	20%	30%	25%	35%
Year 4	15%	25%	20%	30%
Year 5	10%	20%	15%	25%
Year 6	5%	15%	10%	20%
Year 7	0%	10%	0%	15%
Year 8	0%	5%	0%	10%
Year 9	0%	0%	0%	0%

*Year 1 can be extended as outlined in General Provisions (g) below

(Continued on Sheet No. 15.01)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

First Revised Sheet No. 15.01
Canceling Original Sheet No. 15.01

(Continued from Sheet No. 15.0)

Definition of Incremental Metered Demand
The portion of the customer's metered demand which has increased by a minimum of 300 kW as a result of expansion or new construction at a single site of delivery.

Definition of Baseline
JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

Definition of Targeted Area
Areas in City's Economically Distressed Areas map and industrial zone properties as defined by the property appraiser's websites in all territory served by JEA.

General Provisions
(a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.

(b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start and also specify the total number of full time employees that will be employed in JEA's service territory by the Customer

(c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 300 kW increase has been met. JEA may monitor the Customers metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 300 kW.

(d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the EDP Application and continues at such level.

(e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.

(f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Economic Development Program Rider Service Agreement contract.

(g) With acceptable documentation, customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.

(h) Customer adding service in Targeted Areas (as may be changed from time to time) will receive the discounts according to the schedule shown above.

(Continued on Sheet No. 15.02)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

First Revised Sheet No. 15.02
Canceling Original Sheet No. 15.02

(Continued from Sheet No. 15.01)

Term of Service

(a) Service under this rider shall be for at least six (6) years but not more than eight (8) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.

(b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.

(c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

Terms and Conditions

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

(b) Service under this Rider shall not be available where the service is provided solely or predominately for:
   1. Multi-tenant residential or commercial properties
   2. Any service deemed "Temporary"

(c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.

(d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.

(e) This Rider is not available for load shifted between service delivery points within JEA's service territory.

(f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.

(g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.

(h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "Collection Accounts Subject to Disconnection"" as defined in JEA Standard Operating Procedure Commercial Credit and Collections.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

Original Sheet No. 15.10

EEDP
RIDER EEDP

Enhanced Economic Development Program Rider

Available
To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2025

Applicable
To new or existing Customers whose industry is on the Florida Target Industry list and who have executed an Enhanced Economic Development Program Electric Service Agreement contract with JEA on or after June 27, 2023, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDHLF. New or incremental existing metered demand under this rider must be a minimum of 500 kW and an additional work force of at least 50 full-time employees, or greater than 3,000 kW and an additional work force of at least 15 full-time employees, at a single site of delivery in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after June 27, 2023. JEA reserves the right to accept or not accept any application for the Enhanced Economic Development Program Rider (EEDP).

Character of Service
JEA's standard voltage levels.

Rate per Month
Customers executing an Enhanced Economic Development Program Electric Service Agreement contract on or after June 27, 2023 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5MW Discount	For 5MW or greater Discount*	Less than 5MW Discount in Targeted Areas	For 5MW or greater Discount in Targeted Areas*
Year 1	45%	45%	50%	50%
Year 2	40%	45%	45%	50%
Year 3	35%	45%	40%	50%
Year 4	30%	40%	35%	45%
Year 5	25%	35%	30%	40%
Year 6	20%	30%	25%	35%
Year 7	15%	25%	20%	30%
Year 8	10%	20%	15%	25%
Year 9	5%	15%	10%	20%
Year 10	0%	10%	0%	15%
Year 11	0%	5%	0%	10%
Year 12	0%	0%	0%	0%

*Year 1 can be extended as outlined in General Provisions (g) below

(Continued on Sheet No. 15.11)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

Original Sheet No. 15.11

(Continued from Sheet No. 15.10)

Definition of Incremental Metered Demand

The portion of the customer's metered demand which has increased by a minimum of 500 kW as a result of expansion or new construction at a single site of delivery.

Definition of Baseline

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

Definition of Florida's Target Industry

Identified by Enterprise Florida, Inc., JaxUSA and the City of Jacksonville's Office of Economic Development as Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, IT, Financial/Business Services and HQ. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation, are statutorily excluded from consideration.

Definition of Targeted Area

Areas in City's Economically Distressed Areas map and industrial zone properties as defined by the property appraiser's websites in all territory served by JEA.

General Provisions

(a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.

(b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start, and also specify the total number of full-time employees that will be employed in JEA's service territory by the Customer.

(c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 500 kW increase has been met. JEA may monitor the Customers metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 500 kW.

(d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the Applicable Agreement and continues at such level.

(e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Enhanced Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.

(f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Enhanced Economic Development Program Rider Service Agreement contract.

(Continued on Sheet No. 15.12)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

Original Sheet No. 15.12

(Continued from Sheet No. 15.11)

(g) With acceptable documentation, Customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.

(h) Customer adding service in Targeted Areas (as may be changed from time to time) will receive the discounts according to the schedule shown above.

Term of Service

(a) Service under this rider shall be for at least nine (9) years but not more than eleven (11) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.

(b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.

(c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

Terms and Conditions

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

(b) Service under this Rider shall not be available where the service is provided solely or predominately for:
- Multi-tenant residential or commercial properties
- Any service deemed “Temporary”

(c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.

(d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.

(e) This Rider is not available for load shifted between service delivery points within JEA’s service territory.

(f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.

(g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.

(h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a “Collection Accounts Subject to Disconnection”” as defined in JEA Standard Operating Procedure Commercial Credit and Collections.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

First Revised Sheet No. 16.0
Canceling Original Sheet No. 16.0

ES
Revenue Codes ES

RIDER ES

Economic Stimulus Rider (Experimental)

Available
Service is available throughout the service territory served by JEA until such time as JEA may terminate this Economic Stimulus program. This Rider is available to qualifying commercial or industrial customers for service under the applicable JEA Rate Schedule GSLD. Customers desiring to take electric service under this Rider must make a written application for service. Customers requesting service under this Rider must execute a Service Agreement before September 30, 2025.

Applicable
Electric service provided under this optional Rider shall be applicable to projected electric service requirements which JEA has determined that:

1. Customer would not be served by JEA but for this Rider; and
2. Customer qualifies for such service under the terms and conditions set forth within this Rider.
3. Customer would seek service in jurisdiction outside of the State of Florida

Applicable Load shall be recognized:

New Load not previously served by JEA. Applicable Load must be served at a single site and must exceed a minimum level of demand as determined from the following provisions:

New Load: 1,000 kW or more of new Metered Demand.

Any customer receiving service under this Rider must provide the following documentation, the sufficiency of which shall be determined by JEA:

1) Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) attesting to the requirement of this Rider that without the use of this Economic Stimulus Rider the New Load would not be served by JEA; and
2) Documentation demonstrating to JEA’s satisfaction that there is a viable lower cost alternative to serve the customer electric service needs.

Each customer shall enter into a Service Agreement contract with JEA to purchase the customer’s entire requirements for electric service at the service location set forth in the Service Agreement contract.

Character of Service
This experimental Rider is offered in conjunction with the rates, terms and conditions of the JEA Rate Schedule GSLD.

Limitation of Service
Standby and sale for resale are not permitted under this Rider.

(Continued on Sheet No. 16.01)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

First Revised Sheet No. 16.01
Canceling Original Sheet No. 16.01

(Continued from Sheet No. 16.0)

Rate per Month
Unless specifically noted in this Rider or within the Service Agreement contract, the charges assessed for electric service shall be those found within the otherwise applicable JEA Rate Schedule GSLD.

Additional Basic Monthly Charge
$250.00 per month

Demand and Energy Charges
The charges under this Rider may include the Demand and/or Energy Charges as set forth in the otherwise applicable Rate Schedule GSLD. The specific charges or procedure for calculating the charges under this Rider shall be set forth in a negotiated Service Agreement contract and shall at a minimum recover all incremental costs JEA incurs in serving the customer and contribute to JEA's fixed costs.

Terms and Conditions
1) Negotiated charges are to be determined by the consistent application of the following factors: (1) customers' load characteristics; (2) alternative power supply; (3) customer credit quality; (4) economic impact; (5) length of term of the Service Agreement; and (6) JEA's excess electric system capacity.

2) Negotiated terms and conditions associated with the Monthly Charges shall be set forth in the Service Agreement contract and may be applied during all or a portion of the term of the Service Agreement contract.

3) Service hereunder shall be subject to the Rules and Regulations of JEA.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

First Revised Sheet No. 17.0
Canceling Original Sheet No. 17.0

CS
RIDER CS

Curtailable Service Rider (Closed to New Customers)

Available

In all territory served by JEA.

Applicable

To customers eligible for Rate Schedule GSLD who have executed a Curtailable Service Agreement contract with JEA. The customer agrees during a period of requested curtailment to curtail a minimum load of 200 kW. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rider is not permitted. JEA reserves the right to limit the total load served under this rider.

Character of Service

JEA's standard voltage levels.

Limitation of Service

Curtailable service under this rate schedule is subject to curtailment during any time period that electric power and energy delivered hereunder from JEA's available generating resources is required to (a) maintain service to JEA's firm power customers and firm power sales commitments, or (b) supply emergency interchange service to another utility for its firm load obligations only, and (c) when JEA operates the peaking generators or purchases power at a cost that exceeds that of operating its peaking generators.

Rate per Month

The following charges are applicable to the curtailable portion of the customer's load only. The kW demand and kWh consumption not exceeding the Contracted Non-Curtailable demand shall be billed according to the terms and conditions of JEA's standard General Service Large Demand Rate Schedule.

Basic Monthly Charge: $ 1,500.00 per month

Demand Interruptible Credit: $5.14 per kW

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

Option A – Single Price with Peaking Price Rolled In:
Demand Charge: $14.41 per kW
Energy Charge: $0.02588 per kWh

Option B – Peaking Price Separately Listed
Demand Charge: $14.41 per kW
Energy Charge: $0.02005 per kWh

(Continued on Sheet No. 17.1)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 17.1
Canceling Original Sheet No. 17.1

(Continued from Sheet No. 17.0)

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

Excess Reactive Demand Charge
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill
$1,500.00 Basic Monthly Charge, plus any special charges as defined in the agreement.

Definition of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, as may be adjusted per Sheet No. 23.0.

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

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

Definition of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Primary Service Discounts
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all the equipment required to take service at JEA's existing primary lines.

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

(Continued on Sheet No. 17.2)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 17.2
Canceling Original Sheet No. 17.2

(Continued from Sheet No. 17.1)

Term of Service

Service under this rider shall be for a minimum initial term of 3 years from the commencement of service. Customers desiring to terminate service under this rate schedule and/or transfer to a firm rate schedule are required to give JEA a minimum of thirty-six (36) months' notice prior to the transfer. For contracts executed prior to December 31, 1997, JEA may waive this notice requirement upon JEA's determination that there is sufficient capacity to provide firm service to the customer and that allowing the customer to receive firm service will have no adverse effect on JEA's availability of providing firm service to JEA's existing and projected firm customers for the early termination period. For contracts executed after December 31, 1997, if the Customer elects to terminate this Agreement by furnishing JEA with less than thirty-six (36) months written notice, Customer shall pay an amount equal to 36 months of GSLD rate demand charges.

If the customer agreed to extend the term of this Agreement contract to five (5) years, JEA provided the Customer a 2.5% discount on the electric charges calculated by the Curtailable Tariff This legacy discount will be phased out as follows:

Effective Date	(04/01/24)	(04/01/25)
$/kWh	1.25%	0%

Terms and Conditions

(a) Service will be made available under this rider upon execution of a Curtailable Service Agreement contract accompanied by payment of deposit or bond as required by JEA.

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

(c) JEA reserves the right to modify terms and conditions of service under this rate schedule at any time. JEA may terminate this rider upon 6 months written notice after having held a public hearing.

(d) If the customer increases the electrical load, which requires JEA to increase facilities installed for the specific use of the customer, an additional term of service may be required under this rate at the discretion of JEA.

(e) Customers taking service under another rate schedule who elect to transfer to this rate will be accepted on a first-come first-served basis. Required equipment to control curtailments will be installed accordingly.

(Continued on Sheet No. 17.3)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 17.3
Canceling Original Sheet No. 17.3

(Continued from Sheet No. 17.2)

(f) If the maximum 15-minute kW demand established during any period of requested curtailment exceeds the customer's non-curtailable demand, then penalty charges will be assessed. The amount above the non-curtailable demand will be rebilled based on the difference in charges between JEA's GSLD rate and the CS rate for:
1. The prior 12 months or
2. The number of months since the prior curtailment period, or
3. The period of time on the CS rate, whichever is less.

The dollar amount will be weighted by the ratio of the difference between the customer's non-curtailable demand and the maximum demand during the curtailment to the average peak during the appropriate period as specified above. A penalty charge of $15.00 per kW for the current month will also be assessed. JEA's credit and collection policy will be applied for any adjustment made to the bill.

(g) Optional Time of Day billing is not allowed for the Rider CS.

(h) Election of JEA's Curtailable Service Rider will preclude the election of any other JEA Rider for the Curtailable load.

(i) JEA and the customer may agree for JEA to provide additional services including related water, sewer and energy services, vary the term of service, with a maximum length of ten (10) years, and modify terms and conditions. As mutually agreeable, negotiated services, terms and conditions shall be set forth in the Curtailable Service Agreement contract.

<u>Buy-Through Provision</u>

Customers served under this schedule may elect to have JEA minimize interruptions as described in "limitation of service" by purchasing power and energy from other sources during periods of normal interruption. Such election must be made in writing to JEA and shall be in effect until 12 months after JEA is notified in writing that the customer no longer desires this optional provision. Should JEA not be able to arrange Buy-Through power, then the customer may, at its option, arrange for reliable delivery to JEA of the amount of power to be interrupted JEA will then sell this purchased power to the customer. The customer must notify JEA of the power provider in sufficient time for JEA to establish a contract with the provider, if none exists. When JEA is successful in making such purchases, the customer will be required to pay JEA's cost of such purchase plus 3 mil per kWh, in lieu of the otherwise applicable energy charge listed in this schedule.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 18.0
Canceling Original Sheet No. 18.0

IS
Rider IS

Interruptible Service Rider

Available
In all territory served by JEA.

Applicable
To customers eligible for Rate Schedule GSLD GSLD-TOU, or GSXLD-TOU, whose service agreements have an average load factor equal to or exceeding 35%, and who have executed an Interruptible Service Agreement contract with JEA. JEA reserves the right to limit the total load served under this rider. All service hereunder will be rendered through a single metering installation and may be completely interrupted by JEA. Resale of energy purchased under this rider is not permitted.

Character of Service
JEA's standard voltage levels, or higher.

Limitation of Service
Interruptible service under this rider is subject to interruption during any time period that electric power and energy delivered hereunder from JEA's available generating resources is required to (a) maintain service to JEA's firm power customers and firm power sales commitments, or (b) supply emergency Interchange service to another utility for its firm load obligations only, or (c) when JEA operates the peaking generators or purchases power at a cost that exceeds that of operating its peaking generators.

Rate per Month
The charge per month shall consist of the total of the basic monthly, demand and energy charge as follows:

Basic Monthly Charge: $ 1,500.00 per month

Demand Interruptible Credit: $5.14 per kW

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

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

Demand Charge: As stated in the applicable rate schedule

Energy Charge: As stated in the applicable rate schedule

Option B - Peak Price Separately Listed (Closed to New Customers):

Demand Charge: As stated in the General Service Large Demand (Sheet No. 7.0)

Energy Charge: As stated in the below table plus applicable Fuel Charge (For GSLD Only)

Effective Date	(04/01/24)	(04/01/25)
$/kWh	$0.02165	As stated in GSLD (Sheet No. 7.0)

(Continued on Sheet No. 18.1)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 18.1
Canceling Original Sheet No. 18.1

(Continued from Sheet No. 18.0)

Excess Reactive Demand Charge
As stated in the Excess Reactive Demand (KVAR) policy (Sheet 23.0)

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$1,500.00 Basic Monthly Charge, plus any special service charges as defined in the agreement.

Determination of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, as may be adjusted per sheet No. 23.0.

Definition of Average Load Factor

$$\text{Average Load Factor} = \frac{\text{12 month average consumption (kWh)}}{\text{12 month average demand (kW)} \times 730(\textit{Hours per month})}$$

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

Determination of Excess of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Primary Service Discount
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all the equipment required to take service at JEA's existing primary lines.

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

(Continued on Sheet No. 18.2)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 18.2
Canceling Original Sheet No. 18.2

(Continued from Sheet No. 18.1)

Terms of Service
Service under this rider shall be for a minimum initial term of 3 years from the commencement of service. Customers desiring to terminate service under this rate schedule and/or transfer to a firm rate schedule are required to give JEA a minimum of thirty-six (36) months notice prior to the transfer. For contracts executed prior to December 31, 1997, JEA may waive this notice requirement upon JEA's determination that there is sufficient capacity to provide firm service to the customer and that allowing the customer to receive firm service will have no adverse effect on JEA's availability of providing firm service to JEA's existing and projected firm customers for the early termination period. For contracts executed after December 31, 1997, if the Customer elects to terminate this Agreement by furnishing JEA with less than thirty-six (36) months written notice, Customer shall pay an amount equal to 36 months of GSLD rate demand charges.

If the customer agreed to extend the term of this Agreement to five (5) years, JEA provided the Customer a 2.5% discount on the electric charge as calculated by the Interruptible Tariff This legacy discount will be phased out as follows:

Effective Date	(04/01/24)	(04/01/25)
$/kWh	1.25%	0%

Buy-Through Provision
Customers served under this schedule may elect to have JEA minimize interruptions as described in "limitation of service" by purchasing power and energy from other sources during periods of normal interruption. Such election must be made in writing to JEA and shall be in effect until 12 months after JEA is notified in writing that the customer no longer desires this optional provision. Should JEA not be able to arrange Buy-Through power, then the customer may, at its option, arrange for reliable delivery to JEA of the amount of power to be interrupted. JEA will sell this power to the customer. The customer must notify JEA of the power provider in sufficient time for JEA to establish a contract with the provider, if none exists. When JEA is successful in making such purchases, the customer will be required to pay JEA's cost of such purchase plus 3 mil per kWh, in lieu of the otherwise applicable energy charge listed in this schedule.

Terms and Conditions
(a) Service will be made available under this rate schedule upon the execution of an Interruptible Service Agreement contract accompanied by payment of deposit or bond if required by JEA.

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

(c) JEA reserves the rights to modify terms and conditions of service under this rate schedule at any time and may terminate this schedule upon six (6) months written notice after having held a public hearing.

(d) Customers taking service under another rate schedule who elect to transfer to this rate will be accepted on a first-come first-served basis. Required equipment to control interruptions will be installed accordingly. Service under this rate schedule shall commence with the first full billing period following the date of equipment installation.

(Continued on Sheet No. 18.3)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

First Revised Sheet No. 18.3
Canceling Original Sheet No. 18.3

(Continued from Sheet No. 18.2)

(e) JEA reserves the right to interrupt electric service once each calendar year, upon 30 days advance notice, in order to test the availability and operability of interruptible capacity irrespective of JEA system capacity availability or operating conditions.

(f) Election of JEA's Interruptible Service Rider will preclude the election of any other JEA Rider.

(g) JEA and the customer may agree for JEA to provide additional services, including related water, sewer and energy services, vary the term of service, with a maximum total length of ten (10) years, and modify terms and conditions. As mutually agreeable, negotiated services, terms and conditions shall be set forth in the Interruptible Service Agreement contract.

(h) In the event interruption of service is due to Limitation of Service (c), customers will be notified electronically no later than 4:00pm Eastern Time of the time periods which interruption will be in effect for the following day.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024

Original Sheet No. 19.0

Solar Smart

JEA SolarSmart Rider

Available

In all territory served by JEA.

Applicable

Available upon request to any customer that meets the following conditions:
(a) No delinquent account balance
(b) Not currently served under a time-of-day rate schedule

Rate per Month

The charge per month shall consist of the basic monthly, demand (where applicable), energy, fuel charges per the applicable rate schedule as modified below:

Fuel Charge: JEA SolarSmart kWh will be billed at the JEA SolarSmart Rate of $0.075 per kWh.

Remaining kWh will be billed at the Levelized Fuel Rate as stated in the Fuel Charge (Sheet No. 20.0).

Definition of JEA SolarSmart kWh: The elected percentage of total kWh per billing period rounded to the nearest kWh.

Terms and Conditions

(a) Customers may elect to receive up to 100% of their energy from JEA solar energy sources.

(b) Customers may enroll at any time but must remain on JEA SolarSmart for at least one (1) billing period after enrollment. A customer may cancel any time thereafter and enroll again at a later date.

(c) No refund or adjustments of JEA SolarSmart charges will be made if service is canceled.

(d) Energy produced from JEA solar energy sources may not be specifically delivered to the customer.

(e) Any Fuel Credit, approved by JEA's Board, will be calculated using the total kWh less JEA SolarSmart kWh in the month a credit is given.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 19.1

Solar Max

JEA SolarMax Rider (Closed to New Customers)

Available

In all territory served by JEA.

Applicable

Available upon request to any customer that enters into a JEA SolarMax Rate Agreement (Agreement) and meets the following conditions:

(a) Minimum 7,000,000 kWh of annual solar power purchases requested at time of Agreement execution
(b) No delinquent account balance
(c) Not taking service under a residential, time of day, or streetlight rate schedule

Rate per Month
Charges per month shall consist of the basic monthly, demand, energy, and fuel charges per the applicable rate schedule as modified below:

Fuel Charge: JEA SolarMax kWh will be billed at the price set forth in the Agreement
Remaining kWh not selected as JEA SolarMax will be billed at the Levelized Fuel Rate as stated in the Fuel Charge (Sheet No. 20.0).

Definition of JEA SolarMax kWh: The elected percentage of total kWh per billing period rounded to the nearest kWh as set forth in the Agreement

Terms and Conditions

(a) Customers may elect to receive up to 100% of their energy from JEA solar energy sources.

(b) Customers may enroll at any time.

(c) New solar installations are subject to JEA's system limitations and operational limits of solar power within JEA's service territory.

(d) Energy produced from JEA solar sources may not be specifically delivered to the customer.

(e) Any Fuel Credit, approved by JEA's Board, will be calculated using the total kWh less the JEA SolarMax kWh in the month a credit is given.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

CHARGES, ENERGY AUDITS, AND POLICIES

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 20.0

Fuel Charge

JEA Pricing Policy determined that the Fuel Charge will be set monthly 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 shall also include recovery of prior positive or negative variances.

The said energy charge stated in each rate schedule for each kilowatt hour billed in accordance with JEA's normal billing cycle shall be increased by the fuel charge per kilowatt hour as indicated on www.jea.com/My_Account/Rates/

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 21.0

RETAIL SERVICE CHARGES

Retail Service Charges

1. A $10.00 service charge will be added to electric bills for the establishment of each initial service connection. Same day service is available at that charge, however, if same day service is requested after twelve noon, the service charge is $25.00.

2. A $14.00 service charge will be added to electric bills for reconnection of services to customers who have been disconnected for non-payment of bills or unauthorized consumption.

3. A $25.00 service charge will be added to electric bills for special order disconnects for services that cannot be disconnected at the meter due to meter inaccessibility, or services that have been cut off for any reason and found to have been restored without JEA authorization.

4. Upon request, JEA will test a customer's meter for accuracy. If the meter does not test within JEA acceptable accuracy range of + or - 2%, JEA will bear the full cost of the test. If the meter tests within JEA acceptable accuracy range, however, the customer will be required to pay for the full cost of the testing. This service charge will be added to the electric bill.

5. In general, JEA will do all necessary construction at no cost to the customer when an extension of an existing line is found to be necessary and the major portion of an anticipated extension will be built on public rights-of-way. Where these guidelines clearly do not apply, JEA shall determine the total cost of standard and non-standard construction required. For standard construction cost, JEA may charge the customer all costs in excess of 30 times the estimated annual nonfuel revenue for Residential accounts; 4 times for non-Residential accounts. For non-standard construction cost, JEA may charge the customer all cost in excess of 3 times the estimated monthly nonfuel revenue for all accounts.

6. JEA will require a contribution-in-aid-of-construction by a developer for underground utilities in an amount not to exceed the difference in costs between an underground system and an equivalent overhead system. JEA's Policy and Procedure for underground distribution should be referenced for further information.

7. Temporary service will not be provided unless the customer has obtained the necessary building/construction permit. For temporary metered electric service, a minimum $75.00 service charge will be assessed. Temporary non-metered service may be available in Duval County only. The Temporary non-metered charge of $200 per service will cover all costs and consumption; consumption will not be metered by JEA. This fee is payable to JEA at the time the permit for construction is obtained.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 22.0

Energy Audits

Upon request JEA will perform the following energy audits:

Standard Residential Audit
An inspection of a customer's residence will be made for free of charge to identify energy consuming equipment and ways to save energy.

Class "A" Computer Assisted Audit
A $15.00 fee will be charged for this analysis. Audit will focus on economic analysis of major conservation opportunities for residential customers. A written report will be provided which will show estimated cost of recommended changes or additions

Commercial Consultation
JEA will conduct mini-surveys free of charge to answer specific energy use questions.

Commercial Energy Audit
A $15.00 fee will be charged for this audit which will include a detailed analysis of energy related factors of building energy efficiencies. The results of the audit will be presented in report form.

Large Demand Audit
A $100.00 fee will be charged for this commercial survey. The audit will only be offered to customers with a demand equal or greater than 1,000 kW. The results of the audit will include information on ways to maintain the comfort and production levels while reducing energy expenditures. The results of the audit will be presented in report form.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

First Revised Sheet No. 23.0
Canceling First Sheet No. 23.0

KVAR

Excess Reactive Demand (KVAR) Policy

Effective October 1, 2006:

This policy applies to accounts receiving service under GSD, GSDT, GSLD, GSLDT, GSXLD, IS, CS, and the Multiple Account Rider as applied to any of these rates.

The customer's utilization equipment shall not result in a target power factor (TPF) at the point of delivery of less than ninety percent (90%) lagging at the time of maximum demand. Should this TPF be less than ninety percent (90%) lagging during any month, JEA may adjust the readings taken to determine the Total Demand.

If TPF is less than ninety percent (90%) lagging then the Billing Demand (BD) is calculated using the following formula:

BD = Maximum measured 15-minute demand (kW) X (TPF / PF)

PF = power factor calculated per the following formula

PF = COS(ATAN(kVar/kW)

kVar in the above formula is the kVar measured coincident with the maximum 15-minute kW demand used in the formula. For GSDT, GSLDT, and GSXLD-TOU the off-peak demand will be used for determining Excess Reactive Demand.

Excess Reactive Demand Charges are the following:

GSD: $8.40 for Excess Reactive Demand

GSDT: $4.93 for Excess Reactive Demand

GSLD: $12.16 for Excess Reactive Demand

GSLDT: $7.13 for Excess Reactive Demand

GSLDHLF: $12.16 for Excess Reactive Demand

ISXLD: $12.16 for Excess Reactive Demand less any applicable Interruptible Demand Credit

GSXLD: $10.06 for Excess Reactive Demand

GSXLD-TOU: $11.14 for Excess Reactive Demand less any applicable Interruptible Demand Credit

CS: $14.41 for Excess Reactive Demand less any applicable Demand Credit

IS: $12.16 for Excess Reactive Demand less any applicable Interruptible Demand Credit

Net Metering

Effective October 1, 2009

Net metering is authorized for residential and commercial customers in accordance with

JEA's Distributed Generation Policy.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective September 1, 2024

TAXES AND FEES

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 24.0

FF

Franchise Fee Adjustment

(Atlantic Beach, Baldwin, Jacksonville, Orange Park & Clay County, FL)

Legal Authority	Rule 25-6.100, Florida Administrative Code, effective May 16, 1983.
Applicable	To any electric service account located in an area that requires JEA to pay a Franchise Fee for providing electric service within that area. The Town of Orange Park, Clay County, the City of Atlantic Beach, and the Town of Baldwin areas are 6% Franchise Fee areas. The City of Jacksonville is a 3% Franchise Fee area.
Rate Per Month	The charge per month shall be a pro-rata share of the total Franchise Fee required by the Franchise area plus taxes associated with the Franchise Fee. The Franchise Fee required by the 6% areas is six (6) percent of the total electric charges. The tax associated with the Franchise Fee is the State of Florida Gross Receipts Tax (2.5% of gross receipts). The Franchise Fee Adjustment for 6% Franchise areas is calculated as follows for collection purposes:

$$\frac{\text{(Franchise Fee)}}{\text{(1 - Gross Receipts Tax - Franchise Fee)}} =$$

$$\frac{.06}{(\,1 - .025 - .06\,)} = \frac{.06}{0.915} =$$

.065574 or 6.5574% of the total electric charges.

The Franchise Fee for residential customers in Jacksonville shall be 3% of the total electric charges. The Franchise Fee for commercial customers in Jacksonville shall be 3% of the total electric charges up to an annualized billing amount of $2,400,000. For collection purposes the Franchise Fee will not be adjusted for gross receipts tax.

Billing	In accordance with Rule 25-6.100, Florida Administrative Code, the Franchise Fee Adjustment amount shall be separately stated on each customer billing.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 25.0

PST

Public Service Tax

Legal Authority
Chapter 792, Ordinance Code, City of Jacksonville, Florida; Section 166.231, Florida Statutes as amended by Senate Bill #1-D of 1978 and as further amended by Senate Bill #28-D of 1982.

Applicable
To any electric service account located within the corporate limits of the City of Jacksonville with the exception of accounts of the United States of America, State of Florida, County of Duval, City of Jacksonville, other City Authorities, and churches used for religious purposes. The Public Service Tax is not applicable to electric service accounts located outside Duval County or within the two urban service districts of Atlantic Beach and Baldwin, and to sales for resale.

Rate per Month
The charge per month shall be 10% of the taxable portion of Base Revenue

Determination of Taxable Base Revenues
Taxable Base Revenue shall be the total electric service charges as determined by the applicable rate schedule plus the Gross Receipts Tax plus Franchise Fee less the energy charges for non-taxable fuel cost component within the base rate.

Collection of Taxes for Others
JEA collects a public service tax on any electric service accounts it serves in the Atlantic Beach, Orange Park and Baldwin urban service districts and unincorporated Clay County. This public service tax is collected on behalf of, and remitted to, the Cities of Atlantic Beach, Orange Park, Baldwin and Clay County, respectively. Currently, the monthly public service tax is 5% for Atlantic Beach, 10% for Baldwin and Orange Park, and 4% on usage above 500 kWh for Clay County of the taxable portion of base residential revenues.

Determination of Taxable Fuel Revenues
Currently the taxable fuel component within the fuel rate is 0.511 cents per kilowatt hour consumption for all rate schedules. The table below displays the off-peak and on-peak taxable fuel component for time-of-use (TOU) rates that corresponds to each service type.

Service Type	Off-Peak TOU	On-Peak TOU
Residential	N/A	N/A
General Service	0.496 cents per kWh	0.545 cents per kWh
General Service Demand	0.496 cents per kWh	0.547 cents per kWh
General Service Large Demand	0.497 cents per kWh	0.547 cents per kWh

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 26.0

GRT

Gross Receipts Tax (Non-Franchise Area)

Legal Authority — Chapter 203, Florida Statutes.

Applicable — To any electric service account in a non-franchise area with the exception of sales for resale and accounts serving the City of Jacksonville, Jacksonville Port Authority and Jacksonville Transportation Authority.

Rate Per Month — The Gross Receipts Tax will be as follows:

$$\frac{\text{(Gross Receipts Tax)}}{\text{(1 - Gross Receipts Tax)}} =$$

$$\frac{.025}{(1 - .025)} = \frac{.025}{0.975} =$$

.025641 or 2.5641% of the total electric charges.

Billing — In accordance with Chapter 203, Florida Statutes, the Gross Receipts Tax shall be separately stated on each customer billing.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 27.0

GRT

GROSS RECEIPTS TAX
(FRANCHISE AREAS - Atlantic Beach, Baldwin, Orange Park & Clay County, FL)

Legal Authority	Chapter 203, Florida Statutes.
Applicable	To any electric service account in a 6% franchise area with the exception of sales for resale.
Rate Per Month	The Gross Receipts Tax is calculated as follows for collection purposes:

$$\frac{\text{(Gross Receipts Tax)}}{\text{(1 - Gross Receipts Tax - Franchise Fee)}} =$$

$$\frac{.025}{(1 - .025 - .06)} = \frac{.025}{0.915} =$$

.027322 or 2.7322% of the total electric charges.

Billing	In accordance with Chapter 203, Florida Statutes, the Gross Receipts Tax shall be separately stated on each customer billing.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

DISCLAIMER

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 28.0

Disclaimer

JEA will use reasonable diligence at all times to provide continuous service at the agreed nominal voltage, and JEA shall not be liable to the customer for complete or partial failure or interruption of service, or for fluctuation in voltage, resulting from causes beyond its control, or through the ordinary negligence of its employees, servants, or agents, nor shall JEA be liable for the direct or indirect consequences of interruptions or curtailments made in accordance with the provisions of JEA's rate schedules for interruptible, curtailable, and load management service. JEA shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigation, shutdowns or repairs or adjustments, interference by federal, state, municipal governments, acts of God, or other causes beyond JEA's control.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

CONTRACTS AND AGREEMENTS

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 29.0

Electrical Power Contracts and Agreements

Party	Expiration Date
Anheuser-Busch, Inc, - Cogeneration	August 4, 1987*
AT&T – Pole Attachments	December 1, 2013*
Stone Container Corporation (Westrock)	October 10, 1996*
Navy Utilities Contract	July 8, 1996*
Baptist Medical Center - Cogeneration	April 19, 1986*
City of Jacksonville Beach, FL – Backup electric service	June 1, 1988*
Ring Power Corporation – Landfill Cogeneration	July 7, 1989*
IKEA	May 17, 2023

*Contracts with self-renewing clauses

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 30.0

JEA SolarMax Rate Agreement

In accordance with the following terms and conditions, ______________________________ (hereinafter called the Customer), requests on this _________day of__________, _________from JEA, solar power purchases from ____________________________________ installation located in __________________, Florida.

(a) Customer agrees to one of the following terms for solar energy purchases
 a. _______ 5 years
 b. _______ 10 years
 c.

(b) Percent of total monthly energy elected to come from JEA Solar Sources _________ %.

(c) Price in ¢/kWh for elected JEA SolarMax kWh for the term of the Agreement:

Year	1	2	3	4	5	6	7	8	9	10
PPA Price										
Administrative Cost Recovery										
Total ¢/kWh										

JEA Agrees:
1. To provide kWh identified above, in accordance with the terms of JEA's currently effective JEA SolarMax Rider on file at the Florida Public Service Commission (FPSC) or any successive JEA SolarMax Rider approved by the FPSC.

The Customer Agrees:
1. To be responsible for paying, when due, all bills rendered by JEA pursuant to JEA's currently effective JEA SolarMax Rider on file at the FPSC or any successive JEA SolarMax Rider approved by the FPSC, for service provided in accordance with this Agreement.

It Is Mutually Agreed That:
1. This Agreement shall be for a term as selected above from the date of initiation of service. The date of initiation of service shall be the latter of the first day of the Customer billing period following the commercial operating date of the installation, or the date of this Agreement.
2. JEA shall assign to the Customer all Renewable Energy Credits associated with the JEA SolarMax kWh purchased by the Customer and are thereby the possession of the Customer.
3. This Agreement shall be transferable to facilities with a similar load owned or leased by the Customer upon (90) ninety days advance written notice to JEA.
4. The Customer's ability to continue receiving the JEA SolarMax Rider terminates upon the termination of this Agreement.

(Continued on Sheet No. 30.1)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 30.1

(Continued from Sheet No. 30.0)

5. This Agreement shall inure to the benefit of, and be binding upon the successors and assigns of the Customer and JEA.
6. This Agreement is subject to JEA's Electric Tariff Documentation, as now written, or as may be hereafter revised, amended or supplemented. In the event of any conflict between the terms of this Agreement and the provisions of the JEA Electric Tariff Documentation, the provisions of the Electric Tariff Documentation shall control, as now written, or as may be hereafter revised, amended or supplemented.

IN WITNESS WHEREOF, the parties hereby caused this Agreement to be executed by their duty authorized representatives to be effective as of the day and year first written above.

Rates and Terms Accepted:

	JEA
______________________________	______________________________
Customer (print or type name of Organization)	
______________________________	______________________________
Signature (Authorized Representative)	(Signature)
______________________________	______________________________
(Print or type name)	(Print or type name)
Title:	Title:

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

ELECTRIC TARIFF DOCUMENTATION

VOLUME 2

JEA
~~21 West Church St~~225 N. Pearl St..
Jacksonville, Florida 32202~~-3139~~
(904) 665-6000

DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail electric service to the major portion of Duval County, including the City of Atlantic Beach and the Town of Baldwin. In addition, JEA provides retail electric service to the Town of Orange Park, to parts of St. Johns and Clay Counties.

Submitted to the Public Service Commission

Approved by the JEA Board
~~August 29~~February 27, 202~~3~~4

Original Sheet No. 2.0

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FINANCIAL PLANNING AND ANALYSIS

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VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~August 29, 2023~~April 1, 2024

~~First~~ Second Revised Sheet No. 3.0
Canceling ~~Original~~ First Sheet No. 3.0

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~August 29, 2023~~April 1, 2024

~~Original~~ Second Revised Sheet No. 3.1
Canceling First Sheet No. 3.1
~~Sheet No. 3.1~~

(Continued from Sheet No. 3.0)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

RATE SCHEDULES

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 202~~3~~4

~~Original~~ First Revised Sheet No. 4.0
Canceling Original Sheet No. 4.0

RS
RATE SCHEDULE RS

R~~ESIDENTIAL~~esidential S~~ERVICE~~ervice

Available
In all territory served by JEA.

Applicable
To any residential customer in a single-family individual house, apartment, or mobile home for domestic, non-commercial purposes. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
~~$15.00~~ Basic Monthly Charge: $15.75

~~$0.06546~~ Energy Charge: $0.06821per kWh
~~plus applicable Fuel Charge~~

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$15.75~~00~~ per month Basic Monthly Charge.

Term and Conditions
(a) Service will be made available under this rate schedule upon the execution of a service agreement governing how JEA's current billing system calculates charges for the specific service supplied to the customer.

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

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 202~~3~~4

~~Original~~ First Revised Sheet No. 5.0
Canceling Original Sheet No. 5.0

GS
RATE SCHEDULE GS

General Service

Available
In all territory served by JEA.

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

Character of Service
JEA's standard voltage levels.

Rate per Month
~~$21.00~~ Basic Monthly Charge: $21.00

~~$0.06078 per kWh~~ Energy Charge: $0.06276 per kWh
~~plus applicable Fuel~~

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$21.00 per month Basic Monthly Charge

Primary Service Discount
Where customer contracts for service at 4,160 volts or higher, a discount of 0.10 cent per kilowatt hour shall be allowed, when the customer provides all equipment necessary for service from JEA's existing primary lines.

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

(b) Service Agreements will be placed on this rate schedule initially on the basis of estimated load (based on past experience or connected load survey). Thereafter, when the service agreement incurs an integrated 15-minute demand of 75 kW or higher four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period, such service agreement will be reclassified to the General Service Demand rate schedule and billed thereon commencing with such billing month.

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

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 202~~3~~4

~~Original~~ First Revised Sheet No. 5.1
Canceling Original Sheet No. 5.1

GST
RATE SCHEDULE GST

General Service Time of Day (Optional)

Available
In all territory served by JEA.

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

Character of Service
JEA's standard voltage levels.

Rate per Month
~~$24.00~~ Basic Monthly Charge: $24.00 ~~plus~~

Energy Charge:
$0.~~12290~~ 12690 per kWh ~~Energy Charge~~ during On-Peak hours
$0.~~04045~~ 04177 per kWh ~~Energy Charge~~ during Off-Peak hours
~~plus applicable Fuel~~

Definition of Billing Period
On-Peak periods shall be defined as follows:

6 a.m.-10 a.m. - November through March; weekdays only
6 p.m.-10 p.m. - November through March; weekdays only
12 p.m.-9 p.m. - April through October; weekdays only

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

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$24.00 per month Basic Monthly Charge

Primary Service Discount
Where customer contracts for service at 4,160 volts or higher, a discount of $0.10 cent per kilowatt hour shall be allowed, when the customer provides all equipment necessary for service from JEA's existing primary lines.

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(Continued on Sheet No. 5.2)

Original Sheet No. 5.2

(Continued from Sheet No. 5.1)

Terms and Conditions

(a) Service under this rate will be made available at the option of the General Service customer, subject to the availability of TOD metering equipment.

(b) Customer has the option of terminating service under this rate schedule at any time without assessment of disconnection charges. Any customer requesting to return to optional TOD rate on the same premises shall remain on the TOD rate for a period of not less than twelve (12) consecutive months.

(c) Service Agreements will be placed on this rate schedule initially on the basis of estimated load (based on past experience or connected load survey). Thereafter, when the service agreement incurs an integrated 15-minute on-peak demand of 75 kW or higher four (4) or more months out of twelve consecutive, monthly billing periods ending with the current billing period, such service agreement will be reclassified to the Optional General Service Demand TOD rate schedule and billed thereon commencing with such billing month.

(d) Service hereunder is subject to the Rules and Regulations of JEA.

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Effective April 1, 2023

First Revised Sheet No. 6.0
Canceling Original Sheet No. 6.0
~~Original Sheet No. 6.0~~

GSD
RATE SCHEDULE GSD

General Service Demand

Available
In all territory served by JEA.

Applicable
To any service agreement where the measured monthly billing demand is 75 kW or more four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
The charge per month shall consist of the total of basic monthly, demand, and energy charges as follows:

	(COM30)		(COM31)
Basic Monthly Charge:	$185.00 per Month	Basic Monthly Charge:	$185.00 per Month
Demand Charge:	$8.40 per kW of billing demand	Demand Charge:	$0.00 per kW of billing demand
Excess Reactive Demand Charge:	As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)	Excess Reactive Demand Charge:	~~As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)~~Not applicable
Energy Charge:	$0.03330 per kWh plus Fuel Charge	Energy Charge:	$0.07510 per kWh plus Fuel Charge

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$185.00 Basic Monthly Charge plus the demand charge as computed above.

Determination of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

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Effective April 1, 2023

(Continued on Sheet No. 6.1)

(Continued from Sheet No. 6.0)

Primary Service Discount

A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

Terms and Conditions

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

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

(c) Should the Metered Demand be less than 75 kW for any 12-month period, the service agreement may be reclassified to Rate Schedule GS, at the option of JEA.

(d) Should the customer demonstrate that the future Metered Demand is expected to be reduced below the applicable demand then the customer's service agreement may be reclassified to Rate Schedule GS, at the option of JEA.

(e) Customer has the option of terminating service under the COM31 rate schedule at any time. Any customer requesting to return to the COM31 rate on the same premises shall remain on the COM31 rate for a period of not less than twelve (12) consecutive months.

Original Sheet No. 6.2

GSDT
RATE SCHEDULE GSDT

General Service Demand Time of Day (Optional)

Available
In all territory served by JEA.

Applicable
To any service agreement where the measured monthly On-Peak billing demand is 75 kW or more four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
The charge per month shall consist of the total of the basic monthly, demand and energy charges as follows:

Basic Monthly Charge:

$185.00 per month

Demand Charge:

$8.53 per kW of On-Peak Demand
$4.93 per kW of Additional Off-Peak Demand

Excess Reactive Demand (KVAR) Policy:

As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:

$0.06514 per kWh during On-Peak hours
$0.02202 per kWh during Off-Peak hours
Plus applicable Fuel Charge

Definitions of Billing Periods
On-Peak periods shall be defined as follows:

6 a.m.-l0 a.m. - November through March; weekdays only
6 p.m.-l0 p.m. - November through March; weekdays only
12 p.m.-9 p.m. - April through October, weekdays only

(Continued on Sheet No. 6.3)

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Original Sheet No. 6.3

(Continued from Sheet No. 6.2)

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

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$185.00 Basic Monthly Charge plus demand charges as computed above.

Determination of Billing Demand
The billing demand for the month shall be the maximum integrated 15-minute metered kW demand in the month.

Determination of On-Peak and Off-Peak Demand
The On-Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the On-Peak period. The Off-Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the Off-Peak period.

Determination of Additional Off-Peak Demand
The Additional Off-Peak Demand for the month shall be the amount by which the Off-Peak Demand exceeds the On-Peak Demand.

Primary Service Discount
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

Terms and Conditions

(a) Service under this rate will be made available at the option of the General Service Demand customer, subject to the availability to TOD metering equipment accompanied by payment of deposit or bond as required by JEA.

(b) Customer has the option of terminating service under this rate schedule at any time without assessment of disconnection charges. Any customer requesting to return to optional TOD rate on the same premises shall remain on the TOD rate for a period of not less than twelve (12) consecutive months.

(c) Should the On-Peak Demand be less than 75 kW for any 12-month period, the customer may be reclassified to Rate Schedule GST, at the option of JEA.

(d) Should the customer demonstrate that the future On-Peak Demand is expected to be reduced below the applicable demand then the customer's service agreement may be reclassified to Rate Schedule GST, at the option of JEA.

(e) Service hereunder shall be subject to the Rules and Regulations of JEA

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~~Original~~ First Revised Sheet No. 7.0
Canceling Original Sheet No. 7.0

GSLD
RATE SCHEDULE GSLD

General Service Large Demand

Available
In all territory served by JEA where service can be rendered from the transmission facilities of JEA.

Applicable
To any service agreement where the measured monthly billing demand is 1,000 kW or more four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
The charge per month shall consist of the total of the basic monthly, demand and energy charges follows:

Basic Monthly Charge:

$750.00 per month

Demand Charge:

$12.16 per kW for all kW of Billing Demand

Excess Reactive Demand Charge:

As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:

$0.~~02453~~ 02588 per kWh
~~Plus applicable Fuel Charge~~

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill
$750.00 Basic Monthly Charge plus the demand charge as computed above, plus any special service charges as defined in the agreement.

(Continued on Sheet No. 7.1)

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Effective April 1, 202~~3~~4

Original Sheet No. 7.1

(Continued from Sheet No. 7.0)

Determination of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, as may be adjusted per sheet No. 5.1, but not less than any applicable contract minimum demand.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Primary Service Discount
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

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

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

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

(c) Should the Metered Demand be less than 1,000 kW for any 12-month period, the customer may be reclassified to Rate Schedule GSD, at the option of JEA.

(d) Should the customer demonstrate that the future Metered Demand is expected to be reduced below the applicable demand then the customer's service agreement may be reclassified to Rate Schedule GSD, at the option of JEA.

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~~Original~~ First Revised Sheet No. 7.2
Canceling Original Sheet No. 7.2

GSLDT
RATE SCHEDULE GSLDT

General Service Large Demand Time of Day (Optional)

Available
In all territory served by JEA where service can be rendered from the transmission facilities of JEA.

Applicable
To any service agreement where the measured monthly On-Peak billing demand is 1,000 kW or more four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
The charge per month shall consist of the total of the basic monthly, demand, and energy charges as follows:

Basic Monthly Charge:

$750.00 per month

Demand Charge:

$12.31 per kW of On-Peak Demand
$ 7.13 per kW of Additional Off-Peak Demand

Excess Reactive Demand Charge:

As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:

$0.~~04578~~ 04638 per kWh during On-Peak hours
$0.~~01565~~ 01703 per kWh during Off-Peak hours
~~Plus applicable Fuel Charge~~

Definition of Billing Periods
On-Peak periods shall be defined as follows:

6 a.m.-10 a.m. - November through March; weekdays only
6 p.m.-10 p.m. - November through March; weekdays only
12 p.m. - 9 p.m. - April through October; weekdays only

(Continued on Sheet No. 7.3)

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Original Sheet No. 7.3

(Continued from Sheet No. 7.2)

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

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$750.00 Basic Monthly Charge plus the demand charges computed above, plus any special service charges as defined in the agreement.

Determination of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand, but not less than any applicable contract demand.

Determination of On-Peak and Off-Peak Demand
The On-Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the On-Peak period. The Off- Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the Off-Peak period.

Determination of Additional Off-Peak Demand
The Additional Off-Peak Demand for the month shall be the amount by which the Off-Peak Demand, as may be adjusted per sheet No. 5.1, exceeds the On-Peak Demand.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0).

Primary Service Discount
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken 4,160 volts or higher, but less than 69,000 volts, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

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

Terms and Conditions
(a) Service under this rate will be made available at the option of the General Service Large Demand customer, subject to the availability to TOD metering equipment accompanied by payment of deposit or bond as required by JEA.

(Continued on Sheet No. 7.4)

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(Continued from Sheet No. 7.3)

(b) Customer has the option of terminating service under this rate schedule at any time without assessment of disconnection charges. Any customer requesting optional TOD rate for the second time on the same premises shall remain on the TOD rate for a period of not less than twelve (12) consecutive months.

(c) Should the On-Peak Demand be less than 1,000 kW for any 12-month period, the service agreement may be reclassified to Rate Schedule GSDT, at the option of JEA.

(d) Should the customer demonstrate that the future On-Peak Demand is expected to be reduced below the applicable demand then the customer's service agreement may be reclassified to Rate Schedule GSDT, at the option of JEA.

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

~~Original~~ First Revised Sheet No.7.5
Canceling Original Sheet No.7.5

GSLDHLF
RATE SCHEDULE GSLD-HLF

General Service Large Demand – High Load Factor (Optional)

Available

In all territory served by JEA.

Applicable

To any service agreement that meets the following conditions:

(a) Measured monthly billing demand is 700 kW or greater and
(b) Customer uses 475 kWh per kW of Ratcheted Demand or greater for six (6) or more billing periods out of the last twelve (12) consecutive billing periods.

Resale of energy purchased under this rate schedule is not permitted.

Character of Service
JEA's standard voltage levels.

Rate per Month
The charge per month shall consist of the basic monthly, demand, energy, and fuel charges as follows:

Basic Monthly Charge: $750.00 per month

Demand Charge: $12.16 per kW for all kW of Billing Demand

Excess Reactive Demand Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0) ~~$12.16 for all Excess Reactive Demand as defined below~~

Energy Charge:

For the first 350 kWh per kW of Ratcheted Demand: $0.~~02453~~ 02588 per kWh
For the next 200 kWh per kW of Ratcheted Demand: $0.01912 per kWh
For all energy above 550 kWh per kW of Ratcheted Demand: $0.00800 per kWh

Fuel Charge: as stated in the Fuel Charge (Sheet No. 20.0), where all energy up to 350 kWh per kW of Ratcheted Demand is priced at the GSLD levelized charge and all additional energy is priced at the GSLD off-peak charge.

Primary Service Discount
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all of the equipment required to take service at JEA's existing primary lines.

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~~Original~~ First Revised Sheet No.7.5
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(Continued on Sheet No. 7.6)

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Effective April 1, 202~~3~~4

(Continued from Sheet No. 7.5)

Transmission Service Discount

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

Minimum Bill

$750.00 Basic Monthly Charge.

Definition of Billing Demand

The maximum integrated 15-minute metered kW demand in the billing period.

Definition of Ratcheted Demand

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

Determination of Reactive Demand

As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Terms and Conditions

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

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

(c) Should the Billing Demand fall below 700 KW, the customer may be reclassified to Rate Schedule GSD, at the option of JEA. Should customer use fall below 475 kWh per KW of Ratcheted Demand, the customer may be reclassified to Rate Schedule GSLD, at the option of JEA.

(d) Selection of the GSLD-HLF rate will require the customer to relinquish all JEA Rider service agreement(s) currently in effect with no penalty to either party.

(e) Selection of the GSLD-HLF rate on the service agreement will preclude the election of any JEA Rider, except Rider EDP.

~~Original~~ First Revised Sheet No. 8.0
Canceling Original Sheet No. 8.0

ISXLD
RATE SCHEDULE ISXLD

Interruptible Service Extra Large Demand (~~Optional~~Closed to New Customers)

Available

In all territory served by JEA where service can be rendered from JEA transmission voltage facilities having adequate capacity to serve the load.

Applicable

To any customer with measured monthly billing demand of 50,000 kW or greater eight (8) or more billing periods out of the last twelve (12) consecutive billing periods. All service hereunder will be rendered through a single metering installation and may be completely interrupted by JEA. Resale of energy purchased under this rate schedule is not permitted.

Customers taking service under this rate schedule are required to execute a service agreement contract.

Character of Service

JEA's 69,000 voltage level or higher

Limitation of Service

Interruptible service is electric service that can be interrupted either automatically or manually at the sole discretion of JEA. Interruptible service under this rate schedule is subject to interruption during any time period that electric power and energy delivered hereunder from JEA's available generating resources is required (a) to maintain service to JEA's firm power customers and firm power sales commitments, (b) to supply emergency Interchange service to another utility for its firm load obligations only, (c) in connection with maintenance outages on JEA's system, or (d) when JEA operates the peaking generators or purchases power at a cost that exceeds that of operating its peaking generators~~when the price of power available to JEA from any source exceeds 30 cents per kWh.~~

Rate per Month

The charge per month shall consist of the total of the basic monthly, demand, energy, peaking, and fuel charges as follows:

Basic Monthly Charge: $1,500.00 per month

Demand Charge: $12.16 per kW for all kW of Billing Demand ~~$6.58per kW for all kW of Billing Demand~~

Demand Interruptible Credit: $5.14 per kW

Excess Reactive Demand Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)~~$6.58~~7.02 ~~for all Excess Reactive Demand as defined below~~

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~~Original~~ First Revised Sheet No. 8.0
Canceling Original Sheet No. 8.0

(Continued on Sheet No. 8.1)

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Effective ~~April~~ September 1, 202~~3~~4

~~Original~~ First Revised Sheet No. 8.0
Canceling Original Sheet No. 8.0

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Effective ~~April~~ September 1, 202~~3~~4

~~Original~~ First Revised Sheet No. 8.1
Canceling Original Sheet No. 8.1

(Continued from Sheet No. 8.0)

Energy Charge:
For the first 300 kWh per kW of Ratcheted Demand: ~~1.432~~ 1.470cent per kWh
For the next 65 kWh per kW of Ratcheted Demand: ~~1.339~~1.340cent per kWh
For all energy above 365 kWh per kW of Ratcheted Demand: ~~1.238~~1.270cent per kWh

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

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

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

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

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

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

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

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0).

Buy-Through Provision
Customers served under this rate schedule may elect to participate in the optional Buy-Through Provision. JEA will solicit power and energy purchases from other sources on the customer's behalf during periods when JEA would otherwise interrupt the customer's electrical loads. Customer may request enrollment in the Buy-Through Provision (or re-enrollment after withdrawing) by making written request to JEA, to which JEA shall respond within thirty (30) days. Should JEA not be able to arrange Buy-Through power, the customer may, at its option, arrange for reliable delivery to JEA of the amount of power to be interrupted, which JEA will sell to the customer. The customer must notify JEA of the power provider in sufficient time for JEA to establish a contract with the provider, if none exists. When JEA is successful in making said purchases, Customer shall pay JEA's cost of purchasing such power plus 3 mils per kWh in lieu of the otherwise-applicable energy charge listed in Rate Schedule ISXLD. Customer may withdraw from participation by providing one year's advance written notice to JEA.

~~Application of Peaking Price~~

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Effective ~~April~~ September 1, 202~~3~~4

~~Original~~ First Revised Sheet No. 8.1
Canceling Original Sheet No. 8.1

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

(Continued on Sheet No. 8.2)

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Effective ~~April~~ September 1, 2024~~3~~

First Revised Sheet No. 8.2
Canceling Original Sheet No. 8.2
~~Original Sheet No. 8.2~~

(Continued from Sheet No. 8.1)

Term and Conditions

(a) Service will be made available under this rate schedule upon execution of a Service Agreement accompanied by payment of deposit or bond as required by JEA.

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

(c) Should the Billing Demand be reduced below the applicable demand of 50,000 kW, JEA may, at its option, reclassify the service agreement to Rate Schedule GSLD.

(d) In addition to the Limitation of Service described above, JEA may further interrupt electric service upon 30 days advance notice ~~or at any other mutually agreed upon date and time,~~ to test the availability and operability of interruptible capacity irrespective of JEA system capacity availability or operating conditions.

(e) Selection of the ISXLD rate schedule will require an existing customer to relinquish all JEA Riders on that service agreement currently in effect with no penalty to either party and will preclude election of any JEA Rider on that service agreement.

(f) In the event interruption of service is due to Limitation of Service (d), customers will be notified electronically no later than 4:00pm Eastern Time of the time periods which interruption will be in effect for the following day.

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Effective ~~April~~ September 1, 202~~3~~4

Original Sheet No. 8.3

GSXLD-TOU
RATE SCHEDULE GSXLD-TOU

General Service Extra Large Demand TOU (Experimental)

Available

In all territory served by JEA where service can be rendered from JEA transmission voltage facilities having adequate capacity to serve the load.

Applicable

To any service agreement with combined On-peak and Off-peak monthly billing demand of 50,000 kW or greater four (4) or more billing periods out of twelve (12) consecutive billing periods ending with the current billing period. Resale of energy purchased under this rate schedule is not permitted.

Customers taking service under this rate schedule are required to execute a service agreement contract.

Character of Service

JEA's 69,000 voltage level or higher

Rate per Month

The charge per month shall consist of the total of the basic monthly, demand, energy, and fuel charges as follows:

Basic Monthly Charge:
$1,500.00 per month

Demand Charge:
- $13.62 per kW of On-Peak Demand
- $11.14 per kW of Additional Off-Peak Demand

Excess Reactive Demand (Kvar) Charge:
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:
- $0.01300 per kWh during On-Peak hours
- $0.01006 per kWh during Off-Peak hours

(Continued on Sheet No. 8.4)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective September 1, 2024

Original Sheet No. 8.4

(Continued from Sheet No. 8.0)

Definition of Billing Periods
On-Peak periods shall be defined as follows:
- 6 a.m.-10 a.m. - November through March; weekdays only
- 6 p.m.-10 p.m. - November through March; weekdays only
- 12 p.m. - 9 p.m. - April through October; weekdays only

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

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

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

Definition of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, but not less than any applicable contract minimum demand. In no event shall Billing Demand be less than 50,000 kW.

Determination of On-Peak and Off-Peak Demand
The On-Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the On-Peak period. The Off- Peak Demand for the month shall be the maximum integrated 15-minute metered kW demand during the Off-Peak period.

Determination of Additional Off-Peak Demand
The Additional Off-Peak Demand for the month shall be the amount by which the Off-Peak Demand, as may be adjusted per sheet No. 8.1, exceeds the On-Peak Demand.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0).

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

Term and Conditions
(a) Service will be made available under this rate schedule upon execution of a Service Agreement accompanied by payment of deposit or bond as required by JEA.

(b) Service hereunder shall be subject to the Rules and Regulations of JEA

(Continued on Sheet No. 8.5)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective September 1, 2024

Original Sheet No. 8.5

(Continued from Sheet No. 8.4)

(c) Should the Combined On and Off Peak Billing Demand Total be reduced below the applicable demand of 50,000 kW, any amount below the minimum demand will be charged at the Additional Off-peak rate.

(d) Selection of the TOU-RTP-DA rate schedule will require an existing customer to relinquish all JEA Riders on that service agreement currently in effect with no penalty to either party and will preclude election of any JEA Rider on that service agreement.

(e) JEA and the customer may agree for JEA to provide additional services, including related water, sewer and energy services, vary the term of service, with a maximum total length of ten (10) years, and modify terms and conditions. As mutually agreeable, negotiated services, terms and conditions shall be set forth in the associated Service Agreement contract.

VICTOR BLACKSHEAR, DIRECTOR
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Effective September 1, 2024

Original Sheet No. 9.0

SS-1
RATE SCHEDULE SS-1

Standby and Supplemental Service

Available
In all territory served by JEA.

Applicable
To any service agreement, at a point of delivery, whose electric service requirements for the load are supplied or supplemented from the customer's generation equipment at that point of service and who requires standby and supplemental service from JEA. A service agreement is required to take service under this rate schedule if the customer's total generation capacity is 50 kW or greater and the full load requirement is 75 kW or greater four (4) or more months out of twelve (12) consecutive billing periods ending with the current billing period. For purposes of determining applicability of this rate schedule, the following definitions shall be used:

Standby Service: Electric energy or capacity supplied by JEA to replace energy or capacity ordinarily generated by the customer's own generation equipment during periods of either scheduled (maintenance) or unscheduled (backup) outages of all or a portion of the customer's generation.

Supplemental Service: Electric energy or capacity supplied by JEA in addition to that which is normally provided by the customer's own generation equipment.

Full Load Requirement: The sum of the metered demand and the kW nameplate rating of the customer's generating unit(s).

Customers taking service under this rate schedule are required to execute an interconnection agreement. This rate schedule does not apply to existing customers who own generating capacity covered by JEA's Net Metering Policy. For the purposes of this rate schedule an existing customer is one who has physically connected to JEA and executed an interconnection agreement prior to the original effective date of this rate schedule (January 1, 2015).

Character of Service
JEA's primary and secondary voltage levels.

Rate per Month
The charge per month shall consist of the basic monthly, demand, energy, and fuel charges as follows:

Basic Monthly Charge: per the applicable time of day rate schedule.

Facilities Demand Charge: The applicable demand charge as provided below:

GSDT: $0.93 per kW of Contract Demand Primary
GSDT: $1.25 per kW of Contract Demand Secondary
GSLDT: $0.89 per kW of Contract Demand Primary
GSLDT: $0.96 per kW of Contract Demand Secondary

(Continued on Sheet No. 9.1)

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Effective April 1, 2023

Original Sheet No. 9.1

(Continued from Sheet No. 9.0)

Standby Demand Charge: The sum of the on-peak demand charge less the Facilities Demand Charge above multiplied by the reliability adjustment factor which is equal to the assumed reliability factor set forth in the interconnection agreement but not less than 0.1, and divided by 0.7. For generators 5 MW and larger the reliability factor shall be one (1) minus the annual generating unit operating hours divided by the hours in the year (8760 for non-leap years and 8784 for leap years) divided by 0.7. The standby demand charge is applied to the kW nameplate rating of the generating unit(s).

The calculation for the Standby Demand Charge is:
SDC = (OPDC – FDC) * RAF / 0.7

Where:
SDC = Standby Demand Charge
OPDC = On Peak Demand Charge per the applicable time of day rate schedule
FDC = Facilities Demand Charge
RAF = Reliability Adjustment Factor
0.7 = System Peak Coincident Factor

Supplemental Demand Charge The on-peak demand charge per the applicable time of day rate schedule less the Facilities Demand Charge above. The supplemental demand charge is applied to the Metered Demand.

Excess Reactive Demand Charge: per applicable time of day rate schedule.

Energy Charge: per applicable time of day rate schedule.

Fuel Charge: as stated in the Fuel Charge (Sheet No. 20.0). Charge per applicable time of day rate schedule.

Primary Service Discount: A discount of 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, when the customer provides all of the equipment required to take service at JEA's existing primary lines.
(Demand Discount is included in the rates charged above)

Minimum Bill: The Basic Monthly charge per the applicable time of day rate schedule.

Metered Demand: The maximum integrated 15-minute on peak and off-peak metered kW demand measured during the month.

Contract Demand: The kW demand as stated in the interconnection agreement.

Determination of Excess Reactive Demand: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0).

<u>Terms and Conditions</u>

(a) Service is available under this rate schedule upon execution of an interconnection agreement accompanied by payment of deposit or bond as required by JEA and satisfaction of JEA Facility Interconnection Requirements.

(Continued on Sheet No. 9.2)

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Effective April 1, 2023

Original Sheet No. 9.2

(Continued from Sheet No. 9.1)

(b) Service herein shall be subject to the Rules and Regulations of JEA.

(c) Customers receiving service under this rate schedule will be required to give JEA a written notice at least sixty (60) months prior to reclassification to any other standard JEA rate schedule unless it can be shown that such reclassification is in the best interests of the customer, JEA, and JEA's other ratepayers

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 10.0

SL
RATE SCHEDULE SL

Street Lighting

Available
In all territory served by JEA.

Applicable
To any Public Agency (State, County or Municipal governments) and to Owner's Associations for automatically-controlled lighting of public thoroughfares and to JEA's private residential customers who are owners of the property in question for automatically-controlled area lighting.

Character of Service
Dusk-to-dawn automatically-controlled lighting owned, operated and maintained by JEA, and governed by JEA's Management Directive for Street Lighting, MD909.

Schedule of Rates

Rate Code	Service Type	Wattage & Type	Fixture Types	Monthly kWh	Monthly Non-Fuel Charge $/ Fixture*
SLHPS1	Standard	70W HPS	CH,PT	29	$6.42
SLHPS2	Standard	200W HPS	CH, FL	88	$7.59
SLHPS3	Standard	250W HPS	CH	108	$7.78
SLHPS4	Standard	400W MH	CH, FL	169	$8.73
SLMHS1	Standard	100W MH	DA	47	$10.70
SLMHS2	Standard	150W MH	PT	67	$7.69
SLMHS3	Standard	175W MH	PT	76	$7.79
SLMHS4	Standard	320W MH	CH, FL	130	$8.34
SLMHS5	Standard	150W MH	DA	67	$13.49
SLMHS6	Standard	400W MH	CH, FL	164	$8.72
SLMHS7	Standard	175W MH	DA	76	$13.59
SLMHE1	Historic Energy & O&M	150W MH	DA	67	$2.04
SLMHE2	Historic Energy & O&M	175W MH	DA	76	$2.14
SLMHE3	Energy & O&M	320W MH	CH, FL,SB	130	$2.75
SLMHE4	Energy & O&M	400W MH	CH, FL, SB	164	$3.13
SLLED1	Standard	40W LED	CH	15	$6.34
SLLED2	Standard	40W LED	PT	16	$7.10
SLLED3	Standard	115W LED	CH	41	$7.28
SLLED4	Standard	162W LED	SB	59	$11.13
SLLED5	Standard	275W LED	CH	99	$9.08
SLLED6	Standard	72W LED	PT	26	$7.53
SLLED7	Standard	100W LED	DA	36	$9.30
SLLED8	Standard	60W LED	AC	22	$7.81
SLLED9	Standard	150W LED	TD	54	$10.65

HPS = High Pressure Sodium LED = Light Emitting Diode MH = Metal Halide
AC = Acorn CH = Cobra Head DA = Decorative Acorn FL = Floodlight
PT = Post Top SB = Shoebox TD = Tear Drop

*Monthly Fixture charge is valid for bills of 30 days only. The charge will vary depending on the actual number of days billed.

(Continued on Sheet No. 10.1)

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Effective April 1, 2023

Original Sheet No. 10.1

(Continued from Sheet No. 10.0)

Energy Only (Rate Code ENERGY97) the monthly charge shall be computed as follows:

Total Wattage (including Ballast) x 360 Hours x $0.03325

Types of Service

The types of service are defined as follows:

(a) STANDARD SERVICE:
(Applicable Rate Codes SLHPS1-4, SLMHS1-7, SLLED1-7). In addition to Energy and O&M service, as described below, this service also includes an ownership cost for the initial installation of the fixture assembly including bracket, accessories, and labor. The applicable rates are for both overhead and underground fed lighting systems. Underground systems and fixture types not listed above require a contribution-in-aid-of construction to cover the differential cost between overhead versus underground systems and standard versus non-standard fixture types.

(b) ENERGY ONLY SERVICE:
(Applicable Rate Code ENERGY97). This service shall apply to those lights where special arrangements have been made with JEA and applies to those decorative standards which are supplied and installed by others in the Downtown area. Maintenance and replacement of the standard shall be on a contractual or cost plus basis.

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0). The Fuel Charge is applied to the Monthly kWh.

Terms and Conditions

The following Terms and Conditions apply to Lighting Service:

(a) Monthly charges for all Rate Codes are based upon JEA having an existing source of electrical power to each lighting installation

(b) Monthly charges are based on an overhead service. An initial charge will be required for all underground installations, unless facilities charge is applied

(c) Prior to installation of area lighting facilities. JEA's private residential customers who are owners of the property in question, shall execute a contract for lighting service with JEA. The initial term for such contracts shall be three (3) years. In the event the light is removed prior to the expiration of the first three (3) year contract, either at the customer's request or for non-payment of a bill, a "Take-Down" fee shall be assessed the customer. All charges due under this contract shall be applicable to any service agreement the customer may then or thereafter have with JEA.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 11.0

OS
RATE SCHEDULE OS

Unmetered Miscellaneous Service for Traffic Signalization and Other Uses

Available
In all territory served by JEA.

Applicable
To any service agreement whose service is not provided by any other rate schedule, for his entire electric requirements at a single location. Consumption hereunder will be calculated based upon electric rating of component(s). Resale of energy purchased under this rate schedule is not permitted. Rate Code TRAF98 hereunder shall be applicable to unmetered traffic signalization installations. Rate Code SMPWRS99 hereunder shall be applicable to unmetered shot spotter and small cell towers.

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

Rate per Month

Rate Code SMPWRS99 - $5.75 Facilities Charge per installation, plus $0.03233 per calculated KWH

Rate Code TRAF98 - $1.40 Facilities Charge per installation, plus $0.03050 per calculated KWH

To these codes shall be added the applicable Fuel Charges and any other adjustment.

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0).

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

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

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

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

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

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

RIDER SCHEDULES

~~Original~~ First Revised Sheet No. 12.0
Canceling Original Sheet No. 12.0

GSXLD
RIDER GSXLD

General Service Extra Large Demand Rider

Available
In all territory served by JEA.

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

Character of Service
JEA's standard voltage levels.

Rate per Month
For customers executing an General Service Extra Large Demand Electric Service Agreement contract the charges per month listed below will apply to the customer's respective accounts

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

	GSXLD-GS	GSXLD-GSD	GSXLD-GSLD
Basic Monthly Charge	$21.00	$185.00	$750.00
Demand Charge per kW~~h~~	Not Applicable	$6.98	$10.06
Energy Charge per kWh	$0.~~04954~~05133	$0.02392	$0.~~01755~~01865
Fuel Charge	See Sheet No. 20.0	See Sheet No. 20.0	See Sheet No. 20.0
Energy Only Charge per kWh	Not Applicable	$0.05160	Not Applicable
Excess kVar Charge per Excess kVar	Not Applicable	See Sheet No. 23.0~~Not Applicable~~	See Sheet No. 23.0

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill
Will be the applicable Basic Monthly Charge as listed above, plus any special service charges as defined in the agreement.

Multiple Account Option
Customers with two (2) or more existing service agreements with an Aggregate Load totaling 25,000 kW or more are eligible for service under this rate schedule.

(Continued on Sheet No. 12.1)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024~~3~~

(Continued from Sheet No. 12.0)

Definition of Aggregated Load
The sum of the highest billing demands for each account for the past 12 months.

Determination of Billing Demand
The Billing Demand for the month shall be either the totalized or the non-totalized maximum integrated 15-minute metered kW demand in the month.

Determination of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Primary Service Discounts
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all the equipment required to take service at JEA's existing primary lines.

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

Term of Service
Service under this rider shall be for a minimum initial term of 10 years from the commencement of service. Customers desiring to terminate service under this rate schedule after the initial five (5) years will be required to give JEA a minimum of sixty (60) months' notice prior to the transfer to JEA's standard rates, or if allowed by law, receive service from another provider of electricity. Should the customer elect to terminate the General Service Extra Large Demand Electric Service Agreement contract with JEA with less than the required five (5) years notice, then the customer shall pay an amount equal to the monthly kW demand charge times the customer's average billing demand for the most recent 12 months for the remainder of the contract term.

(Continued on Sheet No. 12.2)

Original Sheet No. 12.2

(Continued from Sheet No. 12.1)

<u>Terms and Conditions</u>

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

(b) The customer may not purchase electricity from another entity during the period the accounts are under contract.

(c) The customer must maintain a minimum aggregate load of 25,000 kW in a 12-month period to remain eligible for this rate.

(d) Election of JEA's General Service Extra Large Demand Rider will preclude the election of any other Rider.

(e) Customer must maintain a minimum aggregate electric demand of 25,000 kW for one JEA billing within any 12-month period. In the event that such aggregate demand is not maintained by the customer, JEA will require the customer to select one of the following options:

1. Terminate service under this Rider and pay termination fees applicable to cancellation with less than 36-month notice; or
2. Revert to the conditions of the General Service Large Demand Rate Schedule

(f) JEA and the customer may agree for JEA to provide additional services, including related water, sewer, and energy services, and modify terms and conditions. As mutually agreeable, negotiated services, terms and conditions shall be set forth in the General Service Extra Large Demand Rider Electric Service Agreement contract.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024~~3~~

First Revised ~~Original~~ Sheet No. 13.0
Canceling Original Sheet No. 13.0

~~LDI~~
~~RIDER LDI~~

~~Load Density Improvement Rider (Closed to New Customers)~~

~~Available~~
~~To new and existing customers receiving service in Planning Districts 3 East, 4 West, 5 West, 6 and 7 served by JEA.~~

~~Applicable~~
~~To new or existing customers who have executed a ten (10) year Load Density Improvement Electric Service Agreement contract with JEA and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, and GSLDT. Application to commence service under this Rider after October 1, 2002, will not be accepted. Resale of energy purchased under this rider is not permitted.~~

~~Character of Service~~
~~JEA's standard voltage levels.~~

~~Rate per Month~~
~~Customers executing a Load Density Improvement Electric Service Agreement contract shall receive an adjustment based on the percentages listed below. For new service agreements, the discount will be applied to the electric charge including the energy and demand charges, the primary service discount, transmission discount and the excess KVAR charge. The adjustment will not apply to penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing customers, the adjustment will only be applied to the bill components above the base load as defined in "Definition of Base Load."~~

~~Months 1-12~~	~~25%~~
~~Months 13-24~~	~~15%~~
~~After Month 24~~	~~50%~~

~~Term of Service~~
~~Service under this rider shall be for a minimum initial term of seven (7) years from the commencement of service. Customers desiring to terminate service under this rider, after the initial term, will be required to give JEA a minimum of thirty-six (36) months' notice. Should the customer elect to terminate the Load Density Improvement Rider Agreement contract with JEA with less than the required thirty-six (36) month notice, the customer shall pay an amount equal to the monthly kW demand charge times the customer's average billing demand for the most recent 12 months for the remainder of the contract term.~~

~~Definition of New and Existing Customer~~
~~A customer will be considered a new customer provided its meter is set or service is put in its name after May 21, 1996. A name change or other superficial change at an existing location, whereby the ownership and control over the premises are not changed, will not be considered as a new customer. An applicant shall also be considered a new customer if the applicant can demonstrate that an existing facility has not been in operation for at least twelve months. All customers who are not new customers will be considered existing customers. Existing customers will be eligible for this rider when the customer materially increases its use on or after May 22, 1996.~~

~~(Continued on Sheet No. 13.1)~~

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024~~3~~

~~Original~~ First Revised Sheet No. 13.0
Canceling Original Sheet No. 13.0
~~Sheet No. 13.1~~

~~(Continued from Sheet No. 13.0)~~

~~Definition of Incremental Load~~
~~The portion of the customer's load which has materially increased as a result of expansion. A material increase can be the result of: (1) An increase in electrical usage of at least twenty five percent (25%), (2) Adding a minimum of 500kW to the existing load, (3) Adding twenty-five full time jobs.~~

~~Definition of Base Load~~
~~JEA will establish a twelve-month base usage period for each qualifying service agreement. Such base usage will reflect, by month, the billed kW and KVAR demand and kWh consumption for the 12-month period immediately preceding the customer's application for service.~~

~~Terms and Conditions~~
~~(a) Service hereunder shall be subject to the Rules and Regulations of JEA~~

~~(b) The existing customer shall notify JEA in writing of a material increase in electric service. If for the next three consecutive months or any three consecutive months in the twelve months preceding the application, each month's usage exceeds the usage in the preceding year by at least twenty five percent (25%), or if a minimum load of 500 kW is added, then the customer will be eligible to receive service under this Rider following approval of the application. The existing customer may also be eligible for service under this rider if twenty-five permanent jobs are added. Each full-time employee, as reported on Department of Labor quarterly form ES202 filed with the Florida Department of Labor, will constitute one job.~~

~~(c) Service under this rider shall not be available where the service is furnished solely or predominately for telephone booths, telecommunication local distribution facilities, cable television or similar structures or locations, for multi-tenanted residential buildings, or service defined as "Temporary", for residential-type premises where the account is in the name of a non-residential entity, such as apartments for renting purposes and for corporations.~~

~~(d) Election of JEA's Load Density Improvement Rider will preclude the election of any other JEA Rider for new load, except for the EDP Rider.~~

~~(e) JEA and the customer may agree for JEA to provide additional services, including related water, sewer and energy services, and modify terms and conditions. As mutually agreeable, negotiated services, terms and conditions shall be set forth in the Load Density Improvement Electric Service Agreement contract.~~

~~(f) A customer who has multiple accounts with JEA and qualifies for a discount under this rider may aggregate any other General Service accounts which qualify, as to location, under this LDI rider.~~

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024~~3~~

~~Original~~ First Revised Sheet No. 13.0
Canceling Original Sheet No. 13.0
~~Sheet No. 13.1~~

(For Future Use)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024~~3~~

Original Sheet No. 14.0

MA
RIDER MA

Multiple Account Load Factor Improvement Rider

Available
In all territory served by JEA.

Applicable
To customers whose services are eligible for Rate Schedules GS, GSD, and GSLD, and whose combined kW demand is 1,000 kW or more for four (4) or more months out of twelve consecutive monthly billing periods ending with the current billing period. This rider is not available to any pooling or other purchasing arrangement in which entities that would otherwise be individual customers totalize their electricity purchases through any other customer. Resale of energy purchased under this rider is not permitted.

Character of Service
JEA's Standard voltage levels.

Rate per Month
The charge per month shall be the energy, demand, and excess reactive demand charges as listed under JEA's GSLD Rate Schedule plus a $1,000 per month basic monthly charge and a monthly $185.00 per account site fee.

Definition of Combination
The combination of meters shall mean the combining of the separate consumption and registered kW demand for the customer with three or more service locations throughout JEA's service territory.

Determination of Billing Demand
The Billing Demand for the month shall be the coincidental maximum integrated 15-minute metered kW demand in the month.

Terms and Conditions

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

(b) JEA will install demand meters on accounts receiving service under JEA's General Service (GS) Rate Schedule who are totalized.

(c) Time of Day billing is not available with Rider MA.

(d) The customer may add a qualifying service agreement at any time. However, if the customer deletes an service agreement that is under the MA Rider, that service agreement may not be restored to the MA Rider for a period of 12 months.

(e) If the customer's aggregate load falls below 699 kW, the customer's participation in this Rider may be terminated.

~~(f)~~ Customer taking service under this rider will be subject to having their coincident peak demand adjusted if there is an indication of a power factor of less than 90% lagging based on metering. Any demand adjustments will be based on the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

(f)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

First Revised Sheet No. 15.0
Canceling Original Sheet No. 15.0

EDP
RIDER EDP

Economic Development Program Rider

Available
To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2025.

Applicable
To new or existing Customers who have executed an Economic Development Program Electric Service Agreement contract with JEA on or after October 1, 2013, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDHLF. New or incremental existing metered demand under this rider must be a minimum of 300 kW at a single site of delivery and the Customer must employ an additional work force of at least 15 full-time employees in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after October 1, 2013. JEA reserves the right to accept or not accept any application for the Economic Development Program Rider (EDP).

Character of Service
JEA's standard voltage levels.

Rate per Month
Customers executing an Economic Development Program Electric Service Agreement contract on or after October 1, 2013 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5 MW Discount	For 5MW or greater Discount*	Less than 5MW Discount in Targeted Areas	For 5MW or greater Discount in Targeted Areas*
Year 1*	30%	30%	35%	35%
Year 2	25%	30%	30%	35%
Year 3	20%	30%	25%	35%
Year 4	15%	25%	20%	30%
Year 5	10%	20%	15%	25%
Year 6	5%	15%	10%	20%
Year 7	0%	10%	0%	15%
Year 8	0%	5%	0%	10%
Year 9	0%	0%	0%	0%

*Year 1 can be extended as outlined in General Provisions (g) below

(Continued on Sheet No. 15.01)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective August 29, 2023

First Revised Sheet No. 15.01
Canceling Original Sheet No. 15.01

(Continued from Sheet No. 15.0)

Definition of Incremental Metered Demand

The portion of the customer's metered demand which has increased by a minimum of 300 kW as a result of expansion or new construction at a single site of delivery.

Definition of Baseline

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

Definition of Targeted Area

Areas in City's Economically Distressed Areas map and industrial zone properties as defined by the property appraiser's websites in all territory served by JEA.

General Provisions

(a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.

(b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start and also specify the total number of full time employees that will be employed in JEA's service territory by the Customer

(c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 300 kW increase has been met. JEA may monitor the Customers metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 300 kW.

(d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the EDP Application and continues at such level.

(e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.

(f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Economic Development Program Rider Service Agreement contract.

(g) With acceptable documentation, customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.

(h) Customer adding service in Targeted Areas (as may be changed from time to time) will receive the discounts according to the schedule shown above.

(Continued on Sheet No. 15.02)

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Effective August 29, 2023

(Continued from Sheet No. 15.01)

Term of Service

(a) Service under this rider shall be for at least six (6) years but not more than eight (8) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.

(b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.

(c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

Terms and Conditions

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

(b) Service under this Rider shall not be available where the service is provided solely or predominately for:
   1. Multi-tenant residential or commercial properties
   2. Any service deemed “Temporary”

(c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.

(d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.

(e) This Rider is not available for load shifted between service delivery points within JEA’s service territory.

(f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.

(g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.

(h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a “Collection Accounts Subject to Disconnection”” as defined in JEA Standard Operating Procedure Commercial Credit and Collections.

Original Sheet No. 15.10

EEDP
RIDER EEDP

Enhanced Economic Development Program Rider

Available
To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2025

Applicable
To new or existing Customers whose industry is on the Florida Target Industry list and who have executed an Enhanced Economic Development Program Electric Service Agreement contract with JEA on or after June 27, 2023, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDHLF. New or incremental existing metered demand under this rider must be a minimum of 500 kW and an additional work force of at least 50 full-time employees, or greater than 3,000 kW and an additional work force of at least 15 full-time employees, at a single site of delivery in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after June 27, 2023. JEA reserves the right to accept or not accept any application for the Enhanced Economic Development Program Rider (EEDP).

Character of Service
JEA's standard voltage levels.

Rate per Month
Customers executing an Enhanced Economic Development Program Electric Service Agreement contract on or after June 27, 2023 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5MW Discount	For 5MW or greater Discount*	Less than 5MW Discount in Targeted Areas	For 5MW or greater Discount in Targeted Areas*
Year 1	45%	45%	50%	50%
Year 2	40%	45%	45%	50%
Year 3	35%	45%	40%	50%
Year 4	30%	40%	35%	45%
Year 5	25%	35%	30%	40%
Year 6	20%	30%	25%	35%
Year 7	15%	25%	20%	30%
Year 8	10%	20%	15%	25%
Year 9	5%	15%	10%	20%
Year 10	0%	10%	0%	15%
Year 11	0%	5%	0%	10%
Year 12	0%	0%	0%	0%

*Year 1 can be extended as outlined in General Provisions (g) below

(Continued on Sheet No. 15.11)

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(Continued from Sheet No. 15.10)

Definition of Incremental Metered Demand

The portion of the customer's metered demand which has increased by a minimum of 500 kW as a result of expansion or new construction at a single site of delivery.

Definition of Baseline

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

Definition of Florida's Target Industry

Identified by Enterprise Florida, Inc., JaxUSA and the City of Jacksonville's Office of Economic Development as Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, IT, Financial/Business Services and HQ. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation, are statutorily excluded from consideration.

Definition of Targeted Area

Areas in City's Economically Distressed Areas map and industrial zone properties as defined by the property appraiser's websites in all territory served by JEA.

General Provisions

(a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.

(b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start, and also specify the total number of full-time employees that will be employed in JEA's service territory by the Customer.

(c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 500 kW increase has been met. JEA may monitor the Customers metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 500 kW.

(d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the Applicable Agreement and continues at such level.

(e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Enhanced Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.

(f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Enhanced Economic Development Program Rider Service Agreement contract.

(Continued on Sheet No. 15.12)

(Continued from Sheet No. 15.11)

(g) With acceptable documentation, Customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.

(h) Customer adding service in Targeted Areas (as may be changed from time to time) will receive the discounts according to the schedule shown above.

Term of Service

(a) Service under this rider shall be for at least nine (9) years but not more than eleven (11) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.

(b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.

(c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

Terms and Conditions

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

(b) Service under this Rider shall not be available where the service is provided solely or predominately for:
- Multi-tenant residential or commercial properties
- Any service deemed “Temporary”

(c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.

(d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.

(e) This Rider is not available for load shifted between service delivery points within JEA’s service territory.

(f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.

(g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.

(h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a “Collection Accounts Subject to Disconnection”” as defined in JEA Standard Operating Procedure Commercial Credit and Collections.

First Revised Sheet No. 16.0
Canceling Original Sheet No. 16.0

ES
Revenue Codes ES

RIDER ES

Economic Stimulus Rider (Experimental)

<u>Available</u>
Service is available throughout the service territory served by JEA until such time as JEA may terminate this Economic Stimulus program. This Rider is available to qualifying commercial or industrial customers for service under the applicable JEA Rate Schedule GSLD. Customers desiring to take electric service under this Rider must make a written application for service. Customers requesting service under this Rider must execute a Service Agreement before September 30, 2025.

<u>Applicable</u>
Electric service provided under this optional Rider shall be applicable to projected electric service requirements which JEA has determined that:

1. Customer would not be served by JEA but for this Rider; and
2. Customer qualifies for such service under the terms and conditions set forth within this Rider.
3. Customer would seek service in jurisdiction outside of the State of Florida

Applicable Load shall be recognized:

New Load not previously served by JEA. Applicable Load must be served at a single site and must exceed a minimum level of demand as determined from the following provisions:

New Load: 1,000 kW or more of new Metered Demand.

Any customer receiving service under this Rider must provide the following documentation, the sufficiency of which shall be determined by JEA:

1) Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) attesting to the requirement of this Rider that without the use of this Economic Stimulus Rider the New Load would not be served by JEA; and
2) Documentation demonstrating to JEA's satisfaction that there is a viable lower cost alternative to serve the customer electric service needs.

Each customer shall enter into a Service Agreement contract with JEA to purchase the customer's entire requirements for electric service at the service location set forth in the Service Agreement contract.

<u>Character of Service</u>
This experimental Rider is offered in conjunction with the rates, terms and conditions of the JEA Rate Schedule GSLD.

<u>Limitation of Service</u>
Standby and sale for resale are not permitted under this Rider.

(Continued on Sheet No. 16.01)

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(Continued from Sheet No. 16.0)

Rate per Month
Unless specifically noted in this Rider or within the Service Agreement contract, the charges assessed for electric service shall be those found within the otherwise applicable JEA Rate Schedule GSLD.

Additional Basic Monthly Charge
$250.00 per month

Demand and Energy Charges
The charges under this Rider may include the Demand and/or Energy Charges as set forth in the otherwise applicable Rate Schedule GSLD. The specific charges or procedure for calculating the charges under this Rider shall be set forth in a negotiated Service Agreement contract and shall at a minimum recover all incremental costs JEA incurs in serving the customer and contribute to JEA's fixed costs.

Terms and Conditions
1) Negotiated charges are to be determined by the consistent application of the following factors: (1) customers' load characteristics; (2) alternative power supply; (3) customer credit quality; (4) economic impact; (5) length of term of the Service Agreement; and (6) JEA's excess electric system capacity.

2) Negotiated terms and conditions associated with the Monthly Charges shall be set forth in the Service Agreement contract and may be applied during all or a portion of the term of the Service Agreement contract.

3) Service hereunder shall be subject to the Rules and Regulations of JEA.

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~~Original~~ First Revised Sheet No. 17.0
Canceling Original Sheet No. 17.0

CS
RIDER CS

Curtailable Service Rider (Closed to New Customers)

Available

In all territory served by JEA.

Applicable

To customers eligible for Rate Schedule GSLD who have executed a Curtailable Service Agreement contract with JEA. The customer agrees during a period of requested curtailment to curtail a minimum load of 200 kW. All service hereunder will be rendered through a single metering installation. Resale of energy purchased under this rider is not permitted. JEA reserves the right to limit the total load served under this rider.

Character of Service

JEA's standard voltage levels.

Limitation of Service

Curtailable service under this rate schedule is subject to curtailment during any time period that electric power and energy delivered hereunder from JEA's available generating resources is required to (a) maintain service to JEA's firm power customers and firm power sales commitments, or (b) supply emergency interchange service to another utility for its firm load obligations only, and (c) ~~when the price of power available to JEA from other sources exceeds 30 cents per kWh.~~when JEA operates the peaking generators or purchases power at a cost that exceeds that of operating its peaking generators.

Rate per Month

The following charges are applicable to the curtailable portion of the customer's load only. The kW demand and kWh consumption not exceeding the Contracted Non-Curtailable demand shall be billed according to the terms and conditions of JEA's standard General Service Large Demand Rate Schedule.

Basic Monthly Charge: $ 1,500.00 per month

Demand Interruptible Credit: $5.14 per kW

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

Option A – Single Price with Peaking Price Rolled In:
Demand Charge: $14.41 per kW
~~$9.27 per kW for all kW of Billing Demand.~~
Energy Charge: $0.~~02696~~ 02588 per kWh ~~plus applicable Fuel Charges~~

Option B – Peaking Price Separately Listed
Demand Charge: $14.41 per kW

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~~$9.27 per kW for all kW of Billing Demand.~~
Energy Charge: $0.~~01840~~ 02005 per kWh ~~plus applicable Fuel Charges~~
~~Peaking Price: $0.22700 per kWh plus applicable Fuel Charge~~

(Continued on Sheet No. 17.1)

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~~Original~~First Revised Sheet No. 17.1
Canceling Original Sheet No. 17.1

(Continued from Sheet No. 17.0)

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

Excess Reactive Demand Charge
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill
$1,500.00 Basic Monthly Charge, plus any special charges as defined in the agreement.

Definition of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, as may be adjusted per Sheet No. 23.0.

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

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

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

Definition of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Primary Service Discounts
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all the equipment required to take service at JEA's existing primary lines.

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

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Effective April 1, 2024~~3~~

~~Original~~ First Revised Sheet No. 17.2
Canceling Original Sheet No. 17.2

(Continued from Sheet No. 17.1)

Term of Service

Service under this rider shall be for a minimum initial term of 3 years from the commencement of service. Customers desiring to terminate service under this rate schedule and/or transfer to a firm rate schedule are required to give JEA a minimum of thirty-six (36) months' notice prior to the transfer. For contracts executed prior to December 31, 1997, JEA may waive this notice requirement upon JEA's determination that there is sufficient capacity to provide firm service to the customer and that allowing the customer to receive firm service will have no adverse effect on JEA's availability of providing firm service to JEA's existing and projected firm customers for the early termination period. For contracts executed after December 31, 1997, if the Customer elects to terminate this Agreement by furnishing JEA with less than thirty-six (36) months written notice, Customer shall pay an amount equal to 36 months of GSLD rate demand charges.

If the customer agreed~~s~~ to extend the term of this Agreement contract to five (5) years, JEA ~~will~~ provided the Customer a 2.5% discount on the electric charges calculated by the Curtailable Tariff~~. After completion of two (2) years under the provisions of this Agreement, the Customer may request the Agreement be terminated by providing thirty-six (36) months written notice prior to termination.~~ This legacy discount will be phased out as follows:

Effective Date	(04/01/24)	(04/01/25)
$/kWh	1.25%	0%

~~Customers who have executed a Curtailable Service Agreement contract with JEA prior to the availability of this option are offered the opportunity to accept this option. If the Customer elects this option, the five (5) year extended term begins upon execution of the revised Agreement contract.~~

Terms and Conditions

(a) Service will be made available under this rider upon execution of a Curtailable Service Agreement contract accompanied by payment of deposit or bond as required by JEA.

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

(c) JEA reserves the right to modify terms and conditions of service under this rate schedule at any time. JEA may terminate this rider upon 6 months written notice after having held a public hearing.

(d) If the customer increases the electrical load, which requires JEA to increase facilities installed for the specific use of the customer, an additional term of service may be required under this rate at the discretion of JEA.

(e) Customers taking service under another rate schedule who elect to transfer to this rate will be accepted on a first-come first-served basis. Required equipment to control curtailments will be installed accordingly~~, subject to availability~~. ~~Service under this rate schedule shall commence with the first full billing period following the date of equipment installation.~~

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~~Original~~ First Revised Sheet No. 17.2
Canceling Original Sheet No. 17.2

(Continued on Sheet No. 17.3)

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~~Original~~ First Revised Sheet No. 17.3
Canceling Original Sheet No. 17.3

(Continued from Sheet No. 17.2)

(f) If the maximum 15-minute kW demand established during any period of requested curtailment exceeds the customer's non-curtailable demand, then penalty charges will be assessed. The amount above the non-curtailable demand will be rebilled based on the difference in charges between JEA's GSLD rate and the CS rate for:
1. The prior 12 months or
2. The number of months since the prior curtailment period, or
3. The period of time on the CS rate, whichever is less.

The dollar amount will be weighted by the ratio of the difference between the customer's non-curtailable demand and the maximum demand during the curtailment to the average peak during the appropriate period as specified above. A penalty charge of $15.00 per kW for the current month will also be assessed. JEA's credit and collection policy will be applied for any adjustment made to the bill.

(g) Optional Time of Day billing is not allowed for the Rider CS.

(h) Election of JEA's Curtailable Service Rider will preclude the election of any other JEA Rider for the Curtailable load. ~~Electric charges for the non-firm load, as calculated by the Curtailable Tariff, will be discounted 2.5% for the full term of the Agreement contract.~~

~~(i) A customer electing the commencement of service under this tariff will be able to cancel curtailable service at any time between the period of October 1, 1996, to December 31, 1997 and return to JEA's standard rate schedule. After this initial period, the customer will be required to give JEA three (3) years notice to transfer, as further described in "Term of Service".~~

~~(j)~~(i) JEA and the customer may agree for JEA to provide additional services including related water, sewer and energy services, vary the term of service, with a maximum length of ten (10) years, and modify terms and conditions. As mutually agreeable, negotiated services, terms and conditions shall be set forth in the Curtailable Service Agreement contract.

Buy-Through Provision

Customers served under this schedule may elect to have JEA minimize interruptions as described in "limitation of service" by purchasing power and energy from other sources during periods of normal interruption. Such election must be made in writing to JEA and shall be in effect until 12 months after JEA is notified in writing that the customer no longer desires this optional provision. Should JEA not be able to arrange Buy-Through power, then the customer may, at its option, arrange for reliable delivery to JEA of the amount of power to be interrupted JEA will then sell this purchased power to the customer. The customer must notify JEA of the power provider in sufficient time for JEA to establish a contract with the provider, if none exists. When JEA is successful in making such purchases, the customer will be required to pay JEA's cost of such purchase plus 3 mil per kWh, in lieu of the otherwise applicable energy charge listed in this schedule.

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Effective April 1, 202~~3~~4

~~Original~~ First Revised Sheet No. 18.0
Canceling Original Sheet No. 18.0

IS
Rider IS

Interruptible Service Rider

Available
In all territory served by JEA.

Applicable
To customers eligible for Rate Schedule GSLD GSLD-TOU, or GSXLD-TOU, whose service agreements have an average load factor equal to or exceeding 35%, and who have executed an Interruptible Service Agreement contract with JEA. JEA reserves the right to limit the total load served under this rider. All service hereunder will be rendered through a single metering installation and may be completely interrupted by JEA. Resale of energy purchased under this rider is not permitted.

Character of Service
JEA's standard voltage levels, or higher.

Limitation of Service
Interruptible service under this rider is subject to interruption during any time period that electric power and energy delivered hereunder from JEA's available generating resources is required to (a) maintain service to JEA's firm power customers and firm power sales commitments, or (b) supply emergency Interchange service to another utility for its firm load obligations only, or (c) when JEA operates the peaking generators or purchases power at a cost that exceeds that of operating its peaking generators.~~when the price of power available to JEA from other sources exceeds 30 cents per kWh.~~

Rate per Month
The charge per month shall consist of the total of the basic monthly, demand and energy charge as follows:

Basic Monthly Charge: $ 1,500.00 per month

Demand Interruptible Credit: $5.14 per kW

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

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

Demand Charge: ~~$6.58 per kW for all kW of Billing Demand.~~ As stated in the ~~General Service Large Demand (Sheet No. 7.0)~~applicable rate schedule

~~Demand Interruptible Credit: $5.14 per kW~~

Energy Charge: ~~$0.02764 per kWh plus applicable Fuel Charge~~ As stated in the ~~General Service Large Demand (Sheet No. 7.0~~applicable rate schedule~~)~~

Option B - Peak Price Separately Listed (Closed to New Customers):

Demand Charge: ~~$6.58 per kW for all kW of Billing Demand.~~ As stated in the General Service Large Demand (Sheet No. 7.0)

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~~Demand Interruptible Credit: $5.14 per kW~~

Energy Charge: ~~$0.02138 per kWh~~ As stated in the below table plus applicable Fuel Charge (For GSLD Only)

Effective Date	(04/01/24)	(04/01/25)
$/kWh	$0.02165	As stated in ~~the~~ GSLD (Sheet No. 7.0)

~~Peaking Price: $0.22700 per kWh plus applicable Fuel Charge~~

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

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~~Original~~ First Revised Sheet No. 18.1
Canceling Original Sheet No. 18.1

(Continued from Sheet No. 18.0)

Excess Reactive Demand Charge
As stated in the Excess Reactive Demand (KVAR) policy (Sheet 23.0)

Fuel Charge
As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill
$1,500.00 Basic Monthly Charge, plus any special service charges as defined in the agreement.

Determination of Billing Demand
The Billing Demand for the month shall be the maximum integrated 15-minute metered kW demand in the month, as may be adjusted per sheet No. 23.0.

Definition of Average Load Factor

$$\text{Average Load Factor} = \frac{12\text{ month average consumption (kWh)}}{12\text{ month average demand (kW)}\times 730(\textit{Hours per month})}$$

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

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

Determination of Excess of Reactive Demand
As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Primary Service Discount
A discount of $0.59 per kW of Billing Demand and 0.10 cent per kWh will be allowed for service taken at 4,160 volts or higher, but less than 69,000 volts, when the customer provides all the equipment required to take service at JEA's existing primary lines.

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

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~~Original~~ First Revised Sheet No. 18.2
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(Continued from Sheet No. 18.1)

Terms of Service
Service under this rider shall be for a minimum initial term of 3 years from the commencement of service. Customers desiring to terminate service under this rate schedule and/or transfer to a firm rate schedule are required to give JEA a minimum of thirty-six (36) months notice prior to the transfer. For contracts executed prior to December 31, 1997, JEA may waive this notice requirement upon JEA's determination that there is sufficient capacity to provide firm service to the customer and that allowing the customer to receive firm service will have no adverse effect on JEA's availability of providing firm service to JEA's existing and projected firm customers for the early termination period. For contracts executed after December 31, 1997, if the Customer elects to terminate this Agreement by furnishing JEA with less than thirty-six (36) months written notice, Customer shall pay an amount equal to 36 months of GSLD rate demand charges.

If the customer agreed~~s~~ to extend the term of this Agreement to five (5) years, JEA ~~will~~ provided the Customer a 2.5% discount on the electric charge as calculated by the Interruptible Tariff~~. After completion of two (2) years under the provisions of this option, the Customer may request the Agreement be terminated by providing thirty six (36) months written notice prior to termination. Customers who have executed an Interruptible Service Agreement with JEA prior to the availability of this option are offered the opportunity to accept this option when it is effective. If the Customer elects this option, the five (5) year term of this Agreement commences upon execution of the revised Agreement.~~
This legacy discount will be phased out as follows:

Effective Date	(04/01/24)	(04/01/25)
$/kWh	1.25%	0%

Buy-Through Provision
Customers served under this schedule may elect to have JEA minimize interruptions as described in "limitation of service" by purchasing power and energy from other sources during periods of normal interruption. Such election must be made in writing to JEA and shall be in effect until 12 months after JEA is notified in writing that the customer no longer desires this optional provision. Should JEA not be able to arrange Buy-Through power, then the customer may, at its option, arrange for reliable delivery to JEA of the amount of power to be interrupted. JEA will sell this power to the customer. The customer must notify JEA of the power provider in sufficient time for JEA to establish a contract with the provider, if none exists. When JEA is successful in making such purchases, the customer will be required to pay JEA's cost of such purchase plus 3 mil per kWh, in lieu of the otherwise applicable energy charge listed in this schedule.

Terms and Conditions
(a) Service will be made available under this rate schedule upon the execution of an Interruptible Service Agreement contract accompanied by payment of deposit or bond if required by JEA.

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

(c) JEA reserves the rights to modify terms and conditions of service under this rate schedule at any time and may terminate this schedule upon six (6) months written notice after having held a public hearing.

(d) Customers taking service under another rate schedule who elect to transfer to this rate will be accepted on a first-come first-served basis. Required equipment to control interruptions will be installed accordingly~~, subject to availability~~. Service under this rate schedule shall commence with the first full billing period following the date of equipment installation.

(Continued on Sheet No. 18.3)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024~~3~~

~~Original~~ First Revised Sheet No. 18.3
Canceling Original Sheet No. 18.3

(Continued from Sheet No. 18.2)

(e) JEA reserves the right to interrupt electric service once each calendar year, upon 30 days advance notice ~~or at a mutually agreed upon date and time~~, in order to test the availability and operability of interruptible capacity irrespective of JEA system capacity availability or operating conditions.

~~(f) A customer electing the commencement of service under this tariff will be able to cancel interruptible service at any time between the period of October 1, 1996 to December 31, 1997 and return to JEA's standard rate schedule. After this initial period, the customer will be required to give JEA three (3) years notice to transfer, as further described in "Term of Service"~~

~~(g) Optional Time of Day billing is not allowed with Rider IS.~~

~~(h)~~(f) Election of JEA's Interruptible Service Rider will preclude the election of any other JEA Rider.

(g) JEA and the customer may agree for JEA to provide additional services, including related water, sewer and energy services, vary the term of service, with a maximum total length of ten (10) years, and modify terms and conditions. As mutually agreeable, negotiated services, terms and conditions shall be set forth in the Interruptible Service Agreement contract.

(h) In the event interruption of service is due to Limitation of Service (c), customers will be notified electronically no later than 4:00pm Eastern Time of the time periods which interruption will be in effect for the following day.
~~(i)~~

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024~~3~~

~~Original~~ First Revised Sheet No. 18.3
Canceling Original Sheet No. 18.3

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2024~~3~~

Original Sheet No. 19.0

Solar Smart

JEA SolarSmart Rider

Available

In all territory served by JEA.

Applicable

Available upon request to any customer that meets the following conditions:
(a) No delinquent account balance
(b) Not currently served under a time-of-day rate schedule

Rate per Month

The charge per month shall consist of the basic monthly, demand (where applicable), energy, fuel charges per the applicable rate schedule as modified below:

Fuel Charge: JEA SolarSmart kWh will be billed at the JEA SolarSmart Rate of $0.075 per kWh.

Remaining kWh will be billed at the Levelized Fuel Rate as stated in the Fuel Charge (Sheet No. 20.0).

Definition of JEA SolarSmart kWh: The elected percentage of total kWh per billing period rounded to the nearest kWh.

Terms and Conditions

(a) Customers may elect to receive up to 100% of their energy from JEA solar energy sources.

(b) Customers may enroll at any time but must remain on JEA SolarSmart for at least one (1) billing period after enrollment. A customer may cancel any time thereafter and enroll again at a later date.

(c) No refund or adjustments of JEA SolarSmart charges will be made if service is canceled.

(d) Energy produced from JEA solar energy sources may not be specifically delivered to the customer.

(e) Any Fuel Credit, approved by JEA's Board, will be calculated using the total kWh less JEA SolarSmart kWh in the month a credit is given.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 19.1

Solar Max

JEA SolarMax Rider (Closed to New Customers)

Available

In all territory served by JEA.

Applicable

Available upon request to any customer that enters into a JEA SolarMax Rate Agreement (Agreement) and meets the following conditions:

(a) Minimum 7,000,000 kWh of annual solar power purchases requested at time of Agreement execution
(b) No delinquent account balance
(c) Not taking service under a residential, time of day, or streetlight rate schedule

Rate per Month
Charges per month shall consist of the basic monthly, demand, energy, and fuel charges per the applicable rate schedule as modified below:

Fuel Charge: JEA SolarMax kWh will be billed at the price set forth in the Agreement
Remaining kWh not selected as JEA SolarMax will be billed at the Levelized Fuel Rate as stated in the Fuel Charge (Sheet No. 20.0).

Definition of JEA SolarMax kWh: The elected percentage of total kWh per billing period rounded to the nearest kWh as set forth in the Agreement

Terms and Conditions

(a) Customers may elect to receive up to 100% of their energy from JEA solar energy sources.

(b) Customers may enroll at any time.

(c) New solar installations are subject to JEA's system limitations and operational limits of solar power within JEA's service territory.

(d) Energy produced from JEA solar sources may not be specifically delivered to the customer.

(e) Any Fuel Credit, approved by JEA's Board, will be calculated using the total kWh less the JEA SolarMax kWh in the month a credit is given.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

CHARGES, ENERGY AUDITS, AND POLICIES

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 20.0

Fuel Charge

JEA Pricing Policy determined that the Fuel Charge will be set monthly 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 shall also include recovery of prior positive or negative variances.

The said energy charge stated in each rate schedule for each kilowatt hour billed in accordance with JEA's normal billing cycle shall be increased by the fuel charge per kilowatt hour as indicated on www.jea.com/My_Account/Rates/

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 21.0

RETAIL SERVICE CHARGES

Retail Service Charges

1. A $10.00 service charge will be added to electric bills for the establishment of each initial service connection. Same day service is available at that charge, however, if same day service is requested after twelve noon, the service charge is $25.00.

2. A $14.00 service charge will be added to electric bills for reconnection of services to customers who have been disconnected for non-payment of bills or unauthorized consumption.

3. A $25.00 service charge will be added to electric bills for special order disconnects for services that cannot be disconnected at the meter due to meter inaccessibility, or services that have been cut off for any reason and found to have been restored without JEA authorization.

4. Upon request, JEA will test a customer's meter for accuracy. If the meter does not test within JEA acceptable accuracy range of + or - 2%, JEA will bear the full cost of the test. If the meter tests within JEA acceptable accuracy range, however, the customer will be required to pay for the full cost of the testing. This service charge will be added to the electric bill.

5. In general, JEA will do all necessary construction at no cost to the customer when an extension of an existing line is found to be necessary and the major portion of an anticipated extension will be built on public rights-of-way. Where these guidelines clearly do not apply, JEA shall determine the total cost of standard and non-standard construction required. For standard construction cost, JEA may charge the customer all costs in excess of 30 times the estimated annual nonfuel revenue for Residential accounts; 4 times for non-Residential accounts. For non-standard construction cost, JEA may charge the customer all cost in excess of 3 times the estimated monthly nonfuel revenue for all accounts.

6. JEA will require a contribution-in-aid-of-construction by a developer for underground utilities in an amount not to exceed the difference in costs between an underground system and an equivalent overhead system. JEA's Policy and Procedure for underground distribution should be referenced for further information.

7. Temporary service will not be provided unless the customer has obtained the necessary building/construction permit. For temporary metered electric service, a minimum $75.00 service charge will be assessed. Temporary non-metered service may be available in Duval County only. The Temporary non-metered charge of $200 per service will cover all costs and consumption; consumption will not be metered by JEA. This fee is payable to JEA at the time the permit for construction is obtained.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 22.0

Energy Audits

Upon request JEA will perform the following energy audits:

Standard Residential Audit
An inspection of a customer's residence will be made for free of charge to identify energy consuming equipment and ways to save energy.

Class "A" Computer Assisted Audit
A $15.00 fee will be charged for this analysis. Audit will focus on economic analysis of major conservation opportunities for residential customers. A written report will be provided which will show estimated cost of recommended changes or additions

Commercial Consultation
JEA will conduct mini-surveys free of charge to answer specific energy use questions.

Commercial Energy Audit
A $15.00 fee will be charged for this audit which will include a detailed analysis of energy related factors of building energy efficiencies. The results of the audit will be presented in report form.

Large Demand Audit
A $100.00 fee will be charged for this commercial survey. The audit will only be offered to customers with a demand equal or greater than 1,000 kW. The results of the audit will include information on ways to maintain the comfort and production levels while reducing energy expenditures. The results of the audit will be presented in report form.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

~~Original~~ First Revised Sheet No. 23.0
Canceling First Sheet No. 23.0
~~Sheet No. 23.0~~

KVAR

Excess Reactive Demand (KVAR) Policy

Effective October 1, 2006:

This policy applies to ~~all~~ accounts receiving service under GSD, GSDT, GSLD, GSLDT, GSXLD, IS, CS, and the Multiple Account Rider as applied to any of these rates.

The customer's utilization equipment shall not result in a target power factor (TPF) at the point of delivery of less than ninety percent (90%) lagging at the time of maximum demand. Should this TPF be less than ninety percent (90%) lagging during any month, JEA may adjust the readings taken to determine the Total Demand.

If TPF is less than ninety percent (90%) lagging then the Billing Demand (BD) is calculated using the following formula:

BD = Maximum measured 15-minute demand (kW) X (TPF / PF)

PF = power factor calculated per the following formula

PF = COS(ATAN(kVar/kW)

kVar in the above formula is the kVar measured coincident with the maximum 15-minute kW demand used in the formula. For GSDT, ~~and~~ GSLDT, and GSXLD-TOU the off-peak demand will be used for determining Excess Reactive Demand.

Excess Reactive Demand Charges are the following:

GSD: $8.40 for Excess Reactive Demand

GSDT: $4.93 for Excess Reactive Demand

GSLD: $12.16 for Excess Reactive Demand

GSLDT: $7.13 for Excess Reactive Demand

GSLDHLF: $12.16 for Excess Reactive Demand

ISXLD: $12.16 for Excess Reactive Demand less any applicable Interruptible Demand Credit

GSXLD: $10.06 for Excess Reactive Demand

GSXLD-TOU: $11.14 for Excess Reactive Demand less any applicable Interruptible Demand Credit

CS: $14.41 for Excess Reactive Demand less any applicable Demand Credit

IS: $12.16 for Excess Reactive Demand less any applicable Interruptible Demand Credit

Net Metering

Effective October 1, 2009

Net metering is authorized for residential and commercial customers in accordance with

JEA's Distributed Generation Policy.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~April~~ September 1, 202~~3~~4

~~Original~~ First Revised Sheet No. 23.0
Canceling First Sheet No. 23.0
~~Sheet No. 23.0~~

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~April~~ September 1, 202~~3~~4

TAXES AND FEES

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 24.0

FF

Franchise Fee Adjustment

(Atlantic Beach, Baldwin, Jacksonville, Orange Park & Clay County, FL)

Legal Authority	Rule 25-6.100, Florida Administrative Code, effective May 16, 1983.
Applicable	To any electric service account located in an area that requires JEA to pay a Franchise Fee for providing electric service within that area. The Town of Orange Park, Clay County, the City of Atlantic Beach, and the Town of Baldwin areas are 6% Franchise Fee areas. The City of Jacksonville is a 3% Franchise Fee area.
Rate Per Month	The charge per month shall be a pro-rata share of the total Franchise Fee required by the Franchise area plus taxes associated with the Franchise Fee. The Franchise Fee required by the 6% areas is six (6) percent of the total electric charges. The tax associated with the Franchise Fee is the State of Florida Gross Receipts Tax (2.5% of gross receipts). The Franchise Fee Adjustment for 6% Franchise areas is calculated as follows for collection purposes:

$$\frac{\text{(Franchise Fee)}}{(\text{ 1 - Gross Receipts Tax - Franchise Fee })} =$$

$$\frac{.06}{(1 - .025 - .06)} = \frac{.06}{0.915} =$$

.065574 or 6.5574% of the total electric charges.

The Franchise Fee for residential customers in Jacksonville shall be 3% of the total electric charges. The Franchise Fee for commercial customers in Jacksonville shall be 3% of the total electric charges up to an annualized billing amount of $2,400,000. For collection purposes the Franchise Fee will not be adjusted for gross receipts tax.

Billing	In accordance with Rule 25-6.100, Florida Administrative Code, the Franchise Fee Adjustment amount shall be separately stated on each customer billing.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 25.0

PST

Public Service Tax

Legal Authority
Chapter 792, Ordinance Code, City of Jacksonville, Florida; Section 166.231, Florida Statutes as amended by Senate Bill #1-D of 1978 and as further amended by Senate Bill #28-D of 1982.

Applicable
To any electric service account located within the corporate limits of the City of Jacksonville with the exception of accounts of the United States of America, State of Florida, County of Duval, City of Jacksonville, other City Authorities, and churches used for religious purposes. The Public Service Tax is not applicable to electric service accounts located outside Duval County or within the two urban service districts of Atlantic Beach and Baldwin, and to sales for resale.

Rate per Month
The charge per month shall be 10% of the taxable portion of Base Revenue

Determination of Taxable Base Revenues
Taxable Base Revenue shall be the total electric service charges as determined by the applicable rate schedule plus the Gross Receipts Tax plus Franchise Fee less the energy charges for non-taxable fuel cost component within the base rate.

Collection of Taxes for Others
JEA collects a public service tax on any electric service accounts it serves in the Atlantic Beach, Orange Park and Baldwin urban service districts and unincorporated Clay County. This public service tax is collected on behalf of, and remitted to, the Cities of Atlantic Beach, Orange Park, Baldwin and Clay County, respectively. Currently, the monthly public service tax is 5% for Atlantic Beach, 10% for Baldwin and Orange Park, and 4% on usage above 500 kWh for Clay County of the taxable portion of base residential revenues.

Determination of Taxable Fuel Revenues
Currently the taxable fuel component within the fuel rate is 0.511 cents per kilowatt hour consumption for all rate schedules. The table below displays the off-peak and on-peak taxable fuel component for time-of-use (TOU) rates that corresponds to each service type.

Service Type	Off-Peak TOU	On-Peak TOU
Residential	N/A	N/A
General Service	0.496 cents per kWh	0.545 cents per kWh
General Service Demand	0.496 cents per kWh	0.547 cents per kWh
General Service Large Demand	0.497 cents per kWh	0.547 cents per kWh

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 26.0

GRT

Gross Receipts Tax (Non-Franchise Area)

Legal Authority	Chapter 203, Florida Statutes.
Applicable	To any electric service account in a non-franchise area with the exception of sales for resale and accounts serving the City of Jacksonville, Jacksonville Port Authority and Jacksonville Transportation Authority.
Rate Per Month	The Gross Receipts Tax will be as follows:

$$\frac{\text{(Gross Receipts Tax)}}{\text{(1 - Gross Receipts Tax)}} =$$

$$\frac{.025}{(1 - .025)} = \frac{.025}{0.975} =$$

.025641 or 2.5641% of the total electric charges.

Billing	In accordance with Chapter 203, Florida Statutes, the Gross Receipts Tax shall be separately stated on each customer billing.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 27.0

GRT

GROSS RECEIPTS TAX
(FRANCHISE AREAS - Atlantic Beach, Baldwin, Orange Park & Clay County, FL)

Legal Authority — Chapter 203, Florida Statutes.

Applicable — To any electric service account in a 6% franchise area with the exception of sales for resale.

Rate Per Month — The Gross Receipts Tax is calculated as follows for collection purposes:

$$\frac{\text{(Gross Receipts Tax)}}{\text{(1 - Gross Receipts Tax - Franchise Fee)}} =$$

$$\frac{.025}{(1 - .025 - .06)} = \frac{.025}{0.915} =$$

.027322 or 2.7322% of the total electric charges.

Billing — In accordance with Chapter 203, Florida Statutes, the Gross Receipts Tax shall be separately stated on each customer billing.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

DISCLAIMER

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 28.0

Disclaimer

JEA will use reasonable diligence at all times to provide continuous service at the agreed nominal voltage, and JEA shall not be liable to the customer for complete or partial failure or interruption of service, or for fluctuation in voltage, resulting from causes beyond its control, or through the ordinary negligence of its employees, servants, or agents, nor shall JEA be liable for the direct or indirect consequences of interruptions or curtailments made in accordance with the provisions of JEA's rate schedules for interruptible, curtailable, and load management service. JEA shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigation, shutdowns or repairs or adjustments, interference by federal, state, municipal governments, acts of God, or other causes beyond JEA's control.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

CONTRACTS AND AGREEMENTS

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 29.0

Electrical Power Contracts and Agreements

Party	Expiration Date
Anheuser-Busch, Inc, - Cogeneration	August 4, 1987*
AT&T – Pole Attachments	December 1, 2013*
Stone Container Corporation (Westrock)	October 10, 1996*
Navy Utilities Contract	July 8, 1996*
Baptist Medical Center - Cogeneration	April 19, 1986*
City of Jacksonville Beach, FL – Backup electric service	June 1, 1988*
Ring Power Corporation – Landfill Cogeneration	July 7, 1989*
IKEA	May 17, 2023

*Contracts with self-renewing clauses

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 30.0

JEA SolarMax Rate Agreement

In accordance with the following terms and conditions, ________________________________ (hereinafter called the Customer), requests on this _________day of__________, _________from JEA, solar power purchases from ____________________________________ installation located in _________________, Florida.

(a) Customer agrees to one of the following terms for solar energy purchases
   a. _______ 5 years
   b. _______ 10 years
   c.

(b) Percent of total monthly energy elected to come from JEA Solar Sources _________ %.

(c) Price in ¢/kWh for elected JEA SolarMax kWh for the term of the Agreement:

Year	1	2	3	4	5	6	7	8	9	10
PPA Price										
Administrative Cost Recovery										
Total ¢/kWh										

JEA Agrees:

1. To provide kWh identified above, in accordance with the terms of JEA's currently effective JEA SolarMax Rider on file at the Florida Public Service Commission (FPSC) or any successive JEA SolarMax Rider approved by the FPSC.

The Customer Agrees:

1. To be responsible for paying, when due, all bills rendered by JEA pursuant to JEA's currently effective JEA SolarMax Rider on file at the FPSC or any successive JEA SolarMax Rider approved by the FPSC, for service provided in accordance with this Agreement.

It Is Mutually Agreed That:

1. This Agreement shall be for a term as selected above from the date of initiation of service. The date of initiation of service shall be the latter of the first day of the Customer billing period following the commercial operating date of the installation, or the date of this Agreement.
2. JEA shall assign to the Customer all Renewable Energy Credits associated with the JEA SolarMax kWh purchased by the Customer and are thereby the possession of the Customer.
3. This Agreement shall be transferable to facilities with a similar load owned or leased by the Customer upon (90) ninety days advance written notice to JEA.
4. The Customer's ability to continue receiving the JEA SolarMax Rider terminates upon the termination of this Agreement.

(Continued on Sheet No. 30.1)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Original Sheet No. 30.1

(Continued from Sheet No. 30.0)

5. This Agreement shall inure to the benefit of, and be binding upon the successors and assigns of the Customer and JEA.
6. This Agreement is subject to JEA's Electric Tariff Documentation, as now written, or as may be hereafter revised, amended or supplemented. In the event of any conflict between the terms of this Agreement and the provisions of the JEA Electric Tariff Documentation, the provisions of the Electric Tariff Documentation shall control, as now written, or as may be hereafter revised, amended or supplemented.

IN WITNESS WHEREOF, the parties hereby caused this Agreement to be executed by their duty authorized representatives to be effective as of the day and year first written above.

Rates and Terms Accepted:

	JEA
______________________	______________________
Customer (print or type name of Organization)	
______________________	______________________
Signature (Authorized Representative)	(Signature)
______________________	______________________
(Print or type name)	(Print or type name)
Title:	Title:

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

Building Community

FY23
CEO Evaluation
Overview & Timeline

Annual CEO Evaluation Criteria Overview & Timeline

✓ **BEGINNING NOVEMBER 7**

Board Members Complete Online Evaluation
Board Members will receive:
- Evaluation Criteria
- FY23 Performance Scorecard
- CEO Self-Evaluation

Completion Date: December 15

✓ **DECEMBER 21**

Board Chair and Chief Human Resources Officer met to review evaluation and feedback with CEO

JANUARY 30

January Board Meeting
- Board Chair will provide overview of FY23 CEO Evaluation Process

In accordance with the JEA Board Policy Manual, "The Board shall conduct an annual JEA CEO evaluation."

JEA

Building Community

FY23 Annual Board Self-Assessment Results

FY23 Annual Board Self-Assessment Results

1

The Board understands and supports JEA's mission, vision, and strategic focus areas and engages in strategic planning

Average Response: 5.0 (Strongly Agree)

Very satisfied with the board's active involvement with strategic planning.

This is a strong board that knows how to govern. Great leadership from Bobby.

Jay and his team have come a long way in a short period of time relative to Strategic Planning. The IRP was a great example of something that was long overdue. I look forward to the board's engagement in the upcoming strategic planning process.

2

The Board understands and adheres to the Article 21 – Charter, JEA By-Laws, JEA Board Policy Manual, City of Jacksonville Ethics Code, and applicable Florida Statues and City Ordinances

Average Response: 5.0 (Strongly Agree)

I have observed nothing but total adherence.

We all get these when we are on-boarded. Might be a good idea to automatically refresh and ask for signature.

In accordance with the JEA Board Policy Manual, "The Board shall conduct an annual JEA Board Self-Assessment."

FY23 Annual Board Self-Assessment Results

3

The Board has a strong working relationship with the CEO

Average Response: 5.0 (Strongly Agree)

There is superb communication between board members and Jay, as well as the executive leadership team.

Jay is a great leader.

Communication of late has been fragmented and inconsistent. Specific examples: I wish I had known about the Leadership reorg before I read it in an email. I wish I had been fully briefed on what was happening with SJRPP. I believe that some members had more information than others.

4

As a Board member, I feel I have the knowledge needed to tackle the important issues and to provide proper oversight for JEA

Average Response: 5.0 (Strongly Agree)

The executive leadership team and the extended leadership team are great at keeping the Board of Directors abreast of key issues and addressing our concerns.

I feel that my knowledge helps provide oversight. I can assure you my knowledge wouldn't run a utility.

I am concerned that we are eliminating all committees. We are going from too many to too few.

FY23 Annual Board Self-Assessment Results

5

Board members are well prepared for the meetings and spend adequate time engaged in discussion and providing direction to staff

Average Response: 5.0 (Strongly Agree)

I understand why we gave up on the committee structure but I worry that we are losing time to work things out before they hit the agenda. I think we need to be prepared to use the entire agenda time going forward and/or set more meetings (vs the reduced schedule we have now). I also am concerned that there were items of importance to committees that are going to get lost in this transition (ex: should ethics report to the HRO?)

I agree if we return to some committee meetings, for items like finance, audit, and governance.

6

The Board is focused on being proactive rather than reactive and is primarily focused on the future rather than past or present

Average Response: 5.0 (Strongly Agree)

I estimate 75% of the Board of Director’s attention is focused on future issues; and that is a testimony to the confidence we have in the JEA team for day-to-day operations.

This is true, largely because of Jay and Bobby's leadership.

I certainly am trying!

FY23 Annual Board Self-Assessment Results

The Board is regularly updated and addresses JEA's performance of key measures aligned to JEA's strategy as outlined in JEA's corporate scorecard. **Average Response: 5.0** **(Strongly Agree)**	7 Very satisfied with frequency of updates and continuous improvement associated with the scorecard. This is a regular agenda item.
In what areas is the Board most effective?	8 Corporate governance and making sure we stay true to our mission Scrutinizing authorities, attention to details reference debt management and capital spending, and asking the hard questions. This is a strong board that allows Jay to hire his staff and run the business. This Board doesn't mind stepping in when there is perceived disagreement, and that makes the Board/Staff relationship strong and transparent. The Board tries to represent all of our rate payers, associates and constituents. That's hard to do with a small group but I believe that we do it well. We use our voices and I think that will be more apparent as we move away from committee structure. Most of the stuff that needs to be "hashed out" used to happen in committees. The direction of the JEA, and not the day-to-day management

FY23 Annual Board Self-Assessment Results

Are there areas where the Board can improve?

9

Not aware of anything we can improve on to make a difference.

In person attendance.

We don't have 100% in person attendance, and while Zoom keeps us all together, it is not sufficent under Florida law and gives us a black eye (especially when we don't have a quorum).

Attendance at meetings for some members

Financial Statements, Supplementary Information, and Bond Compliance Information

JEA

Years Ended September 30, 2023 and 2022
With Report of Independent Auditors

Ernst & Young LLP

Building a better working world

JEA

Financial Statements, Supplementary Information, and Bond Compliance Information

Years Ended September 30, 2023 and 2022

Contents

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Report of Independent Auditors

The Board of Directors
JEA
Jacksonville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activity of JEA, a component unit of the City of Jacksonville, as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise JEA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activity of JEA at September 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of JEA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about JEA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of JEA's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about JEA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Building a better working world

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of JEA's Proportionate Share of the Net Pension Liability and Schedule of JEA Contributions, SJRPP Pension Plan – Schedule of Changes in Net Pension Liability and Related Ratios, SJRPP Pension Plan – Investment Returns and Schedule of Contributions, OPEB Plan – Schedule of Changes in Net OPEB Liability and Related Ratios and OPEB Plan – Investment Returns and Schedule of Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise JEA's basic financial statements. The combining statements of net position, revenues, expenses and changes in net position and cash flows and Schedules of Debt Service Coverage as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of net position, revenues, expenses and changes in net position and cash flows, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report December 21, 2023, on our consideration of JEA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JEA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JEA's internal control over financial reporting and compliance.

Ernst + Young LLP

December 21, 2023

Management's Discussion and Analysis

Introduction

JEA is a municipal utility operating in Jacksonville, Florida (Duval County) and parts of three adjacent counties. The operation is composed of three enterprise funds – Electric Enterprise, Water and Sewer, and District Energy System (DES). Electric Enterprise is comprised of the JEA Electric System, Bulk Power Supply System (Scherer), and St. Johns River Power Park System (SJRPP). Electric Enterprise, Water and Sewer, and DES funds are presented on a combined basis in the accompanying statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows.

Overview of the Combined Financial Statements

This discussion and analysis serves as an introduction to JEA's basic financial statements. The information presented here should be read in conjunction with the financial statements and accompanying notes.

The basic financial statements are presented on a comparative basis for the fiscal years ended September 30, 2023 and 2022. The statements of net position present JEA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual reported as net position. Revenue and expense information is presented in the accompanying statements of revenues, expenses, and changes in net position. The accompanying statements of cash flows present JEA's sources and uses of cash and cash equivalents and are presented using the direct method. This method provides broad categories of cash receipts and cash disbursements pertaining to cash provided by or used in operations, investing, and financing activities.

The fiduciary financial statements are presented on a comparative basis for the fiscal years ended September 30, 2023 and 2022. The statements of fiduciary net position present the SJRPP pension trust fund's assets and liabilities, with the residual reported as fiduciary net position. Additions and deductions information is presented in the accompanying statements of changes in fiduciary net position.

The notes to the financial statements are an integral part of JEA's basic and fiduciary financial statements and contain information on accounting principles and additional information on certain components of these statements.

Management's Discussion and Analysis (continued)

The following tables summarize the financial condition and operations of JEA for the 2023 and 2022 fiscal years:

Condensed Statements of Net Position

	2023	2022	2021
	(In millions)		
Assets and deferred outflows of resources			
Current assets	**$ 844**	$ 734	$ 696
Other noncurrent assets	**1,384**	1,725	1,688
Net capital assets	**5,889**	5,464	5,477
Deferred outflows of resources	**455**	306	421
Total assets and deferred outflows of resources	**$ 8,572**	$ 8,229	$ 8,282
Liabilities and deferred inflows of resources			
Current liabilities	**$ 244**	$ 267	$ 205
Current liabilities payable from restricted assets	**280**	218	221
Net pension liability	**959**	646	730
Other noncurrent liabilities	**222**	96	91
Long-term debt	**2,873**	2,870	3,232
Deferred inflows of resources	**433**	547	336
Net position			
Net investment in capital assets	**3,043**	2,831	2,696
Restricted	**229**	424	431
Unrestricted	**289**	330	340
Total liabilities, deferred inflows of resources, and net position	**$ 8,572**	$ 8,229	$ 8,282

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2023	2022	2021
	(In millions)		
Operating revenue	**$ 1,845**	$ 2,030	$ 1,768
Operating expense	**(1,789)**	(1,851)	(1,356)
Operating income	**56**	179	412
Nonoperating expense, net	**(33)**	(75)	(89)
Contributions	**(58)**	(86)	(80)
Special Item	**11**	100	–
Change in net position	**(24)**	118	243
Net position – beginning of the year	**3,585**	3,467	3,224
Net position – end of the year	**$ 3,561**	$ 3,585	$ 3,467

Management's Discussion and Analysis (continued)

Financial Analysis of JEA for fiscal years 2023 and 2022

2023 Compared to 2022

Electric Enterprise

Operating Revenues

Total operating revenues decreased approximately $211 million (-13.7%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)		
September 2022 operating revenues	**$**	**1,535**
Stabilization funds		(177)
Territorial sales		(31)
Other		(3)
September 2023 operating revenues	**$**	**1,324**

Stabilization fund revenues decreased $177 million due to increases in contributions to the purchased power stabilization fund. Territorial sales revenues decreased $31 million, due primarily to a $27 million decrease in fuel revenues resulting from a decrease in fuel costs.

Operating Expenses

Total operating expenses decreased approximately $119 million (8.1%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)		
September 2022 operating expenses	**$**	**1,470**
Depreciation		(99)
Fuel		(50)
Recognition of deferred costs and revenues, net		(48)
Purchased power		(11)
Maintenance and other operating expense		89
September 2023 operating expenses	**$**	**1,351**

Depreciation expense decreased $99 million (30.4%) largely due to the Plant Scherer shutdown in 2022. Fuel expense decreased $50 million (10.2%) primarily due to decreased fuel costs. Recognition of deferred costs and revenues, net decreased $48 million (63.4.0%) driven by the Plant Scherer shutdown in 2022.

Purchased power expense decreased $11 million (4.0%) driven by a $34 million decrease in FPL purchased power, slightly offset by a $20 million increase in MEAG power purchase agreement debt service due to Plant Vogtle, Unit 3, going in service July 31, 2023 (see footnote 10, fuel and purchase power commitments for additional details).

Management's Discussion and Analysis (continued)

Maintenance and other operating expenses increased $89 million (39.5%) as a result of $45 million in higher maintenance costs, primarily due to SJRPP decommissioning expenses and a change in estimate for environmental liability; $16 million due to company-wide payroll market adjustments; $22 million due to the cancellation of the C2M conversion project; and $6 million in higher legal and other professional services.

As commodity prices fluctuate, the mix between generation and purchased power shifts, with JEA taking advantage of the most economical source of power. JEA's power supply mix is detailed below.

	2023	2022
Natural gas	58%	58%
Purchased power	30%	29%
Coal	3%	6%
Petroleum coke	9%	7%
Total	100%	100%

Water and Sewer Enterprise

Operating Revenues

Total operating revenues increased approximately $28 million (5.6%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)		
September 2022 operating revenues	**$**	**510**
Stabilization funds		22
Sewer		5
Water		4
Bad debt		(3)
September 2023 operating revenues	**$**	**538**

Stabilization fund revenues increased $22 million primarily due to current year withdrawals from the environmental stabilization fund. Sewer revenues increased $5 million driven by higher consumption as a result of a 2.7% increase in customers. Water revenues increased $4 million driven by higher consumption as a result of a 2.2% increase in customers. Bad debt expense increased $3 million.

Operating Expenses

Operating expenses increased approximately $62 million (15.6%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)		
September 2022 operating expenses	**$**	**396**
Maintenance and other operating expenses		36
Depreciation		30
Recognition of deferred costs and revenues, net		(4)
September 2023 operating expenses	**$**	**458**

Management's Discussion and Analysis (continued)

Maintenance and other operating expenses increased $36 million (18.4%) due to increases of $19 million in compensation and benefits, $13 million in overhead, $6 million in maintenance expenses, and $3 million in professional services. This increase is slightly offset by a decrease of $5 million in interlocal payments.

Depreciation expense increased $30 million (17.3%) due to a higher depreciable base. Recognition of deferred costs and revenues, net decreased $4 million (25.9%) due to lower capital expenses recovered through the rate stabilization fund.

District Energy System

Operating revenues increased $4 million (41.96%) over prior year due to higher consumption, an increase in the adjustable fuel rate, and introduction of the new rate structure effective October 1, 2022. Operating expenses increased from $8 million in 2022 to $9 million in 2023.

Nonoperating Revenues and Expenses

Total nonoperating expenses, net decreased approximately $42 million (55.9%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2022 nonoperating revenues and expenses, net	**$**	**(75)**
Increase in investment fair market value		20
Increase in realized investment income		18
Increase in allowance for funds used during construction		12
Decrease in interest on debt		6
Decrease in The Energy Authority earnings		(7)
Increase in other interest, net		(7)
September 2023 nonoperating revenues and expenses, net	**$**	**(33)**

2022 Compared to 2021

Electric Enterprise

Operating Revenues

Total operating revenues increased approximately $226 million (17.3%) compared to fiscal year 2021. Territorial sales revenues increased $290 million, comprised of a $239 million increase in fuel revenues and a $51 million increase in base revenues. The increase in fuel revenues was due to an increase in fuel costs. The increase in base revenues was driven by higher consumption as a result of a 1.9% increase in customers. Other operating revenue decreased by $1 million due to a decrease in late fees, which were temporarily suspended during fiscal year 2022. Stabilization fund revenues decreased due to increases in contributions to the purchased power stabilization fund, which were partially offset by fuel stabilization fund withdrawals.

Management's Discussion and Analysis (continued)

Operating Expenses

Total operating expenses increased approximately $459 million (45.5%), compared to fiscal year 2021. Purchased power expense increased $173 million (155.1%) driven by an $50 million increase in purchased power unit cost, a $121 million increase in MWh purchased (1,791,636 MWh, 92.4%), and a $2 million increase in MEAG power purchase agreement debt service. Fuel expense increased $124 million (34.0%) due to increased generation costs of $193 million and a $69 million decrease from lower MWh generated (1,561,258 MWh, 14.5%). Depreciation expense increased $106 million (48.8%) largely due to the Plant Scherer shutdown.

Recognition of deferred costs and revenues, net increased $55 million (264.0%) driven by the Plant Scherer shutdown. State utility and franchise taxes increased $12 million (20.8%), as a result of higher taxable revenues. Maintenance and other operating expenses decreased $11 million (4.7%) as a result of $28 million lower maintenance costs, primarily due to SJRPP, partially offset by $12 million in higher compensation and benefits, primarily due to fiscal year 2022 SJRPP pension contributions, $4 million in higher legal and other professional services, and $1 million in higher overhead.

As commodity prices fluctuate, the mix between generation and purchased power shifts, with JEA taking advantage of the most economical source of power. JEA's power supply mix is detailed below.

	FY 2022	FY 2021
Natural gas	**58%**	62%
Purchases	**29%**	15%
Coal	**6%**	15%
Petroleum coke	**7%**	8%
Total	**100%**	100%

Water and Sewer Enterprise

Operating Revenues

Total operating revenues increased approximately $38 million (8.2%) compared to fiscal year 2021. Stabilization fund revenues increased $11 million primarily due to fiscal year 2022 withdrawals from the environmental stabilization fund. Water revenues increased $9 million driven by higher consumption as a result of a 2.8% increase in customers. Sewer revenues increased $8 million driven by higher consumption as a result of a 3.3% increase in customers. Reuse revenues increased $4 million driven by higher consumption as a result of a 14.9% increase in customers. Other operating revenue increased $6 million due to higher miscellaneous service revenues.

Operating Expenses

Operating expenses increased $38 million (10.7%), compared to fiscal year 2021. Maintenance and other operating expenses increased $29 million (17.7%) due to a $7 million increase in interlocal payments, $7 million in higher compensation and benefits, $7 million in higher overhead, a $6 million increase in maintenance expenses, and $2 million in higher professional services. Recognition of deferred costs and revenues, net increased $6 million (63.4%) due to higher environmental expenditures. Depreciation expense increased $2 million (1.3%) due to a higher depreciable base. Franchise taxes increased $1 million (3.7%), as a result of higher taxable revenues.

Management's Discussion and Analysis (continued)

District Energy System

Operating revenues and expenses remained relatively flat when compared to fiscal year 2021 comparable period at approximately $9 million and $8 million, respectively.

Nonoperating Revenues and Expenses

Total nonoperating expenses, net decreased $14 million (15.7%) over fiscal year 2021. The drivers of the changes are detailed below.

(Dollars in millions)		
September 2021 nonoperating revenues and expenses, net	**$**	**(89)**
Increase in The Energy Authority earnings		14
Decrease in investment fair market value		(13)
Decrease in interest on debt		6
Increase in allowance for funds used during construction		5
Increase in realized investment income		1
Increase in other		1
September 2022 nonoperating revenues and expenses, net	**$**	**(75)**

Capital Assets and Debt Administration for Fiscal Years 2023 and 2022

Capital Assets

JEA's total investment in capital assets and capital expenditures are detailed below.

	Total Investment				**Additions**			
(Dollars in millions)	**September 30, 2023**		**September 30, 2022**		**FY 2023**		**FY 2022**	
Electric Enterprise	$	2,593	$	2,480	$	245	$	187
Water and Sewer Enterprise		3,253		2,947		484		289
District Energy System		43		37		9		5
Total	$	5,889	$	5,464	$	738	$	481

Under the utility basis methodology for rate setting, the depreciation of contributed assets is not included in rates charged to customers, because it has already been recovered with the contribution. In accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the contributed assets will be expensed in capital contributions as a reduction of plant cost through contributions. During fiscal year 2023, $8 million of contributed capital related to the Electric System and $104 million related to Water and Sewer System was recorded as a reduction of plant cost through contributions. During fiscal year 2022, $5 million of contributed capital related to the Electric System and $69 million related to Water and Sewer System was recorded as a reduction of plant cost through contributions.

JEA has ongoing capital improvement programs for the Electric Enterprise Fund and the Water and Sewer Fund. The capital programs consist of: (a) the Electric Enterprise Fund capital requirements for improvements to existing generating facilities that are determined to be necessary as a result of JEA's annual resource planning process; (b) the Electric Enterprise Fund capital requirements for transmission and distribution facilities and other capital items; and (c) the Water and Sewer Fund capital requirements that are determined to be necessary as a result of the annual resource planning process. The cost of

Management's Discussion and Analysis (continued)

the capital improvement program is planned to be primarily provided from revenues generated from operations, existing construction fund balances, and a potential issuance of new debt in the Water and Sewer Fund.

Debt Administration

Debt outstanding at September 30, 2023 was $2,795 million, an increase of approximately $61 million from the prior fiscal year. This increase was due to revolving credit agreement advances of $135 million less scheduled principal payments of $74 million.

Debt outstanding at September 30, 2022 was $2,734 million, a decrease of approximately $266 million from the prior fiscal year. This decrease was due to defeasance of principal of $177 million and scheduled principal payments of $92 million, partially offset by $3 million in revolving credit agreement advances.

JEA's debt ratings on its long-term debt per Standard & Poor's and Moody's remained unchanged from fiscal year 2022. On June 6, 2023, Fitch upgraded its ratings with respect to the Bonds of JEA as follows:

- With respect to Water and Sewer Revenue Bonds, Senior and Subordinate Liens, the long-term ratings each were raised to AA+ from AA, and

- With respect to District Energy System Revenue Bonds, the long-term ratings were raised to AA+ from AA.

JEA's outlooks on its long-term debt per Moody's remained unchanged from fiscal year 2022. On June 6, 2023, Fitch revised JEA's water utility system and District Energy System rating outlooks to stable from positive. On August 9, 2023, Standard & Poor's revised JEA's electric utility system, including St. Johns River Power Park System and Bulk Power Supply System, rating outlooks to stable from negative. All ratings and outlooks as of September 30, 2023 are detailed below.

	Moody's		Standard & Poor's		Fitch	
	Rating	**Outlook**	**Rating**	**Outlook**	**Rating**	**Outlook**
JEA Electric System						
Senior	A1	stable	A+	stable	AA	stable
Subordinated	A2	stable	A	stable	AA	stable
Scherer	A1	stable	A+	stable	AA	stable
SJRPP	A1	stable	A+	stable	AA	stable
W&S						
Senior	Aa2	stable	AA+	stable	AA+	stable
Subordinated	Aa2	stable	AA	stable	AA+	stable
DES	Aa3	stable	AA	stable	AA+	stable

All ratings and outlooks as of September 30, 2022 are detailed below.

	Moody's		Standard & Poor's		Fitch	
	Rating	**Outlook**	**Rating**	**Outlook**	**Rating**	**Outlook**
JEA Electric System						
Senior	A1	stable	A+	negative	AA	stable
Subordinated	A2	stable	A	negative	AA	stable
Scherer	A1	stable	A+	negative	AA	stable
SJRPP	A1	stable	A+	negative	AA	stable
W&S						
Senior	Aa2	stable	AA+	stable	AA	positive
Subordinated	Aa2	stable	AA	stable	AA	positive
DES	Aa3	stable	AA	stable	AA	positive

Management's Discussion and Analysis (continued)

Currently Known Facts Expected to have a Significant Effect on Financial Position and/or Changes in Operations

Setting of Rates

The setting of rates is the responsibility of the Board. Base rate changes are implemented after a public rate hearing and Board approval. Fuel rate changes are implemented monthly and do not require a public rate hearing or Board approval. At the October 2021 meeting, the Board approved a revision to the pricing policy that stated the fuel rate (fuel charge) will be set monthly by the CEO/Manager Director or designee. The fuel charge is based on the energy cost projection for the billing month to fully recover all expected fuel and purchased power energy-related costs. Fuel charge variances and true-ups are typically recovered in the subsequent billing month, except for certain circumstances which may extend over a period of time. At the February 2023 meeting, the Board approved the following Base Rate changes, effective April 1, 2023:

- Modification of the Electric and Water/Sewer Tariff Documentation:
  - to increase customer charge for electric customers,
  - to decrease the energy rate for electric customers,
  - to extend terms of certain Economic Development Riders, and
  - to remove separate environmental and conservation charges for all electric and water customers while rolling those charges into energy and/or consumption rates

JEA has an ongoing plan to review, update and, where possible, expand its rate options to provide customers more rate choices for their utility services.

SJRPP Pension Trust Fund for Fiscal Years 2023 and 2022

The Statements of Fiduciary Net Position present information on all of the SJRPP Pension Trust Fund's assets and liabilities with the difference between these two amounts being reported as fiduciary net position available for benefits. Assets and liabilities are segregated based on their nature and liquidity. The Statements of Changes in Fiduciary Net Position present the current year additions and deductions from the fiduciary net position during the fiscal year.

	2023	2022	2021
		(in thousands)	
Condensed Statement of Fiduciary Net Position			
Total assets	$ 160,730	$ 156,148	$ 190,477
Total liabilities	124	505	383
Fiduciary net position available for benefits	$ 160,606	$ 155,643	$ 190,094
Condensed Statement of Changes in Fiduciary Net Position			
Total contributions	$ 14	$ 6,912	$ 15
Net investment earnings (losses)	17,835	(27,684)	33,731
Total additions (losses) to fiduciary net position	17,849	(20,772)	33,746
Total deductions from fiduciary net position	12,886	13,679	13,634
Net change in fiduciary net position	$ 4,963	$ (34,451)	$ 20,112

Management's Discussion and Analysis (continued)

2023 compared to 2022

Total assets increased due to an increase in investment values as a result of market conditions. Total liabilities decreased due to timing of broker settlements regarding investment sales and purchases.

Total contributions decreased as employer contributions were made during fiscal year 2022 compared to no employer contributions during fiscal year 2023. A net investment gain during fiscal year 2023 was due to the improvement in market performance as compared to the prior year.

2022 compared to 2021

Total assets decreased due to a decrease in investment values as a result of market conditions. Total liabilities increased due to timing of broker settlements regarding investment sales and purchases.

Total contributions increased as contributions were made during fiscal year 2022 compared to no employer contributions during fiscal year 2021. A net investment loss during fiscal year 2022 was due to a decline in market performance as compared to the prior year.

Requests for Information

The financial report is designed to provide a general overview of JEA's finances for all those with an interest in JEA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Controller, JEA, 225 North Pearl Street, Jacksonville, Florida, 32202.

Audited Financial Statements

JEA

Statements of Net Position
(In Thousands)

	September 2023	September 2022
Assets		
Current assets:		
Cash and cash equivalents	**$ 278,483**	$ 245,337
Investments	**106,701**	278
Customer accounts receivable, net of allowance ($2,242 for 2023 and $679 for 2022)	**252,861**	314,362
Inventories:		
Materials and supplies	**103,057**	67,064
Fuel	**56,131**	52,483
Prepaid assets	**23,847**	31,774
Other current assets	**22,476**	22,987
Total current assets	**843,556**	734,285
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	**100,129**	275,353
Investments	**288,132**	306,650
Other restricted assets	**991**	215
Total restricted assets	**389,252**	582,218
Costs to be recovered from future revenues	**865,083**	814,161
Hedging derivative instruments	**93,219**	267,807
Other assets	**36,070**	60,137
Total noncurrent assets	**1,383,624**	1,724,323
Net capital assets	**5,888,960**	5,464,497
Total assets	**8,116,140**	7,923,105
Deferred outflows of resources		
Unrealized pension contributions and losses	**290,610**	131,651
Unamortized deferred losses on refundings	**73,433**	80,372
Unrealized asset retirement obligation	**36,276**	42,931
Accumulated decrease in fair value of hedging derivatives	**39,157**	39,582
Unrealized OPEB contributions and losses	**15,943**	11,029
Total deferred outflows of resources	**455,419**	305,565
Total assets and deferred outflows of resources	**$ 8,571,559**	$ 8,228,670

See accompanying notes to financial statements.

JEA

Statements of Net Position (continued)
(In Thousands)

	September 2023	September 2022
Liabilities		
Current liabilities:		
Accounts and accrued expense payable	**$ 100,645**	$ 117,105
Customer deposits and prepayments	**85,651**	89,690
Billings on behalf of state and local governments	**28,535**	33,764
Compensation and benefits payable	**16,237**	14,306
City of Jacksonville payable	**10,366**	10,245
Asset retirement obligation	**2,623**	2,254
Total current liabilities	**244,057**	267,364
Current liabilities payable from restricted assets:		
Construction contracts and accounts payable	**137,793**	90,627
Debt due within one year	**89,375**	74,070
Interest payable	**48,304**	48,950
Renewal and replacement reserve	**4,581**	4,252
Total current liabilities payable from restricted assets	**280,053**	217,899
Noncurrent liabilities:		
Long-term debt:		
Debt payable, less current portion	**2,705,510**	2,659,885
Unamortized premium, net	**149,503**	171,753
Fair value of debt management strategy instruments	**18,368**	38,231
Total long-term debt	**2,873,381**	2,869,869
Net pension liability	**958,534**	646,112
Lease liability	**89,463**	-
Compensation and benefits payable	**40,142**	34,726
Asset retirement obligations	**33,653**	40,677
Net OPEB liability	**7,971**	1,642
Other liabilities	**50,409**	18,701
Total noncurrent liabilities	**4,053,553**	3,611,727
Total liabilities	**4,577,663**	4,096,990
Deferred inflows of resources		
Revenues to be used for future costs	**300,455**	141,722
Accumulated increase in fair value of hedging derivatives	**93,218**	267,807
Unrealized pension gains	**22,391**	118,660
Unrealized OPEB gains	**16,343**	18,599
Total deferred inflows of resources	**432,407**	546,788
Net position		
Net investment in capital assets	**3,042,666**	2,830,411
Restricted for:		
Capital projects	**138,245**	347,929
Debt service	**90,582**	73,635
Other purposes	**594**	2,473
Unrestricted	**289,402**	330,444
Total net position	**3,561,489**	3,584,892
Total liabilities, deferred inflows of resources, and net position	**$ 8,571,559**	$ 8,228,670

See accompanying notes to financial statements.

JEA

Statements of Revenues, Expenses, and Changes in Net Position
(In Thousands)

	September 2023	September 2022
Operating revenue		
Electric	**$ 1,276,715**	$ 1,491,097
Water and sewer	**518,767**	489,814
District energy system	**11,934**	8,516
Other operating revenue	**37,533**	40,435
Total operating revenue	**1,844,949**	2,029,862
Operating expense		
Operations and maintenance:		
Maintenance and other operating expense	**521,676**	402,290
Fuel	**438,132**	487,776
Purchased power	**272,940**	284,178
Depreciation and amortization	**432,147**	500,257
State utility and franchise taxes	**83,809**	83,892
Recognition of deferred costs and revenues, net	**39,718**	92,261
Total operating expense	**1,788,422**	1,850,654
Operating income	**56,527**	179,208
Nonoperating revenue (expense)		
Interest on debt	**(109,275)**	(114,707)
Earnings from The Energy Authority	**23,603**	29,731
Allowance for funds used during construction	**25,853**	13,866
Other nonoperating income, net	**6,600**	6,853
Investment income, net	**27,787**	(9,668)
Other interest, net	**(7,744)**	(1,343)
Total nonoperating expense, net	**(33,176)**	(75,268)
Income before contributions	**23,351**	103,940
Contributions (to) from		
General Fund, City of Jacksonville, Florida	**(122,424)**	(133,713)
Developers and other	**176,771**	121,227
Reduction of plant cost through contributions	**(112,236)**	(74,016)
Total contributions, net	**(57,889)**	(86,502)
Special item	**11,135**	100,000
Change in net position	**(23,403)**	117,438
Net position, beginning of year	**3,584,892**	3,467,454
Net position, end of year	**$ 3,561,489**	$ 3,584,892

See accompanying notes to financial statements.

JEA

Statements of Cash Flows
(In Thousands)

	September 2023	2022
Operating activities		
Receipts from customers	**$ 2,018,257**	$ 1,915,319
Payments to suppliers	**(1,041,801)**	(1,024,326)
Payments for salaries and benefits	**(295,240)**	(274,104)
Other operating activities	**41,802**	144,458
Net cash provided by operating activities	**723,018**	761,347
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	**(122,323)**	(133,613)
Net cash used in noncapital and related financing activities	**(122,323)**	(133,613)
Capital and related financing activities		
Acquisition and construction of capital assets	**(702,805)**	(454,761)
Defeasance of debt	**-**	(177,220)
Interest paid on debt	**(124,539)**	(128,061)
Repayment of debt principal	**(74,070)**	(91,535)
Capital contributions	**64,536**	47,211
Revolving credit agreement withdrawals (repayments)	**135,000**	3,000
Other capital financing activities	**(369)**	8,581
Net cash used in capital and related financing activities	**(702,247)**	(792,785)
Investing activities		
Proceeds from sale and maturity of investments	**482,732**	520,053
Purchase of investments	**(568,910)**	(570,815)
Distributions from The Energy Authority	**20,731**	15,464
Investment income	**24,921**	7,926
Net cash used in investing activities	**(40,526)**	(27,372)
Net change in cash and cash equivalents	**(142,078)**	(192,423)
Cash and cash equivalents at beginning of year	**520,690**	713,113
Cash and cash equivalents at end of year	**$ 378,612**	$ 520,690
Reconciliation of operating income to net cash provided by operating activities		
Operating income	**$ 56,527**	$ 179,208
Adjustments:		
Depreciation and amortization	**432,147**	500,531
Recognition of deferred costs and revenues, net	**39,718**	92,261
Other nonoperating income, net	**6,817**	98,656
Changes in noncash assets and noncash liabilities:		
Accounts receivable	**61,501**	(92,794)
Inventories	**(39,642)**	(23,839)
Other assets	**14,121**	(25,209)
Accounts and accrued expense payable	**(25,835)**	63,640
Current liabilities payable from restricted assets	**(999)**	(32,585)
Other noncurrent liabilities and deferred inflows	**178,663**	1,478
Net cash provided by operating activities	**$ 723,018**	$ 761,347
Non-cash activity		
Contribution of capital assets from developers	**$ 112,236**	$ 74,016
Unrealized investment fair market value changes, net	**$ 1,729**	$ (17,794)

See accompanying notes to financial statements.

JEA

Statements of Fiduciary Net Position
SJRPP Pension Trust Fund
(In Thousands)

	September 2023	September 2022
Assets		
Cash and cash equivalents	**$ 4,869**	$ 3,469
Receivables:		
Interest and dividends	**634**	437
Sale of investments	**142**	191
Employer	**13**	5
Total receivables	**789**	633
Investments at fair value:		
Bonds and notes	**69,041**	59,441
Common stock	**46,172**	46,640
Mutual funds	**39,859**	45,965
Total investments	**155,072**	152,046
Total assets	**$ 160,730**	$ 156,148
Liabilities		
Accounts payable and other liabilities	**$ 124**	$ 505
Net position		
Restricted for pensions	**160,606**	155,643
Total liabilities and net position	**$ 160,730**	$ 156,148

See accompanying notes to financial statements.

JEA

Statements of Changes in Fiduciary Net Position
SJRPP Pension Trust Fund
(In Thousands)

	September 2023	September 2022
Additions		
Contributions:		
Employer	**$ -**	$ 6,900
Members	**14**	12
Total contributions	**14**	6,912
Investment earnings (losses):		
Net gains (losses)	**14,957**	(30,023)
Interest, dividends, and other	**3,455**	2,932
Total investment earnings (losses)	**18,412**	(27,091)
Less investment activity costs	**(577)**	(593)
Net investment earnings (losses)	**17,835**	(27,684)
Total additions (losses)	**17,849**	(20,772)
Deductions		
Benefits paid to participants or beneficiaries	**12,819**	13,579
Administrative expense	**67**	100
Total deductions	**12,886**	13,679
Net change in fiduciary net position	**4,963**	(34,451)
Net position, beginning of year	**155,643**	190,094
Net position, end of year	**$ 160,606**	$ 155,643

See accompanying notes to financial statements.

JEA

Notes to Financial Statements
(Dollars in Thousands)

Years Ended September 30, 2023 and 2022

1. Summary of Significant Accounting Policies and Practices

(a) Reporting Entity

JEA is currently organized into three enterprise funds – Electric Enterprise, Water and Sewer, and District Energy System (DES). Electric Enterprise is comprised of the Electric System; the Bulk Power Supply System (Scherer), which is jointly owned by JEA (23.64% ownership interest) and Florida Power & Light Company (FPL) (76.36% ownership interest); and St. Johns River Power Park System (SJRPP) owned by JEA (100% ownership as of August 2022, previously 80% ownership interest by JEA and 20% ownership interest by FPL). Water and Sewer consists of water and sewer system activities. DES consists of chilled water activities. Separate accounting records are currently maintained for each system. These financial statements include JEA's ownership interest in Scherer. The following information relates to JEA's ownership interest in Scherer as of September 30, 2023 and 2022:

	2023	2022
Inventories	**$ 2,292**	$ 2,341
Other current assets	**770**	160
Costs to be recovered from future revenues	**19,911**	22,406
Net capital assets	**1,115**	1,115
Unrealized asset retirement obligations	**36,276**	42,879
Current portion of asset retirement obligations	**2,623**	2,202
Accounts and accrued expenses payable	**-**	999
Debt due within one year	**2,495**	2,410
Interest payable	**711**	774
Long-term portion of asset retirement obligations	**33,653**	40,677
Long-term debt	**22,270**	24,765

The funds are governed by the JEA Board of Directors (Board). The Board is responsible for setting rates based on operating and maintenance expenses and depreciation of the operations. The operations of Scherer and SJRPP are subject to joint ownership agreements and rates are established on a cost-of-service basis, including operating and maintenance expenses and debt service. See note 1(t), Setting of rates.

On November 24, 2020, JEA executed a retirement agreement with FPL, setting forth the terms and conditions of the Plant Scherer closure as of January 1, 2022. On that same date, JEA also executed a 20-year Purchased Power Agreement (PPA) between JEA and FPL for natural gas-fired system product with a solar conversion option and a related 10-year natural gas hedge to replace the capacity and energy of Plant Scherer. On August 15, 2022, JEA executed a termination of covenant agreement with FPL, terminating FPL's 20% ownership in SJRPP.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

(b) Basis of Accounting

JEA is presenting financial statements combined for the Electric Enterprise Fund, the Water and Sewer Fund, and the District Energy System. JEA uses the accrual basis of accounting for its operations and the uniform system of accounts prescribed by the Federal Energy Regulatory Commission for the Electric Enterprise Fund and the National Association of Regulatory Utility Commissioners for the Water and Sewer Fund.

The financial statements have been prepared in conformity with the Governmental Accounting Standards Board (GASB) codification, which defines JEA as a component unit of the City of Jacksonville, Florida (City). Accordingly, the financial statements of JEA are included in the Annual Comprehensive Financial Report of the City.

JEA presents its financial statements in accordance with the GASB pronouncements that establish standards for external financial reporting for all state and local governmental entities that include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. It requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that is attributable to those assets and increased/reduced by costs to be recovered from future revenues or revenues to be used for future costs.
- Restricted consists of assets that have constraints placed upon their use through external constraints imposed either by creditors (such as through debt covenants) or through laws, regulations, or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets.
- Unrestricted consists of net position that does not meet the definition of restricted or net investment in capital assets.

JEA's bond resolutions specify the flow of funds from revenues and specify the requirements for the use of certain restricted and unrestricted assets.

(c) Revenues

Operating revenues are defined as revenues generated from the sale of primary products or services through normal business operations. Nonoperating revenues include investment income and earnings from investments recorded on the equity method.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

Operating revenues reported in the accompanying statements of revenues, expenses, and changes in net position are shown net of discounts, estimated allowances for bad debts, and amounts transferred to and/or from stabilization funds. Discounts and allowances totaled $31,892 in fiscal year 2023 and $38,297 in 2022. JEA contributed the net amount of $155,941 in fiscal year 2023 to stabilization funds and contributed the net amount of $1,300 in 2022 to stabilization funds. Electric Enterprise and Water and Sewer Fund revenues are recorded as earned. Operating revenues include amounts estimated for unbilled services provided during the reporting period of $77,801 in fiscal year 2023 and $96,027 in 2022.

(d) Capital Assets

Utility plant represents four classes of capital assets – real property, tangible property, tangible personal property, and intangible property. All capital assets are recorded at historical cost and must have a useful life greater than one year. The costs of capital asset additions and replacements are capitalized. The costs of capital projects include direct labor and benefits of JEA employees working on capital projects and an allocation of overhead from certain JEA departments. Maintenance and replacements of minor items are charged to operating expenses. The cost of depreciable plant retired is removed from the capital asset accounts and such cost plus removal expense less salvage value is charged to accumulated depreciation.

SJRPP and Scherer are required by their bond resolutions to deposit certain amounts in a renewal and replacement fund, which are applied to designated uses as specifically allowed under the bond resolutions. The Electric Fund records the amounts deposited in the fund as a purchased power expense when deposited.

(e) Allowance for Funds Used During Construction

Beginning in fiscal year 2022, JEA elected to apply regulatory accounting to continue capitalizing qualifying interest cost as a regulatory asset. See note 2, Regulatory Deferrals, for additional information.

For construction projects prior to fiscal year 2022, an allowance for funds used during construction (AFUDC) was included in construction work-in-progress and as a reduction of interest expense. JEA capitalizes interest on construction projects financed with revenue bonds and renewal and replacement funds. The average AFUDC rate for the debt of each system is listed in the table below.

Average AFUDC Rate (%)	2023	2022
Electric Enterprise Fund	**4.6%**	4.5%
Water and Sewer Fund	**4.5%**	4.1%
District Energy System	**4.5%**	4.0%

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

The amount capitalized is the interest cost of the debt less any interest earned on investment of debt proceeds from the date of the borrowing until the assets are placed in service. Total interest incurred was $109,275 for fiscal year 2023 and $114,707 for 2022, of which $25,853 and $13,866 was capitalized as a regulatory asset in fiscal year 2023 and 2022, respectively. Investment income on bond proceeds was $73 in fiscal year 2023 and $16 in 2022.

(f) Depreciation

Depreciation of capital assets is computed on a straight-line basis at rates based upon the estimated service lives of the various property classes. Depreciation begins on the date the assets are placed in service. Generally, recurring renewal and replacement capital additions are placed in service at the end of each fiscal year. The depreciation rates are based on depreciation studies performed by an outside consultant that are updated periodically. The latest depreciation study was completed during fiscal year 2019 and the rates for that study became effective in fiscal year 2020. The effective rate of depreciation based upon the average depreciable plant in service balance was 3.36% and 3.99% for fiscal years 2023 and 2022, respectively. The average depreciable life in years of the depreciable capital assets for each system is listed in the table below.

Average Depreciable Life *(Years)*	**2023**	**2022**
Electric Enterprise Fund	**23.6**	23.6
Water and Sewer Fund	**26.9**	27.1
District Energy System	**24.0**	23.0

(g) Amortization

Amortization of bond discounts and premiums is computed on a straight-line basis, which approximates the effective-interest method over the remaining term of the outstanding bonds.

(h) Losses on Refundings

Losses on refundings of JEA revenue bonds are deferred and amortized as a component of interest on debt using the straight-line method over the remaining life of the old debt or the new debt, whichever is shorter. Unamortized deferred losses on refundings are reported as deferred outflows of resources on the accompanying statements of net position. Whereas JEA has incurred accounting losses on refundings, calculated as the difference between the net carrying value of the refunded and the refunding bonds, JEA has over time realized economic gains calculated as the present value difference in the future debt service on the refunded and refunding bonds.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

(i) Investments

Investments are presented at fair value or cost, which is further explained in note 14, *Fair Value Measurements*. Realized and unrealized gains and losses for all investments are included in investment income on the statements of revenues, expenses, and changes in net position. The investment in The Energy Authority (TEA) is recorded on the equity method (see note 7, Investment in The Energy Authority, for additional information).

(j) Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, bank demand accounts, money market mutual funds, and short-term liquid investments purchased with an original maturity of 90 days or less.

(k) Interest Rate Swap Agreements

JEA's risk management policies allow for the use of interest rate swaps to manage financial exposures, but prohibit the use of these instruments for speculative or trading purposes. JEA utilizes interest rate swaps to manage the interest rate risk associated with various assets and liabilities. Interest rate swaps are used in the area of debt management to take advantage of favorable market interest rates. Interest rate swaps are authorized under the policy to be used in the area of investment management to increase the yield on revolving short-term investments.

JEA applies GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), where applicable for effective hedging instruments. For effective hedging instruments, the changes in fair value are recorded on the statements of net position as deferred outflows and inflows of resources. For ineffective hedging instruments or investment derivatives, the changes in fair value are recorded on the statements of revenues, expenses, and changes in net position as an adjustment to investment income.

Under JEA's interest rate swap programs, JEA either pays a variable rate of interest, which is based on various indices, and receives a fixed rate of interest for a specified period of time (unless earlier terminated) or JEA pays a fixed rate of interest and receives a variable rate of interest, which is based on various indices for a specified period of time (unless earlier terminated). These indices are affected by changes in the market. The net amounts received or paid under the swap agreements are recorded as either an adjustment to investment income (asset management) or interest on debt (debt management) in the statements of revenues, expenses, and changes in net position. No money is initially exchanged when JEA enters into a new interest rate swap transaction.

During fiscal years 2023 and 2022, JEA did not have any interest rate swaps outstanding under JEA's asset management interest rate swap program. See the Debt Management Strategy section in note 8, Long-Term Debt, for more information on JEA's debt management interest rate swap program.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

(l) Inventory

Inventories are maintained for fuel and materials and supplies. Fuel inventories are maintained at levels sufficient to meet generation requirements. Inventories are valued at average cost, with obsolete items being expensed when identified.

(m) Energy Market Risk Management Program

The energy market risk management program is intended to help manage the risk of changes in the market prices of fuel consumed by JEA for electric generation. JEA executes over-the-counter forward purchase and sale contracts and swaps. For effective derivative transactions, hedge accounting is applied in accordance with GASB 53 and the fair market value changes are recorded on the accompanying statements of net position as either a deferred outflow of resources or a deferred inflow of resources until such time that the transactions end. The related settled gains and losses from these transactions are recognized as fuel expenses on the accompanying statements of revenues, expenses, and changes in net position.

(n) Capital Contributions

Capital contributions represent contributions of cash and capital assets from the City, developers, customers, and other third parties. Capital contributions are recorded in the accompanying statement of revenues, expenses, and changes in net position at the time of receipt. Assets received are recorded as contributions from developers and others at acquisition cost. Corresponding expenses of $112,236 and $74,016 were recorded in fiscal years 2023 and 2022 to recognize the costs of the assets since it will not be included in revenue requirements charged to customers in the future.

(o) Pension

For purposes of measuring the net liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense and fiduciary net position; JEA's portion of the City's General Employees' Retirement Plan (GERP), JEA's portion of the City's Defined Contribution Disability Plan and St. Johns River Power Park System Employees' Retirement Plan (SJRPP Plan) have been determined on the same basis as reported in the GERP and SJRPP Plan financial statements. Employer contributions made subsequent to the measurement date and before the fiscal year end are recorded as a deferred outflow of resources.

Basis of Accounting – The pension trust financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contribution, benefit payments and refunds are recognized when due and payable in accordance with the terms of the plans. Florida law and the Florida Division of Retirement require plan contributions be made annually in amounts determined by an actuarial valuation stated as a percent of covered payroll or in dollars. The Florida Division of Retirement reviews and approves the GERP actuarial report to ensure compliance with actuarial standards. The SJRPP Plan is governed by a four-member Pension Committee to ensure compliance with actuarial standards.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

Method Used to Value Investments – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments in GERP is based on independent appraisals or estimates of fair value as provided by third-party fund managers. Investments that do not have an established market are reported at estimated fair value as provided by third-party fund managers. Investments are managed by third-party money managers while cash and securities are generally held by the independent custodians.

(p) Compensated Absences

JEA employees accumulate earned personal leave benefits (compensated absences) at various rates within limits specified in collective bargaining agreements and other employment plans. Accrued leave may be taken at any time when authorized. In addition, employees may elect to sell back any leave accrued during the fiscal year. Leave accrued over the maximum allowed leave balances is paid to the employee after the end of the fiscal year.

Upon termination from employment, employees are paid for their unused leave balances. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences* (GASB 16), the amount reflected as the current portion is estimated based upon historical trends of retirements and attrition.

This liability reflects amounts attributable to employee services already rendered, cumulative, probable for payment, and reasonably estimated in conformity with GASB 16.

Compensated absences liabilities are accrued when incurred in the financial statements in conformity with generally accepted accounting principles (GAAP). The compensated absences liability is determined based on current rates of pay.

The compensated absence liability as of September 30, 2023 is $44,910. Of this amount, $4,768 is included in compensation and benefits payable under current liabilities on the accompanying statement of net position. The remaining balance of $40,142 is included in compensation and benefits payable in noncurrent liabilities on the accompanying statement of net position. During fiscal year 2023, annual leave earned totaled $32,249 and annual leave taken totaled $26,614. The compensated absence liability as of September 30, 2022 was $39,191. Of this amount, $4,465 was included in compensation and benefits payable under current liabilities on the accompanying statements of net position. The remaining balance of $34,726 was included in compensation and benefits payable in noncurrent liabilities on the accompanying statements of net position. During fiscal year 2022, annual leave earned totaled $27,167 and annual leave taken totaled $25,199.

(q) Pollution Remediation Obligations

JEA applies GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. See note 15, Commitments and Contingent Liabilities, for further discussion.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

(r) Asset Retirement Obligations

JEA applies GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). See note 3, Asset Retirement Obligations, for further discussion.

(s) Costs to Be Recovered from Future Revenues/Revenues to Be Used for Future Costs

JEA records certain assets and liabilities (or deferred inflows) that result from the effects of the ratemaking process that would not be recorded under GAAP for nonregulated entities. Currently, the electric utility industry is predominantly regulated on a basis designed to recover the cost of providing electric power to its customers. If cost-based regulation were to be discontinued in the electric industry for any reason, market prices for electricity could be reduced or increased and utilities might be required to reduce their statements of net position amounts to reflect market conditions.

Discontinuance of cost-based regulation could also require affected utilities to write off their associated regulatory assets and liabilities. Management cannot predict the potential impact, if any, of the change in the regulatory environment on JEA's future financial position and results of operations.

(t) Setting of Rates

The setting of rates is the responsibility of the JEA Board. Base rate changes are implemented after a public rate hearing and Board approval. Fuel rate changes are implemented monthly and do not require a public rate hearing or Board approval. At the October 2021 meeting, the JEA Board approved a revision to the Pricing Policy that stated the Fuel Rate (Fuel Charge) will be set monthly by the CEO/Manager Director or designee. The Fuel Charge is based on the energy cost projection for the billing month to fully recover all expected fuel and purchased power energy-related costs. Fuel Charge variances and true ups are typically recovered in subsequent billing month, except for certain circumstances which may extend over a period of time.

At the February 2023 meeting, the Board approved the following Base Rate changes, effective April 1, 2023:

- Modification of the Electric and Water/Sewer Tariff Documentation:
  - To increase Customer Charge for electric customers
  - To decrease the Energy Rate for electric customers
  - To extend terms of certain Economic Development Riders
  - To remove separate environmental & conservation charges for all electric and water customers while rolling those charges into energy and/or consumption rates

JEA has an ongoing plan to review, update and, where possible, expand its rate options to provide customers more rate choices for their utility services.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

(u) Leases

JEA applies GASB Statement No. 87, *Leases* (GASB 87). See note 18, Leases, for further discussion.

(v) Pervasiveness of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(w) Newly Adopted Standards for Fiscal Year 2023

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement is effective for JEA in fiscal year 2023. The implementation of this statement did not have an impact on JEA's financial statements.

In March 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates (GASB 93). The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate. The removal of LIBOR as an appropriate benchmark interest rate for a derivative instrument that hedges the interest rate risk of taxable debt is effective for JEA in fiscal year 2023 while all other requirements of this statement were effective for JEA for fiscal year 2021. JEA and JEA's interest rate swap counterparties have adhered to the ISDA 2020 IBOR Fallbacks Protocol as published by the International Swaps and Derivatives Association, Inc. (ISDA) on October 23, 2020 where LIBOR will fall back to compounded SOFR plus a spread adjustment for rates set after June 30, 2023. JEA has adopted the application of GASB 93 which provides exceptions for certain hedging derivatives instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instruments variable payment. JEA's LIBOR based interest rate swaps were replaced by daily compounding SOFR plus 11.448 basis points which qualifies as an exception to the hedge accounting terminations provisions as stated in GASB 93 and making it eligible for hedge accounting treatment if the applicable provisions of hedge accounting treatment are met per GASB 53.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This statement is effective for JEA in fiscal year 2023. The implementation of this statement did not have an impact on JEA's financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This statement is effective for JEA in fiscal year 2023. The implementation of this statement did not have an impact on JEA's financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Some requirements were effective for fiscal year 2022, while the remaining requirements are effective for JEA in fiscal years 2023 and 2024. The implementation of the fiscal year 2023 requirements of this statement did not have an impact on JEA's financial statements. The impact on JEA's financial reporting for future requirements has not been determined.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Portions of this statement were effective for fiscal year 2020 while the remaining requirements are effective for JEA in fiscal year 2023. The implementation of this statement did not have an impact on JEA's financial statements.

(x) Recently Issued Accounting Pronouncements Not Yet Effective

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for JEA in fiscal year 2024. The impact on JEA's financial reporting has not been determined.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement is effective for JEA in fiscal year 2025. The implementation of this statement will not have an impact on JEA's financial statements.

2. Regulatory Deferrals

Based on regulatory action taken by the Board and in accordance with the Regulated Operations section within GASB Statement 62, JEA has recorded the following regulatory assets and liabilities that will be included in the ratemaking process and recognized as expenses and revenues, respectively, in future periods. These amounts are shown under costs to be recovered from future revenues or deferred inflows of resources on the accompanying statements of net position.

Regulatory Assets

The following is a summary of JEA's regulatory assets at September 30:

Regulatory Assets	2023	2022
Unfunded pension costs	**$ 704,048**	$ 623,640
SJRPP and Bulk Power costs to be recovered	**89,840**	107,560
Allowance for funds used during construction	**39,358**	13,868
Deferred fuel regulatory costs	**11,231**	12,582
Unfunded OPEB costs	**8,371**	9,212
Debt issue costs	**6,879**	7,438
Storm and COVID-19 costs to be recovered	**5,356**	8,501
Environmental projects	**–**	31,360
Total regulatory assets	**$ 865,083**	$ 814,161

Unfunded Pension Costs – Accrued pension represents a regulatory asset related to unrecognized actuarial gains and losses, unrecognized prior service cost, and unrecognized transition obligation attributable to JEA's portion of the GERP. The regulatory asset is amortized with the recognition of actuarial gains and losses, prior service cost, and transition obligations to net periodic benefit costs for pension.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

SJRPP and Bulk Power costs to be recovered – SJRPP deferred debt-related costs of $69,996 at September 30, 2023 and $85,254 at September 30, 2022 are the result of differences between expenses in determining rates and those used in financial reporting. During fiscal year 2018, operations of SJRPP, as generating facility, ceased and the majority of the assets were dismantled. As of September 30, 2023, SJRPP has remaining plant in service assets of $8,095 and outstanding debt of $92,715. The details relating to the shutdown of SJRPP are further discussed in the St. Johns River Power Park section of note 3, Asset Retirement Obligations. The JEA board approved the deferral of this regulatory asset. SJRPP has a contract with the JEA Electric System to recover these costs from future revenues that will coincide with retirement of long-term debt. The amount recovered each year will be the difference between debt principal maturities (adjusted for the effects of premiums, discounts, and amortization of gains and losses) and straight-line depreciation and results in recognition of deferred costs on the accompanying statements of revenues, expenses, and changes in net position. The Bulk Power Supply System deferred debt-related costs were $19,844 at September 30, 2023 and $22,306 at September 30, 2022. The amount recovered each year will be the difference between debt principal maturities (adjusted for the effects of premiums, discounts, and amortization of gains and losses) and straight-line depreciation. The Bulk Power Supply System will recover these costs from future revenues that will coincide with the retirement of long-term debt.

Allowance for Funds Used During Construction – This amount represents interest cost incurred before the end of a construction period. The regulatory asset is amortized over the life of constructed assets after they are placed into service.

Deferred fuel regulatory costs – During fiscal year 2022 the fuel stabilization fund was discontinued. JEA began adjusting the fuel charge monthly. This represents the amount under-collected that will be recovered in the next period.

Unfunded OPEB Costs – Accrued OPEB represents a regulatory asset related to unrecognized actuarial gains and losses, unrecognized prior service cost, and unrecognized transition obligation attributable to JEA's other postemployment benefit plan. The regulatory asset is amortized with the recognition of actuarial gains and losses, prior service cost, and transition obligations to net periodic benefit costs for OPEB. The Board approved the recovery of the unfunded amounts in future revenue requirements with the adoption of GASB 75 in fiscal year 2018. In addition, the Board approved the deferral of the difference between the annual contributions (funding) and OPEB expense.

Debt issue costs – With the application of regulatory accounting in fiscal year 2015, the Board approved deferral of the issue costs on all new debt issues with the amounts being amortized over the life of the bonds, as they are included in revenue requirements. These costs are incurred in connection with the issuance of debt obligations and are mainly underwriter fees and legal costs.

Storm and COVID-19 costs to be recovered – This amount represents storm costs and COVID-19 costs that are expected to be recovered from insurance and the Federal Emergency Management Agency (FEMA). See note 16, Disaster Costs, for further details.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

Environmental Projects – The Board approved the recovery of previously approved water environmental capital projects that had not been collected through the environmental surcharge over a ten-year period beginning October 1, 2015. The amount approved for recovery and transferred out of capital assets was $101,277 and it was fully recovered as of September 30, 2023. This deferral was originally being amortized over ten years, however, recovery was accelerated with the elimination of the environmental surcharge effective March 31, 2023. The Board also approved the recovery of previously approved electric environmental capital projects that had not been collected through the environmental surcharge over a five-year period beginning October 1, 2018. The amount approved for recovery and transferred out of capital assets was $28,527 and it was fully recovered as of September 30, 2023. This deferral was amortized over five years.

Regulatory Liabilities

The following is a summary of JEA's regulatory liabilities at September 30:

Regulatory Liabilities	2023	2022
Nonfuel purchased power	**$ 246,000**	$ 55,000
Self-insurance medical reserve	**20,134**	14,145
Environmental	**14,612**	46,822
Excess pension contributions	**13,733**	16,931
Customer benefit stabilization	**5,976**	8,824
Total regulatory liabilities	**$ 300,455**	$ 141,722

Nonfuel purchased power – JEA entered into a power purchase agreement related to the Alvin W. Vogtle Nuclear Plant in Burke County, Georgia (Plant Vogtle). This agreement is discussed in further detail in note 10, Fuel Purchase and Purchased Power Commitments. Related to that agreement, the JEA Board approved a nonfuel purchased power stabilization fund to assist in the timing of nonfuel purchased power expenses. The amounts included in the fund are to be used for nonfuel purchased power expenses or refunded to customers. Deposits of $191,000 and $72,731 were made to the stabilization fund for fiscal years 2023 and 2022, respectively.

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

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

Under the self-insurance program, JEA is liable for all claims. JEA retains an additional stop-loss policy for claims in excess of $250 per employee. There have been no significant reductions in coverage from the prior year. The health insurance benefits program is administered through a third-party insurance company and, as such, the administrator is responsible for processing the claims in accordance with the benefit specifications with JEA reimbursing the insurance company for its payouts. Liabilities associated with the health care program are determined based on an actuarial study and include claims that have been incurred but not reported.

The changes in the self-insurance medical reserve for the years ended September 30, 2023 and 2022 are as follows:

	2023	2022
Beginning balance	**$ 14,145**	$ 14,272
Contributions	**32,744**	31,504
Incurred claims	**(26,755)**	(31,631)
Ending balance	**$ 20,134**	$ 14,145

Environmental – The Board authorized an environmental surcharge that was applied to all electric customer kilowatt-hour and water customer kilogallon sales through March 31, 2023. Amounts over-collected were recorded as a regulatory liability and will be used for electric costs of environmental remediation and compliance with new and existing environmental regulations, and water operating and capital costs of environmentally driven or regulatory required projects approved by the Board.

The changes in the environmental regulatory liability for the years ended September 30, 2023 and 2022 are as follows:

Environmental	2023	2022
Beginning balance	**$ 46,822**	$ 49,833
Surcharge revenue	**15,404**	33,436
Prior capital projects cost recovery	**(31,360)**	(14,257)
Capital projects	**(14,683)**	(16,421)
Operations and maintenance projects	**(1,571)**	(5,769)
Ending balance	**$ 14,612**	$ 46,822

Excess pension contributions – Excess pensions contributions represents a regulatory liability related to unrecognized actuarial gains and losses, unrecognized prior service cost, and unrecognized transition obligation attributable to the SJRPP Plan. The regulatory liability is amortized with the recognition of actuarial gains and losses, prior service cost, and transition obligations to net periodic benefit costs for pension.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

Customer benefit stabilization – The pricing policy adopted by the Board included a demand side management surcharge through March 31, 2023. The costs approved for recovery through the surcharge includes programs for the electrification, direct load control, demand side management, residential low-income efficiency programs, and customer utility optimization education programs.

3. Asset Retirement Obligations

Scherer

On November 24, 2020, JEA executed a retirement agreement with FPL, setting forth the terms and conditions of the Plant Scherer closure as of January 1, 2022. On that same date, JEA also executed the FPL PPA and a related 10-year natural gas hedge. The obligation of JEA to retire Plant Scherer was subject to FPL having performed and complied in all material respects with the agreement including remittance of the $100,000 consummation payment to be used by JEA in its discretion to pay for JEA's costs in completing the retirement of Unit No. 4, including, but not limited to, the defeasance of the outstanding bonds. The consummation payment is listed as a special item on the statement of revenues, expenses, and changes in net position.

As part of JEA's ownership of Scherer, it has a proportionate ownership interest in associated common facilities (Common Facilities) of 5.91% (23.64% divided by 4, as there are 4 units in total). There is no majority owner of the Common Facilities. Georgia Power is the nongovernmental minority owner that has operational responsibility of the Common Facilities and, as such, is responsible for calculating any associated asset retirement obligations (AROs). The AROs at Scherer are primarily related to the ash pond.

In accordance with GASB 83, JEA's minority share of the AROs is reported using the measurement produced by Georgia Power, who is registered with the Securities and Exchange Commission and is subject to accounting rules set by the Financial Accounting Standards Board.

At September 30, 2023, the total amount of the AROs at Scherer are $613,804, with JEA's minority share being $36,276. Of the total liability, $2,623 is recorded in asset retirement obligations in current liabilities and $33,653 in asset retirement obligations in noncurrent liabilities on the statement of net position. These amounts are offset by the unrealized asset retirement obligation of $36,276, which is recorded in deferred outflows of resources.

At September 30, 2022, the total amount of the AROs at Scherer are $725,528, with JEA's minority share being $42,879. Of the total liability, $2,202 is recorded in asset retirement obligations in current liabilities and $40,677 in asset retirement obligations in noncurrent liabilities on the statement of net position. These amounts are offset by the unrealized asset retirement obligation of $42,879, which is recorded in deferred outflows of resources.

There are no legally required funding or assurance provisions associated with JEA's minority share of the AROs and JEA has not restricted any of its assets for payment of this liability.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

3. Asset Retirement Obligations (continued)

St. Johns River Power Park

JEA and FPL entered into an Agreement for Joint Ownership, Construction and Operation of SJRPP Coal Units #1 and #2 (JOA) dated as of April 2, 1982. JEA owned 80% and FPL owned 20% of SJRPP. The JOA assigned 37.5% of JEA's 80% generation to FPL, which effectively provided 50% of the generation to both owners of SJRPP. The JOA ended on April 2, 2022. JEA and FPL reached an agreement to close SJRPP. On May 16, 2017, JEA's board of directors approved the Asset Transfer and Contract Termination Agreement, which outlined the terms of the retirement, decommissioning, and dismantling of the plant. The week following, FPL approved the contract and filed a petition with the Florida Public Service Commission (FPSC) for approval to shut down SJRPP. The final order was approved by FPSC in October 2017.

FPL received a credit for their estimated share of the material and supplies inventory balance at shutdown, pending sale of the inventory. After the sales period passed, FPL paid a shutdown payment adjustment for their share of 20% of the loss on the remaining materials and supplies inventory. During fiscal year 2020, JEA liquidated the remaining material and supplies inventory.

Regulatory balances remaining will be amortized over the life of the remaining debt outstanding related to Issue Three debt. See note 2, Regulatory Deferrals, for additional information related to SJRPP's regulatory deferrals.

FPL conveyed their 20% undivided ownership of plant in service assets to JEA. The retained plant in service assets were recorded at fair value. In addition, FPL conveyed their 20% undivided ownership interest in the SJRPP site to JEA upon completion of dismantlement and environmental remediation. Under a service management agreement, FPL will pay 20% of the dismantlement and remediation costs incurred. Dismantlement and remediation were completed September 30, 2023. Monitoring of the site will continue for thirty years subsequent to the completion date. Currently, JEA does not possess sufficient information to reasonably estimate the amounts of additional liabilities, if any, on the site until completion of future environmental studies. In addition, conditions that are currently unknown could result in additional exposure, the amount and materiality of which cannot presently be reasonably estimated.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

4. Restricted Assets

Restricted assets were held in the following funds at September 30, 2023 and 2022:

	September 30, 2023				
	Electric	SJRPP	Water and Sewer	DES	Total
Renewal and Replacement Fund	**$ 135,992**	**$ 4,581**	**$ 946**	**$ 1,065**	**$ 142,584**
Sinking Fund	**42,024**	**17,585**	**75,477**	**2,505**	**137,591**
Debt Service Reserve Fund	**53,352**	**3,403**	**57,587**	**–**	**114,342**
Revenue Fund	**–**	**335**	**–**	**–**	**335**
Construction Fund	**–**	**–**	**242**	**–**	**242**
Adjustment to fair value of investments	**(6,269)**	**(53)**	**(2,481)**	**–**	**(8,803)**
Environmental Fund	**922**	**–**	**2,039**	**–**	**2,961**
Total	**$ 226,021**	**$ 25,851**	**$ 133,810**	**$ 3,570**	**$ 389,252**

	September 30, 2022				
	Electric	SJRPP	Water and Sewer	DES	Total
Renewal and Replacement Fund	$ 233,018	$ 4,252	$ 113,105	$ 1,049	$ 351,424
Sinking Fund	69,890	17,350	32,499	2,421	122,160
Debt Service Reserve Fund	53,352	3,879	56,606	–	113,837
Revenue Fund	–	190	–	–	190
Construction Fund	111	–	646	–	757
Adjustment to fair value of investments	(8,061)	13	(2,502)	–	(10,550)
Environmental Fund	–	–	4,400	–	4,400
Total	$ 348,310	$ 25,684	$ 204,754	$ 3,470	$ 582,218

The Electric System, SJRPP System, Bulk Power Supply System, Water and Sewer System, and DES are permitted to invest restricted funds in specified types of investments in accordance with their bond resolutions and the investment policy.

The requirements of the respective bond resolutions for contributions to the respective systems' renewal and replacement funds are as follows:

Electric System:	An amount equal to the greater of 10% of the prior year defined net revenues or 5% of the prior year defined gross revenues.
SJRPP System:	An amount equal to 12.5% of aggregate debt service, as defined.
Bulk Power Supply System:	An amount equal to 12.5% of aggregate debt service, as defined.
Water and Sewer System:	An amount equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues.
DES:	An amount equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined revenues.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

5. Cash and Investments

JEA maintains cash and investment pools that are utilized by all funds except for the bond funds. Included in the JEA cash balances are amounts on deposit with JEA's commercial bank, as well as amounts held in various money market funds as authorized in the JEA Investment Policy. The commercial bank balances are covered by federal depository insurance or collateralized subject to the Florida Security for Public Deposits Act of Chapter 280, Florida Statutes. Amounts subject to Chapter 280, Florida Statutes, are collateralized by securities deposited by JEA's commercial bank under certain pledging formulas with the State Treasurer or other qualified custodians.

JEA follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustments of the carrying value of investments to fair value to be presented as a component of investment income. Investments are presented at fair value or cost, which is further explained in note 14, Fair Value Measurements.

At September 30, 2023 and 2022, the fair value of all securities, regardless of statement of net position classification as cash equivalent or investment, was as follows:

	2023	2022
Securities:		
U.S. Treasury and government agency securities	**$ 272,528**	$ 153,707
Local government investment pool	**119,545**	126,076
Money market mutual funds	**74,502**	122,525
Commercial paper	**72,873**	97,301
State and local government securities	**63,917**	92,400
Total securities, at fair value	**$ 603,365**	$ 592,009

These securities are held in the following accounts:

	2023	2022
Current assets:		
Cash and cash equivalents	**$ 278,483**	$ 245,337
Investments	**106,701**	278
Restricted assets:		
Cash and cash equivalents	**100,129**	275,353
Investments	**288,132**	306,650
Total cash and investments	**773,445**	827,618
Less: cash on deposit	**(172,185)**	(236,546)
Plus: interest due on securities	**2,105**	937
Total securities, at fair value	**$ 603,365**	$ 592,009

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

5. Cash and Investments (continued)

JEA is authorized to invest in securities as described in its investment policy and in each bond resolution. As of September 30, 2023, JEA's investments in securities and their maturities are categorized below in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*. It is assumed that callable investments will not be called. Puttable securities are presented as investments with a maturity of less than one year.

The maturity distribution of the investments held at September 30, 2023 is listed below.

Type of Investments	Less than One Year	One to Five Years	Five to Ten Years	Ten to Twenty Years	Total
Money market mutual funds	$ 74,502	$ –	$ –	$ –	$ 74,502
Local government investment pools	119,545	–	–	–	119,545
State and local government securities	–	3,646	44,265	16,006	63,917
U.S. Treasury and government agency securities	172,251	96,298	–	3,979	272,528
Commercial paper	72,873	–	–	–	72,873
Total securities, at fair value	$ 439,171	$ 99,944	$ 44,265	$ 19,985	$ 603,365

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, JEA's investment policy requires the investment portfolio to be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To the extent possible, investment maturities are matched with known cash needs and anticipated cash flow requirements. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the bond resolution relating to those bond issues. JEA's investment policy also limits investments in commercial paper to maturities of less than nine months.

Credit Risk – JEA's investment policy is consistent with the requirements for investments of state and local governments contained in the Florida Statutes and its objectives are to seek reasonable income, preserve capital, and avoid speculative investments. Consistent with JEA's investment policy and bond resolutions: (1) the state and local government securities are rated by two nationally recognized rating agencies and are rated at least AA- by Standard & Poor's, Aa3 by Moody's Investors Services, or AA- by Fitch Ratings; (2) the U.S. government agency securities held in the portfolio are issued or guaranteed by agencies created pursuant to an Act of Congress as an agency or instrumentality of the United States of America; and (3) the money market mutual funds are rated AAA by Standard & Poor's or Aaa by Moody's Investors Services. JEA's investment policy limits investments in commercial paper to the highest whole rating category issued by at least two nationally recognized rating agencies, and the issuer must be a Fortune 500 company, a Fortune Global 500 company with significant operations in the U.S., or the governments of Canada or Canadian provinces and the ratings outlook must be positive or stable at the time of the investment. As of September 30, 2023, JEA's investments in commercial paper are rated at least A-1 by Standard & Poor's and P-1 by Moody's Investors Services. In addition, JEA's investment policy limits the commercial paper investment in any one issuer to $12,500 as well as limits investments in commercial paper to 25% of the total cash and investment portfolio, regardless of statement of net position classification as cash equivalent or investment. As of September 30, 2023, JEA had 12.1% of its investments in commercial paper.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

5. Cash and Investments (continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, JEA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of JEA's investments are held by JEA or by an agent in JEA's name.

Concentration of Credit Risk – As of September 30, 2023, investments in any one issuer representing 5% or more of JEA's investments included $188,692 (31.3%) invested in issues of the Federal Home Loan Bank and $42,181 in Federal Farm Credit Bank (7.0%). JEA's investment policy limits the maximum holding of any one U.S. government agency issuer to 50% of total cash and investments regardless of statement of net position classification as cash equivalent or investment. Other than investments in U.S. Treasury securities or U.S. Treasury money market funds, JEA's investment policy limits the percentage of the total cash and investment portfolio (regardless of statement of net position classification as cash equivalent or investment) that may be held in various security types. As of September 30, 2023, investments in all security types were within the allowable policy limits.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

6. Capital Assets

Capital asset activity for the year ended September 30, 2023 is as follows:

	Balance September 30, 2022	Additions	Retirements	Transfers/ Adjustments	Balance September 30, 2023
Electric Enterprise Fund:					
Generation assets	$ 3,902,140	$ –	$ (4,043)	$ 62,285	$ 3,960,382
Transmission assets	689,536	–	(273)	56,783	746,046
Distribution assets	2,304,997	–	(2,172)	49,434	2,352,259
Other assets	554,716	–	(1,813)	35,333	588,236
Lease assets	–	93,313	–	–	93,313
Total capital assets	7,451,389	93,313	(8,301)	203,835	7,740,236
Less: accumulated depreciation and amortization	(5,274,607)	(225,537)	8,301	–	(5,491,843)
Land	133,759	–	–	5,717	139,476
Construction work-in-process	169,195	244,962	–	(209,552)	204,605
Net capital assets	2,479,736	112,738	–	–	2,592,474
Water and Sewer Fund:					
Pumping assets	680,751	–	(472)	21,905	702,184
Treatment assets	828,866	–	(31)	57,185	886,020
Transmission and distribution assets	1,361,360	–	(207)	49,309	1,410,462
Collection assets	1,638,564	–	(262)	20,311	1,658,613
Reclaimed water assets	169,195	–	–	7,284	176,479
General and other assets	475,354	–	(548)	32,724	507,530
Total capital assets	5,154,090	–	(1,520)	188,718	5,341,288
Less: accumulated depreciation	(2,686,812)	(182,371)	1,520	4,181	(2,863,482)
Land	81,433	–	(54)	47	81,426
Construction work-in-process	398,824	483,909	–	(188,764)	693,969
Net capital assets	2,947,535	301,538	(54)	4,182	3,253,201
District Energy System:					
Chilled water plant assets	65,212	–	–	11,320	76,532
Total capital assets	65,212	–	–	11,320	76,532
Less: accumulated depreciation	(34,401)	(2,897)	–	–	(37,298)
Land	3,051	–	–	–	3,051
Construction work-in process	3,364	8,956	–	(11,320)	1,000
Net capital assets	37,226	6,059	–	–	43,285
Total	$ 5,464,497	$ 420,335	$ (54)	$ 4,182	$ 5,888,960

JEA

Notes to Financial Statements (continued)

(Dollars in Thousands)

6. Capital Assets (continued)

Capital asset activity for the year ended September 30, 2022 is as follows:

	Balance September 30, 2021	Additions	Retirements	Transfers/ Adjustments	Balance September 30, 2022
Electric Enterprise Fund:					
Generation assets	$ 3,873,079	$ –	$ (829)	$ 29,890	$ 3,902,140
Transmission assets	678,921	–	(38)	10,653	689,536
Distribution assets	2,240,186	–	(2,297)	67,108	2,304,997
Other assets	531,608	–	(4,627)	27,735	554,716
Total capital assets	7,323,794	–	(7,791)	135,386	7,451,389
Less: accumulated depreciation and amortization	(4,957,598)	(324,800)	7,791	–	(5,274,607)
Land	131,496	–	–	2,263	133,759
Construction work-in-process	120,138	186,706	–	(137,649)	169,195
Net capital assets	2,617,830	(138,094)	–	–	2,479,736
Water and Sewer Fund:					
Pumping assets	648,724	–	(5,217)	37,244	680,751
Treatment assets	809,191	–	(312)	19,987	828,866
Transmission and distribution assets	1,332,578	–	(1,122)	29,904	1,361,360
Collection assets	1,605,027	–	(2,626)	36,163	1,638,564
Reclaimed water assets	163,609	–	–	5,586	169,195
General and other assets	471,723	–	(2,007)	5,638	475,354
Total capital assets	5,030,852	–	(11,284)	134,522	5,154,090
Less: accumulated depreciation	(2,532,588)	(169,697)	11,284	4,189	(2,686,812)
Land	79,102	–	–	2,331	81,433
Construction work-in-process	246,928	288,749	–	(136,853)	398,824
Net capital assets	2,824,294	119,052	–	4,189	2,947,535
District Energy System:					
Chilled water plant assets	60,858	–	(41)	4,395	65,212
Total capital assets	60,858	–	(41)	4,395	65,212
Less: accumulated depreciation	(31,841)	(2,607)	41	6	(34,401)
Land	3,051	–	–	–	3,051
Construction work-in process	2,301	5,464	–	(4,401)	3,364
Net capital assets	34,369	2,857	–	–	37,226
Total	$ 5,476,493	$ (16,185)	$ –	$ 4,189	$ 5,464,497

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

7. Investment in The Energy Authority

JEA is a member of TEA, a municipal power marketing and risk management joint venture, headquartered in Jacksonville, Florida, with an ownership interest of 17.6%. TEA provides wholesale power marketing and resource management services to members (including JEA) and nonmembers and allocates transaction savings and operating expenses pursuant to a settlement agreement. TEA also assists members (including JEA) and nonmembers with natural gas procurement and related gas hedging activities. JEA's earnings from TEA were $23,603 in fiscal year 2023 and $29,731 in 2022 for all power marketing activities. JEA's distributions from TEA were $20,731 in fiscal year 2023 and $15,464 in 2022. The investment in TEA was $27,863 at September 30, 2023 and $25,507 at September 30, 2022 and is included in noncurrent assets on the accompanying statements of net position.

The following is a summary of the unaudited financial information of TEA for the nine months ended September 30, 2023 and 2022. TEA issues separate audited financial statements on a calendar-year basis.

	Unaudited	
	2023	**2022**
Condensed statement of net position:		
Current assets	**$ 355,758**	$ 699,272
Noncurrent assets	**41,039**	34,897
Total assets	**$ 396,797**	$ 734,169
Current liabilities	**$ 236,091**	$ 589,538
Noncurrent liabilities	**18,231**	15,423
Deferred inflows	**4,506**	18,447
Members' capital	**158,889**	144,541
Total liabilities and members' capital	**$ 417,717**	$ 767,949
Condensed statement of operations:		
Operating revenues	**$ 3,132,281**	$ 3,912,598
Operating expenses	**3,026,014**	3,638,084
Operating income	**$ 106,267**	$ 274,514
Net income	**$ 110,154**	$ 275,020

As of September 30, 2023, JEA is obligated to guaranty, directly or indirectly, TEA's electric trading activities in an amount up to $60,000, and TEA's natural gas procurement and trading activities up to $93,700, in either case, plus attorney's fees that any party claiming and prevailing under the guaranty might incur and be entitled to recover under its contract with TEA.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

7. Investment in The Energy Authority (continued)

Generally, JEA's guaranty obligations for electric trading would arise if TEA did not make the contractually required payment for energy, capacity, or transmission that was delivered or made available, or if TEA failed to deliver or provide energy, capacity, or transmission as required under a contract. Generally, JEA's guaranty obligations for natural gas procurement and trading would arise if TEA did not make the contractually required payment for natural gas or transportation that was delivered or purchased or if TEA failed to deliver natural gas or transportation as required under a contract.

Upon JEA's making any payments under its electric guaranty, it has certain contribution rights with the other members of TEA in order that payments made under the TEA member guaranties would be equalized ratably, based upon each member's equity ownership interest in TEA. Upon JEA's making any payments under its natural gas guaranty, it has certain contribution rights with the other members of TEA in order that payments under the TEA member guaranties would be equalized ratably in proportion to their respective amounts of guaranties, as adjusted by the actual natural gas member volumes and prices for the calendar year. After such contributions have been effected, JEA would only have recourse against TEA to recover amounts paid under the guaranty.

The term of these guaranties is generally indefinite, but JEA has the ability to terminate its guaranty obligations by providing advance notice to the beneficiaries thereof. Such termination of its guaranty obligations only applies to TEA transactions not yet entered into at the time the termination takes effect. Such termination would be because of JEA's withdrawal from membership in TEA, or such termination could cause JEA's membership in TEA to be terminated.

8. Long-Term Debt

The Electric System, Bulk Power Supply System, SJRPP System, Water and Sewer System, and DES revenue bonds (JEA Revenue Bonds) are each governed by one or more bond resolutions. The Electric System bonds are governed by both a senior and a subordinated bond resolution; the Bulk Power Supply System bonds are governed by a single bond resolution; the Water and Sewer System bonds are governed by both a senior and a subordinated bond resolution; the SJRPP System bonds are governed by the Second Power Park Resolution; and the DES bonds are governed by a single bond resolution. In accordance with the bond resolutions of each system, principal and interest on the bonds are payable from and secured by a pledge of the net revenues of the respective system. In general, the bond resolutions require JEA to make monthly deposits into the separate debt service sinking funds for each system in an amount equal to approximately one-twelfth of the aggregate amount of principal and interest due and payable on the bonds within the bond year. Interest on the fixed rate bonds is payable semiannually on April 1 and October 1, and principal is payable on October 1.

The various bond resolutions provide for certain other covenants, the most significant of which (1) requires JEA to establish rates for each system such that net revenues with respect to that system are sufficient to exceed (by a certain percentage) the debt service for that system during the fiscal year and any additional amount required to make all reserve or other payments required to be made in such fiscal year by the resolution of that system and (2) restricts JEA from issuing additional parity bonds unless certain conditions are met.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Below is the schedule of outstanding indebtedness for the years ended September 30, 2023 and 2022.

Long-Term Debt	Interest Rates[1]	Payment Dates	September 30 2023	September 30 2022
Electric System Senior Revenue Bonds:				
Series Three 2004A	5.000%	2039	**$ 5**	$ 5
Series Three 2005B	4.750%	2033	**100**	100
Series Three 2008A[2]	Variable	2027-2036	**51,680**	51,680
Series Three 2008B-1[3]	Variable	2023-2040	**53,945**	56,395
Series Three 2008B-2[2]	Variable	2025-2040	**41,900**	41,900
Series Three 2008B-3[2]	Variable	2024-2036	**37,000**	37,000
Series Three 2008B-4[3]	Variable	2023-2036	**38,735**	42,110
Series Three 2008C-1[2]	Variable	2024-2034	**44,145**	44,145
Series Three 2008C-2[2]	Variable	2024-2034	**43,900**	43,900
Series Three 2008C-3[2]	Variable	2030-2038	**25,000**	25,000
Series Three 2008D-1[3]	Variable	2023-2036	**94,605**	97,705
Series Three 2009D[4]	6.056%	2033-2044	**45,955**	45,955
Series Three 2010E[4]	5.350-5.482%	2028-2040	**34,255**	34,255
Series Three 2013A	N/A	N/A	**–**	15,245
Series Three 2013C	4.600%	2029	**845**	2,795
Series Three 2015B	5.000%	2030-2031	**4,535**	4,535
Series Three 2017B	3.375-5.000%	2026-2039	**198,095**	198,095
Series Three 2020A	3.000-5.000%	2026-2041	**129,255**	129,255
Series Three 2021A	4.000-5.000%	2033-2039	**10,385**	10,385
Total Electric System Senior Revenue Bonds			**854,340**	880,460

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates[1]	Payment Dates	September 30 2023	2022
Electric System Subordinated Revenue Bonds:				
2000 Series A[2]	Variable	2023-2025	**$ 12,030**	$ 14,770
2008 Series D[2]	Variable	2024-2038	**39,455**	39,455
2009 Series F[4]	5.500-6.406%	2024-2034	**58,420**	58,420
2010 Series D[4]	4.899-5.582%	2023-2027	**30,140**	34,485
2013 Series A	5.000%	2027-2029	**6,725**	6,725
2013 Series B	N/A	N/A	**–**	5,225
2013 Series C	5.000%	2029-2037	**31,900**	31,900
2014 Series A	5.000%	2034-2039	**22,860**	29,140
2017 Series B	3.375-5.000%	2026-2034	**142,065**	142,065
2020 Series A	4.000-5.000%	2028-2038	**92,415**	92,415
2021 Series A	4.000-5.000%	2029-2034	**34,175**	34,175
Total Electric System Subordinated Revenue Bonds			**470,185**	488,775
Bulk Power Supply System Revenue Bonds:				
Series 2010A[4]	5.300-5.920%	2023-2030	**24,765**	27,175
Total Bulk Power System Revenue Bonds			**24,765**	27,175
SJRPP System Revenue Bonds:				
Issue Three, Series Four[4]	4.950-5.450%	2023-2028	**13,245**	15,195
Issue Three, Series Six	3.000-5.000%	2023-2027	**26,460**	35,435
Issue Three, Series Seven	3.000-3.375%	2023-2028	**41,190**	43,375
Issue Three, Series Eight	2.750-3.125%	2023-2027	**11,820**	13,995
Total SJRPP System Revenue Bonds			**92,715**	108,000

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates[1]	Payment Dates	September 30 2023	September 30 2022
Water and Sewer System Senior Revenue Bonds:				
2006 Series B[5]	Variable	N/A	**$ –**	$ 5,055
2008 Series A-2[2]	Variable	2028-2042	**51,820**	51,820
2008 Series B[2]	Variable	2023-2041	**85,290**	85,290
2010 Series A[4]	6.210-6.310%	2026-2044	**83,115**	83,115
2010 Series B	5.600-5.700%	2023-2025	**5,190**	6,920
2010 Series F[4]	4.550-5.887%	2023-2040	**37,845**	38,335
2012 Series B	3.000-5.000%	2024-2034	**13,170**	13,170
2013 Series A	4.500-5.000%	2023-2027	**4,995**	4,995
2014 Series A	4.000-5.000%	2023-2040	**148,390**	148,390
2017 Series A	3.125-5.000%	2023-2041	**346,770**	346,770
2020 Series A	3.000-5.000%	2023-2040	**104,000**	104,000
2021 Series A	3.000-5.000%	2023-2041	**121,815**	121,815
Total Water and Sewer System Senior Revenue Bonds			**1,002,400**	1,009,675
Water and Sewer System Subordinated Revenue Bonds:				
Subordinated 2008 Series A-1[2]	Variable	2023-2038	**39,325**	41,900
Subordinated 2008 Series A-2[2]	Variable	2030-2038	**25,600**	25,600
Subordinated 2008 Series B-1[2]	Variable	2030-2036	**30,885**	30,885
Subordinated 2012 Series B	3.250-5.000%	2030-2034	**4,480**	4,480
Subordinated 2013 Series A	5.000%	2028-2029	**2,760**	2,760
Subordinated 2017 Series A	2.750-5.000%	2023-2034	**55,015**	55,015
Subordinated 2020 Series A	4.000-5.000%	2024-2040	**26,590**	26,590
Total Water and Sewer System Subordinated Revenue Bonds			**184,655**	187,230
Water and Sewer System Other Subordinated Debt:				
Revolving Credit Agreement	Variable	2027	**127,000**	–
Water and Sewer System Other Subordinated Debt			**127,000**	–

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates[1]	Payment Dates	September 30 2023	September 30 2022
District Energy System:				
2013 Series A	3.244-4.538%	2023-2034	**$ 27,825**	$ 29,640
Total District Energy System			**27,825**	29,640
District Energy System Other Subordinated Debt:				
Revolving Credit Agreement	Variable	2027	**$ 11,000**	$ 3,000
Total District Energy System Subordinated Debt			**11,000**	3,000
Total Debt Principal Outstanding			**2,794,885**	2,733,955
Less: Debt Due Within One Year			**(89,375)**	(74,070)
Total Long-Term Debt			**$ 2,705,510**	$ 2,659,885

(1) Interest rates apply only to bonds outstanding at September 30, 2023. Interest on the outstanding variable rate debt is based on either the daily mode, weekly mode, or the flexible mode, which resets in time increments ranging from 1 to 270 days. In addition, JEA has executed fixed-payer interest rate swaps to effectively fix a portion of its net payments relative to certain variable rate bonds. See the Debt Management Strategy section of this note for more information related to the interest rate swap agreements outstanding at September 30, 2023 and 2022.

(2) Variable rate demand obligations – interest rates ranged from 3.55% to 4.50% at September 30, 2023.

(3) Variable rate direct purchased bonds indexed to SIFMA – interest rates were 4.43% at September 30, 2023.

(4) Federally Taxable – Issuer Subsidy – Build America Bonds where JEA expects to receive a cash subsidy payment from the United States Department of the Treasury for an amount up to 35% of the related interest.

(5) Variable rate bonds indexed to the Consumer Price Index (CPI bonds) – JEA executed the final scheduled debt service payment on October 1, 2022, and has no CPI bonds outstanding at September 30, 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-term debt activity for the year ended September 30, 2023 was as follows:

System	Debt Payable September 30, 2022	Par Amount of Debt Issued	Par Amount of Debt Refunded or Defeased	Scheduled Debt Principal Payments	Debt Payable September 30, 2023	Current Portion of Debt Payable September 30, 2023
Electric:						
Revenue	$ 1,173,025	$ –	$ –	$ (35,785)	$ 1,137,240	$ 8,830
Direct Purchase	196,210	–	–	(8,925)	187,285	7,950
Total Electric	1,369,235	–	–	(44,710)	1,324,525	16,780
Bulk Power Supply	27,175	–	–	(2,410)	24,765	2,495
SJRPP	108,000	–	–	(15,285)	92,715	15,865
Water and Sewer:						
Revenue	$ 1,196,905	$ –	$ –	$ (9,850)	$ 1,187,055	$ 52,365
Revolver	–	127,000	–	–	127,000	–
Total Water and Sewer	1,196,905	127,000	–	(9,850)	1,314,055	52,365
DES:						
Revenue	29,640	–	–	(1,815)	27,825	1,870
Revolver	3,000	8,000	–	–	11,000	–
Total DES	32,640	8,000	–	(1,815)	38,825	1,870
Total	$ 2,733,955	$ 135,000	$ –	$ (74,070)	$ 2,794,885	$ 89,375

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-term debt activity for the year ended September 30, 2022 was as follows:

System	Debt Payable September 30, 2021	Par Amount of Debt Issued	Par Amount of Debt Refunded or Defeased	Scheduled Debt Principal Payments	Debt Payable September 30, 2022	Current Portion of Debt Payable September 30, 2022
Electric:						
Revenue	$ 1,223,570	$ –	$ –	$ (50,545)	$ 1,173,025	$ 35,785
Direct Purchase	204,805	–	–	(8,595)	196,210	8,925
Total Electric	1,428,375	–	–	(59,140)	1,369,235	44,710
Bulk Power Supply	81,885	–	(47,630)	(7,080)	27,175	2,410
SJRPP	251,765	–	(129,590)	(14,175)	108,000	15,285
Water and Sewer	1,206,275	–	–	(9,370)	1,196,905	9,850
DES:						
Revenue	31,410	–	–	(1,770)	29,640	1,815
Revolver	–	3,000	–	–	3,000	–
Total DES	31,410	3,000	–	(1,770)	32,640	1,815
Total	$ 2,999,710	$ 3,000	$ (177,220)	$ (91,535)	$ 2,733,955	$ 74,070

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

The debt service payments to maturity on the outstanding debt as of September 30, 2023 are summarized below.

	Electric System Revenue		Electric System Direct Purchase		Bulk Power Supply System	
Fiscal Year	Principal	Interest(1)(2)	Principal	Interest(2)	Principal	Interest(1)
2024	$ 8,830	$ 51,591	$ 7,950	$ 7,462	$ 2,495	$ 1,356
2025	19,745	50,816	10,190	7,055	2,580	1,221
2026	26,020	49,728	10,605	6,616	3,105	1,066
2027	59,110	47,728	11,050	6,159	3,100	890
2028	67,975	44,532	15,430	5,534	3,205	703
2029-2033	363,025	173,220	76,295	17,676	10,280	927
2034-2038	458,255	77,051	45,895	5,637	–	–
2039-2043	125,070	10,801	9,870	285	–	–
2044-2045	9,210	563	–	–	–	–
Total	$ 1,137,240	$ 506,030	$ 187,285	$ 56,424	$ 24,765	$ 6,163

	SJRPP		Water and Sewer System		District Energy System		Total Debt
Fiscal Year	Principal	Interest(1)	Principal	Interest(1)(2)	Principal	Interest	Service
2024	$ 15,865	$ 3,124	$ 52,365	$ 58,340	$ 1,870	$ 1,886	$ 213,134
2025	16,445	2,457	55,675	55,335	1,930	1,763	$ 225,212
2026	17,105	1,825	60,155	52,549	1,995	1,695	$ 232,464
2027	17,565	1,245	182,015	49,781	13,065	1,621	$ 393,329
2028	18,060	628	54,280	40,534	2,145	833	$ 253,859
2029-2033	7,675	155	284,900	161,429	12,165	2,678	$ 1,110,425
2034-2038	–	–	341,060	92,269	5,655	259	$ 1,026,081
2039-2043	–	–	271,595	24,623	–	–	$ 442,244
2044-2045	–	–	12,010	765	–	–	$ 22,548
Total	$ 92,715	$ 9,434	$ 1,314,055	$ 535,625	$ 38,825	$ 10,735	$ 3,919,296

(1) The interest requirement reflects gross interest, prior to any 35% cash subsidy payments, on the Federally Taxable – Issuer Subsidy – Build America Bonds.

(2) The interest requirement for the variable rate debt was determined by using the interest rates that were in effect at the financial statement date of September 30, 2023.

(3) The principal requirement for Fiscal Year 2027 includes the outstanding amounts drawn upon the revolving credit agreement, which is scheduled to expire on May 24, 2027.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

JEA, at its option, may redeem specific outstanding fixed rate JEA Revenue Bonds prior to maturity, as discussed in the official statements covering their issuance. A summary of the redemption provisions, excluding federally taxable bonds with make-whole redemption provisions, is as follows:

	Electric System	SJRPP	Water and Sewer System	District Energy System
Earliest fiscal year for redemption	2024	2024	2024	2024
Redemption price	100%	100%	100%	100%
Par available for redemption	$ 103,510	$ 79,470	$ 250,840	$ 27,825

JEA, at its option, may redeem federally taxable bonds, including Build America Bonds, with make-whole redemption provisions, in whole or in part, on any date, as discussed in the official statements covering their issuance. A summary of the make-whole redemption provisions is as follows:

	Electric System	Bulk Power Supply System	SJRPP	Water and Sewer System
Earliest fiscal year for redemption	2024	2024	2024	2024
Redemption price	Make-Whole	Make-Whole	Make-Whole	Make-Whole
Par available for redemption	$ 168,770	$ 24,765	$ 13,245	$ 126,150

JEA issued no bonds during fiscal years 2023 or 2022.

The JEA Board has authorized the issuance of additional bonds within certain parameters for the Electric System, SJRPP, the Water and Sewer System, and DES.

On January 24, 2023, the JEA Board replaced the authorizing delegations that expired on December 31, 2022 with authorizing delegations that expire on December 31, 2025. The following table summarizes the maximum amounts that could be issued:

	New Money Authorization		Refunding Authorization		
System	Senior	Subordinated	Senior	Subordinated	Expiration
Electric	$ –	$ –	$ 454,000	$ 160,000	December 31, 2025
SJRPP Issue Three	–	–	88,000	–	December 31, 2025
Water and Sewer	–	–	405,000	109,000	December 31, 2025
District Energy System	–	–	31,000	–	December 31, 2025

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

On September 26, 2023, the JEA Board replaced the authorizing delegations that expired on December 31, 2025 with authorizing delegations that expire on September 30, 2024. The following table summarizes the maximum amounts that could be issued:

	New Money Authorization		Refunding Authorization		
System	**Senior**	**Subordinated**	**Senior**	**Subordinated**	**Expiration**
Electric	$ –	$ –	$ 454,000	$ 160,000	September 30, 2024
SJRPP Issue Three	–	–	88,000	–	September 30, 2024
Water and Sewer	353,000	–	532,000	109,000	September 30, 2024
District Energy System	22,000	–	42,000	–	September 30, 2024

Variable Rate Demand Obligations (VRDOs) – Liquidity Support

For the Electric System and the Water and Sewer System VRDOs appearing in the schedule of outstanding indebtedness, and except for the obligations noted in the following paragraphs, liquidity support is provided in connection with tenders for purchase with various liquidity providers pursuant to standby bond purchase agreements (SBPA) relating to that series of obligation. The purchase price of the obligations tendered or deemed tendered for purchase is payable from the proceeds of the remarketing thereof and moneys drawn under the applicable SBPA. At September 30, 2023, there were no outstanding draws under the SBPA. In the event of the expiration or termination of the SBPA that results in a mandatory tender of the VRDOs and the purchase of the obligations, then beginning on April 1 or October 1, whichever date is at least six months subsequent to the purchase of the obligations by the bank, JEA shall begin to make equal semiannual installments over an approximate five-year period. Commitment fees range from 0.40% to 0.42% with stated termination dates ranging from March 19, 2024 to May 7, 2027, unless otherwise extended.

JEA entered into irrevocable direct-pay letter of credit and reimbursement agreement to support the payment of principal and interest on the Water and Sewer System 2008 Series A-2 VRDOs. The letter of credit agreement constitutes both a credit facility and a liquidity facility. As of September 30, 2023, there were no draws outstanding under the letter of credit agreement. Repayment of any draws outstanding at the expiration date are payable in equal semiannual installments over an approximate five-year period. The commitment fee is 0.42% with a stated expiration date of September 27, 2028, unless otherwise extended.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

JEA has entered into continuing covenant agreements for the Variable Rate Electric System Revenue Bonds, Series Three 2008B-1, Series Three 2008B-4, and Series Three 2008D-1 (collectively, the Direct Purchase Bonds). Except as described below, the bank does not have the option to tender the respective Direct Purchase Bonds for purchase for a period specified in the respective continuing covenant agreements, which period would be subject to renewal under certain conditions. Any Direct Purchase Bonds that were not purchased on the scheduled mandatory tender date that occurred, upon the expiration of such period, would be required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the scheduled mandatory tender date. The continuing covenant agreements specify certain events of default that require immediate repayment of outstanding amounts and other events of default that require repayment of outstanding amounts if the event of default continues from 7 days to 180 days. During the years ended September 30, 2023 and 2022, JEA did not default on any terms of the continuing covenant agreements. The current expiration date of the continuing covenant agreements is December 9, 2024, unless otherwise extended. The interest rate is variable and set weekly based upon SIFMA plus 45 basis points.

Revolving Credit Agreement

JEA has a revolving credit agreement with a commercial bank for an unsecured amount of $500,000. The revolving credit agreement may be used with respect to the Electric System, the Bulk Power Supply System, SJRPP, the Water and Sewer System, or DES for operating or capital expenditures. The revolving credit agreement specifies events of default that require immediate repayment of outstanding amounts. During the years ended September 30, 2023 and 2022, JEA did not default on any terms of the revolving credit agreement. During fiscal year 2023, the revolving credit agreement was drawn upon by the District Energy System for $8,000 and the Water and Sewer System for $127,000 increasing the balance outstanding to $138,000 as of September 30, 2023, with $362,000 available to be drawn. The revolving credit agreement is scheduled to expire on May 24, 2027.

Debt Management Strategy

JEA has entered into various interest rate swap agreements, executed in conjunction with debt financings for initial terms up to 35 years (unless earlier terminated). JEA utilizes floating to fixed interest rate swaps as part of its debt management strategy. For purposes of this note, the term floating to fixed interest rate swaps refers to swaps in which JEA receives a floating rate and pays a fixed rate.

The fair value of the interest rate swap agreements and related hedging instruments is reported in the long-term debt section in the accompanying statements of net position; however, the notional amounts of the interest rate swaps are not reflected in the accompanying financial statements. JEA follows GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; therefore, hedge accounting is applied where fair market value changes are recorded in the accompanying statements of net position as either deferred outflow or deferred inflow of resources.

The earnings from the debt management strategy interest rate swaps are recorded to interest on debt in the accompanying statements of revenues, expenses, and changes in net position.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

JEA entered into all outstanding floating to fixed interest rate swap agreements during prior fiscal years. The terms of the floating to fixed interest rate swap agreements outstanding at September 30, 2023, are as follows:

System	Hedged Bonds	Initial Notional Amount	Notional Amount Outstanding	Fixed Rate of Interest	Effective Date	Termination Date	Variable Rate Index
Electric	Series Three 2008C	$ 174,000	$ 84,800	3.7%	Sep 2003	Sep 2033	68% of 1 month LIBOR fallback(1)
Electric	Series Three 2008B	117,825	82,575	4.4%	Aug 2008	Oct 2039	SIFMA
Electric	Series Three 2008B	116,425	74,925	3.7%	Sep 2008	Oct 2035	68% of 1 month LIBOR fallback(1)
Electric	2008 Series D	40,875	39,175	3.7%	Mar 2009	Oct 2037	68% of 1 month LIBOR fallback(1)
Electric	Series Three 2008D-1	98,375	62,980	3.9%	May 2008	Oct 2031	SIFMA
Electric	Series Three 2008A	100,000	51,680	3.8%	Jan 2008	Oct 2036	SIFMA
Water and Sewer	2008 Series B	85,290	85,290	3.90%	Mar 2007	Oct 2041	SIFMA
		$ 732,790	$ 481,425				

The terms of the floating to fixed interest rate swap agreements outstanding at September 30, 2022, are as follows:

System	Hedged Bonds	Initial Notional Amount	Notional Amount Outstanding	Fixed Rate of Interest	Effective Date	Termination Date	Variable Rate Index
Electric	Series Three 2008C	$ 174,000	$ 84,800	3.7%	Sep 2003	Sep 2033	68% of one month LIBOR[(1)]
Electric	Series Three 2008B	117,825	82,575	4.4%	Aug 2008	Oct 2039	SIFMA
Electric	Series Three 2008B	116,425	78,300	3.7%	Sep 2008	Oct 2035	68% of one month LIBOR[(1)]
Electric	2008 Series D	40,875	39,175	3.7%	Mar 2009	Oct 2037	68% of one month LIBOR[(1)]
Electric	Series Three 2008D-1	98,375	62,980	3.9%	May 2008	Oct 2031	SIFMA
Electric	Series Three 2008A	100,000	51,680	3.8%	Jan 2008	Oct 2036	SIFMA
Water and Sewer	2006 Series B	38,730	5,055	4.1%	Oct 2006	Oct 2022	CPI
Water and Sewer	2008 Series B	85,290	85,290	3.9%	Mar 2007	Oct 2041	SIFMA
		$ 771,520	$ 489,855				

(1) The UK's Financial Conduct Authority ("FCA") is responsible for regulating LIBOR. On November 30, 2020, the ICE Benchmark Administration ("IBA"), an authorized administrator, regulated and supervised by the FCA, announced that it planned to consult on its intention to cease publication of the overnight, one-month, six-month and 12-month LIBOR tenors on June 30, 2022. On March 5, 2021, the FCA announced the future cessation or loss of representativeness of the 35 LIBOR benchmark settings published by IBA, and on May 3, 2021, the FCA confirmed that the one-month U.S. dollar tenor, among others, would cease to be provided by any administrator or no longer representative after June 30, 2023. The International Swap and Derivatives Association ("ISDA") led an industry effort to implement fallback language for derivatives contracts covered under the IBA and FCA announcements. On October 23, 2020, ISDA published the ISDA 2020 IBOR Fallbacks Protocol ("Protocol"), which enables parties to amend the terms of covered swap documents and to include new fallback rates for those that would be discontinued or become non-representative. JEA and its LIBOR swap counterparties adhered to the Protocol prior to June 30, 2023, to replace LIBOR with a rate based on SOFR.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

For fiscal years ended September 30, 2023 and 2022, all outstanding interest rate swap agreements were considered effective hedging instruments. The following table includes fiscal year 2023 and 2022 summary information for JEA's effective cash flow hedges related to the outstanding floating to fixed interest rate swap agreements.

	Changes in Fair Value		Fair Value at September 30, 2023		
System	**Classification**	**Amount**	**Classification**	**Amount[1]**	**Notional**
Electric	Deferred outflows	**$ 15,768**	Fair value of debt management strategy instruments	**$ (15,736)**	**$ 396,135**
Water and Sewer	Deferred outflows	**4,095**	Fair value of debt management strategy instruments	**(2,632)**	**85,290**
Total		**$ 19,863**		**$ (18,368)**	**$ 481,425**

	Changes in Fair Value		Fair Value at September 30, 2022		
System	**Classification**	**Amount**	**Classification**	**Amount[1]**	**Notional**
Electric	Deferred outflows	$ (71,248)	Fair value of debt management strategy instruments	$ (31,504)	$ 399,510
Water and Sewer	Deferred outflows	(19,876)	Fair value of debt management strategy instruments	(6,727)	90,345
Total		$ (91,124)		$ (38,231)	$ 489,855

(1) Fair value amounts were calculated using market rates and standard cash flow present valuing techniques.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

For fiscal years ended September 30, 2023 and 2022, the weighted-average rates of interest for each index type of floating to fixed interest rate swap agreement and the total net swap earnings were as follows:

	2023	2022
68% of LIBOR fallback (based on SOFR Index) and LIBOR Index[1]:		
Notional amount outstanding	**$ 198,900**	$ 202,275
Variable rate received (weighted average)	**3.16%**	0.55%
Fixed rate paid (weighted average)	**3.70%**	3.70%
SIFMA Index (formerly BMA Index):		
Notional amount outstanding	**$ 282,525**	$ 282,525
Variable rate received (weighted average)	**3.06%**	0.61%
Fixed rate paid (weighted average)	**4.02%**	4.02%
CPI Index:		
Notional amount outstanding	**$ -**	$ 5,055
Variable rate received (weighted average)	**-**	7.42%
Fixed rate paid (weighted average)	**-**	4.09%
Net debt management swap loss	**$ (3,765)**	$ (15,916)

(1) LIBOR fallback (based on SOFR Index) for rates set after June 30, 2023 and LIBOR Index for rates set on and prior to June 30, 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

The following two tables summarize the anticipated net cash flows of JEA's outstanding hedged variable rate debt and related floating to fixed interest rate swap agreements at September 30, 2023:

Electric System

Fiscal Year	Principal	Interest[(1)]	Net Swap Interest	Total
2024	$ 5,400	$ 15,167	$ 740	$ 21,307
2025	13,840	14,629	725	29,194
2026	19,205	13,905	689	33,799
2027	19,750	13,144	649	33,543
2028	32,905	11,910	591	45,406
2029-2033	172,605	38,984	1,890	213,479
2034-2038	114,180	13,708	1,094	128,982
2039-2040	18,250	414	69	18,733
Total	$ 396,135	$ 121,861	$ 6,447	$ 524,443

Water and Sewer System

Fiscal Year	Principal	Interest[(1)]	Net Swap Interest	Total
2024	$ 4,035	$ 3,016	$ 159	$ 7,210
2025	4,420	2,849	148	7,417
2026	4,525	2,682	139	7,346
2027	4,615	2,512	131	7,258
2028	–	2,498	130	2,628
2029-2033	4,540	12,174	632	17,346
2034-2038	21,430	9,699	503	31,632
2039–2042	41,725	2,517	130	44,372
Total	$ 85,290	$ 37,947	$ 1,972	$ 125,209

(1) Interest requirement for the variable rate debt and the variable portion of the interest rate swaps was determined by using the interest rates that were in effect at the financial statement date of September 30, 2023. The fixed portion of the interest rate swaps was determined based on the actual fixed rates of the outstanding interest rate swaps at September 30, 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Credit Risk – JEA is exposed to credit risk on hedging derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, the Board has established limits on the notional amount of JEA's interest rate swap transactions and standards for the qualification of financial institutions with which JEA may enter into interest rate swap transactions. The counterparties with which JEA may deal must be rated (i) "AAA"/"Aaa" by one or more nationally recognized rating agencies at the time of execution, (ii) "A"/"A2" or better by at least two of such credit rating agencies at the time of execution, or (iii) if such counterparty is not rated "A"/"A2" or better at the time of execution, provide for a guarantee by an affiliate of such counterparty rated at least "A"/"A2" or better at the time of execution where such affiliate agrees to unconditionally guarantee the payment obligations of such counterparty under the swap agreement. In addition, each swap agreement will require the counterparty to enter into a collateral agreement to provide collateral when the ratings of such counterparty (or its guarantor) fall below "AA-"/"Aa3" and a payment is owed to JEA. With respect to swap agreements entered into in 2014 between JEA and three swap counterparties, each counterparty will be required to provide collateral when (a) the ratings of such counterparty fall below "A+"/"A1" by any one of the rating agencies and (b) a termination payment would be owed to JEA above a specified threshold amount. All outstanding interest rate swaps at September 30, 2023, were in a liability position. Therefore, if counterparties failed to perform as contracted, JEA would not be subject to any credit risk exposure at September 30, 2023.

JEA's floating to fixed interest rate swap counterparty credit ratings at September 30, 2023, are as follows:

Counterparty	Counterparty Credit Ratings S&P/Moody's/Fitch	Outstanding Notional Amount
Morgan Stanley Capital Service Inc.	A-/A1/A+	$ 145,555
Goldman Sachs Mitsui Marine Derivative Products L.P.	AA-/Aa2/not rated	136,480
JPMorgan Chase Bank, N.A.	A+/Aa2/AA	114,100
Merrill Lynch Derivative Products AG	A-/A1/AA-	85,290
Total		$ 481,425

Interest Rate Risk – JEA is exposed to interest rate risk where changes in interest rates could affect the related net cash flows and fair values of outstanding interest rate swaps. On a pay-fixed, receive-variable interest rate swap, as the floating swap index decreases, JEA's net payment on the swap increases, and as the fixed rate swap market declines as compared to the fixed rate on the swap, the fair value declines.

Basis Risk – JEA is exposed to basis risk on certain pay-fixed interest rate swap hedging derivative instruments because the variable-rate payments received on certain hedging derivative instruments are based on a rate or index other than interest rates that JEA pays on its hedged variable-rate debt, which is reset every one or seven days. As of September 30, 2023, the weighted-average interest rate on JEA's hedged variable-rate debt is 4.17%, the SIFMA swap index rate is 3.98%, and 68% of LIBOR fallback (based on SOFR) is 3.69%.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Termination Risk – JEA or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a hedging derivative instrument were in a liability position, JEA would be liable to the counterparty for a payment equal to the liability.

Market Access Risk – JEA is exposed to market access risk due to potential market disruptions in the municipal credit markets that could inhibit the issuing or remarketing of bonds and related hedging instruments. JEA maintains strong credit ratings (see Debt Administration section of the Management Discussion and Analysis) and, to date, has not encountered any barriers to the credit markets.

9. Related Party Transactions

City of Jacksonville

Utility and Administrative Services

JEA is a separately governed authority and considered a discretely presented component unit of the City. JEA provides electric, water, and sewer service to the City and its agencies and bills for such service using established rate schedules. JEA utilizes various services provided by departments of the City including insurance, legal, and motor pool. JEA is billed on a proportionate cost basis with other user departments and agencies. The revenues for services provided and expenses for services received by JEA for these related-party transactions with the City were as follows:

	2023	2022
Revenues	**$ 31,878**	$ 30,386
Expenses	**$ 5,248**	$ 4,827

City Contribution

On March 22, 2016, the City and JEA entered into a five-year agreement, which established the contribution formula for the fiscal years 2017 through 2022. On February 28, 2019, the agreement was amended to extend its expiration date to September 30, 2023. The City and JEA are discussing terms for a new agreement, which is expected to be ratified in 2024. In the absence of a new agreement, the contribution formula will continue.

Although the calculation for the annual transfer of available revenue from JEA to the City is based upon formulas that are applied specifically to each utility system operated by JEA, JEA, at its sole discretion, may utilize any of its available revenues, regardless of source, to satisfy its total annual obligation to the City.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

9. Related Party Transactions (continued)

The contributions from the JEA Electric Enterprise Fund and JEA Water and Sewer Fund were as follows:

	2023	2022
Electric	**$ 95,491**	$ 94,546
Water and Sewer	**$ 26,933**	$ 26,667

The JEA Electric Enterprise Fund is required to contribute annually to the General Fund of the City an amount equal to 7.468 mills per kilowatt hour delivered by JEA to retail users in JEA's service area and to wholesale customers under firm contracts having an original term of more than one year. The JEA Water and Sewer Fund is required to contribute annually to the General Fund of the City an amount equal to 389.2 mills per thousand gallons of potable water and sewer service provided, excluding reclaimed water service. These calculations are subject to a minimum increase of 1% per year through 2023, using 2016 as the base year for the combined assessment for the Electric Enterprise Fund and Water and Sewer Fund. There is no maximum annual assessment.

In 2022, JEA made an additional one-time contribution of $12,500 from the JEA Water and Sewer Fund to the City to be used for septic tank phase out.

Franchise Fees

In 2008, the City enacted a 3.0% franchise fee from designated revenues of the Electric and Water and Sewer systems. The ordinance authorizes JEA to pass through these fees to its electric and water and sewer funds. These amounts are included in operating revenues and expenses and were as follows:

	2023	2022
Electric	**$ 34,329**	$ 34,484
Water and Sewer	**$ 11,319**	$ 11,294

Insurance Risk Pool

JEA is exposed to various risks of loss related to torts, theft and destruction of assets, errors and omissions, and natural disasters. In addition, JEA is exposed to risks of loss due to injuries and illness of its employees. These risks are managed through the Risk Management Division of the City, which administers the public liability (general liability and automobile liability) and workers' compensation self-insurance program covering the activities of the City general government, JEA, Jacksonville Housing Authority, Jacksonville Port Authority, and the Jacksonville Aviation Authority. The general objectives are to formulate, develop, and administer, on behalf of the members, a program of insurance to obtain lower costs for that coverage and to develop a comprehensive loss control program.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

9. Related Party Transactions (continued)

JEA has excess coverage for individual workers' compensation claims above $1,500. Liability for claims incurred is the responsibility of, and is recorded in, the City's self-insurance plan. The premiums are calculated on a retrospective or prospective basis, depending on the claims experience of JEA and other participants in the City's self-insurance program. The liabilities are based on the estimated ultimate cost of settling the claim including the effects of inflation and other societal and economic factors. The JEA workers' compensation expense is the premium charged by the City's self-insurance plan. JEA is also a participant in the City's general liability insurance program. As part of JEA's risk management program, certain commercial insurance policies are purchased to cover designated exposures and potential loss programs. These amounts are included in operating expenses and were as follows:

	2023	2022
General liability	**$ 2,145**	$ 2,015
Workers' compensation	**$ 1,821**	$ 1,712

The following table shows the estimated workers' compensation and general liability loss accruals for the City and JEA's portion for the fiscal years ended September 30, 2023 and 2022. The amounts are recorded by the City at present value using a 4% discount rate for the fiscal years ended September 30, 2023 and September 30, 2022.

	Workers' Compensation		General Liability	
	City of Jacksonville	JEA Portion	City of Jacksonville	JEA Portion
Beginning balance	$ 147,168	$ 2,651	$ 17,903	$ 2,280
Change in provision	17,201	1,349	10,651	2,394
Payments	(24,929)	(967)	(10,348)	(1,513)
Ending balance	$ 139,440	$ 3,033	$ 18,206	$ 3,161

10. Fuel Purchase and Purchased Power Commitments

JEA has committed to purchase approximately 97,000 tons of coal and 67,500 tons of petroleum coke for Northside. Contract terms specify minimum annual purchase commitments at fixed prices or at prices that are subject to market adjustments. JEA has remarketing rights under the coal and petroleum coke contracts. JEA's coal and petroleum coke supply is purchased with transportation included.

JEA has a power purchase agreement (PPA) with Florida Power & Light (FPL) which provides 200 MW of day-ahead scheduled power. The pricing structure of the FPL PPA is based on the system cost of its natural gas combined cycle units and has a term of 20 years.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

JEA has commitments to purchase natural gas delivered to Jacksonville under a long-term contract with Shell Energy North America L.P. (Shell Energy) until 2031. Contract terms for the natural gas supply specify minimum annual purchase commitments at market prices. JEA has the option to remarket any excess natural gas purchases. In addition to the gas delivered by Shell Energy, JEA has long-term contracts with Peoples Gas system, Florida Gas Transmission, Southern Natural Gas and SeaCoast Gas Transmission for firm gas transportation to allow the delivery of natural gas through those pipeline systems. There is no purchase commitment of natural gas associated with those transportation contracts.

JEA has eight contracts to purchase prepaid natural gas supplies at daily volumes currently ranging from 35,000 mmBtu/day to 43,000 mmBtu/day, depending on the month, and increasing to 45,000 – 53,000 mmBtu/day effective April 1st, 2024. The prepaid natural gas is supplied via JEA's firm natural gas transportation or natural gas supply agreements with each contract having a 20- or 30-year term. JEA's financial obligations under the gas supply agreements are based on index prices for monthly deliveries at the delivery point and are on a "take and pay" basis whereby JEA is only obligated to pay for gas that is delivered.

In the unlikely event that JEA would not be in a position to fulfill its obligations to receive fuel and purchased power under the terms of its existing fuel and purchased power contracts, JEA would nonetheless be obligated to make certain future payments. If the conditions necessitating the future payments occurred, JEA would mitigate the financial impact of those conditions by remarketing the fuel and purchased power at then-current market prices. The aggregate amount of future payments that JEA does not expect to be able to mitigate appears in the table below:

Fiscal Year	Coal and Pet Coke		Natural Gas		
Ending	Fuel	Transportation	Transportation	Transmission	Total
2024	$ 4,465	$ 4,206	$ 5,342	$ 16,800	$ 30,813
2025	–	–	5,328	16,800	22,128
2026	–	–	5,328	16,800	22,128
2027	–		5,328	16,800	22,128
2028-2042	–	–	19,542	239,400	258,942
Total	$ 4,465	$ 4,206	$ 40,868	$ 306,600	$ 356,139

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

Vogtle Units Purchased Power Agreement

Overview

As a result of an earlier 2008 Board policy establishing a 10% of total energy from nuclear energy goal, JEA entered into a power purchase agreement (as amended, the Additional Vogtle Units PPA) with the Municipal Electric Authority of Georgia (MEAG) for 206 megawatts (MW) of capacity and related energy from MEAG's interest in two additional nuclear generating units (the Additional Vogtle Units or Plant Vogtle Units 3 and 4) under construction at the Alvin W. Vogtle Nuclear Plant in Burke County, Georgia. The owners of the Additional Vogtle Units include Georgia Power Company (Georgia Power), Oglethorpe Power Corporation, MEAG and the City of Dalton, Georgia (collectively, the Vogtle Co-Owners). The energy received under the Additional Vogtle Units PPA is projected to represent approximately 12% of JEA's total energy requirements in the year 2026.

The Additional Vogtle Units PPA requires JEA to pay MEAG for the capacity and energy at the full cost of production (including debt service on the bonds issued and to be issued by MEAG and on the loans made and to be made by the Project J Entity referred to below, in each case, to finance the portion of the capacity to be sold to JEA from the Additional Vogtle Units) plus a margin over the term of the Additional Vogtle Units PPA. Under the Additional Vogtle Units PPA, JEA is entitled to 103 MW of capacity and related energy from each of the Additional Vogtle Units for a 20-year term commencing on each Additional Vogtle Unit's commercial operation date and is required to pay for such capacity and energy on a "take-or-pay" basis (that is, whether or not either Additional Vogtle Unit is completed or is operating or operable, whether or not its output is suspended, reduced or the like, or terminated in whole or in part) except that JEA is not obligated to pay the margin referred to above during such periods in which the output of either Additional Vogtle Unit is suspended or terminated.

Financing and In-Service Costs

MEAG created three separate projects (the Vogtle Units 3 and 4 Project Entities) for the purpose of owning and financing its 22.7% undivided ownership interest in the Additional Vogtle Units (representing approximately 500.308 MW of capacity and related energy based upon the nominal rating of the Units). The project corresponding to the portion of MEAG's ownership interest, which will provide the capacity and energy to be purchased by JEA under the Additional Vogtle Units PPA, is referred to herein as Project J. MEAG currently estimates that the total in-service cost for its entire undivided ownership interest in the Additional Vogtle Units will be approximately $7,464,820, including construction and financing costs through the estimated in-service dates, initial fuel load costs, switchyard and transmission costs, and contingencies established by Georgia Power at the project level for all Vogtle Co-Owners. MEAG has additionally provided that its total capital costs for its share of the Additional Vogtle Units, including reserve funds and other fund deposits required under the financing documents, are approximately $8,006,368. A certain portion of these costs is subject to reduction in accordance with the 2019 Global Amendments to the Plant Vogtle Joint Operating Agreements. The total in-service cost for the Additional Vogtle Units allocable to Project J and the portion of additional in-service costs relating to reserve funds and other fund deposits is approximately $3,452,663.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

On September 29, 2022, MEAG announced that MEAG and the Vogtle Units 3 and 4 Project Entities have entered into a Definitive Settlement Agreement with Georgia Power (the Settlement Agreement) to resolve claims relating to the 2019 Global Amendments currently pending in litigation filed by MEAG and the Vogtle Units 3 and 4 Project Entities on June 18, 2022, in the Superior Court of Fulton County, Georgia. Under the Settlement Agreement:

- Georgia Power will reimburse the Vogtle Units 3 and 4 Project Entities for (1) 15% of their share of the actual cost of construction of the Additional Vogtle Units in excess of $18.7 billion, up to and including $19.6 billion, and (2) 20% of their share of the actual cost of construction of the Additional Vogtle Units in excess of $19.6 billion. MEAG and the Vogtle Units 3 and 4 Project Entities will release Georgia Power from claims for reimbursement of costs of construction of the Additional Vogtle Units other than pursuant to the Settlement Agreement;

- The Vogtle Units 3 and 4 Project Entities will not tender any of their ownership interests in the Additional Vogtle Units to Georgia Power, which will remain 22.7% in the aggregate;

- The parties will dismiss with prejudice the existing litigation among them and deliver customary releases relating to the litigation; and

- MEAG Power waives its rights under the Agreement Regarding Additional Participating Party Rights, dated November 2, 2017, by and among MEAG, Georgia Power, and the other Vogtle Co-Owners (Additional Rights Agreement), and agrees to vote to continue the construction of the Additional Vogtle Units upon occurrence of specified project adverse events unless the commercial operation date of either of the Additional Vogtle Units is not projected to occur by December 31, 2025.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

Financing for Project J – In order to finance a portion of its acquisition and construction of Project J and to refund bond anticipation notes previously issued by MEAG, MEAG issued $1,248,435 of its Plant Vogtle Units 3 and 4 Project J Bonds (the 2010 PPA Bonds) on March 11, 2010. Of the total 2010 PPA Bonds, approximately $1,224,265 were issued as Federally Taxable – Issuer Subsidy – Build America Bonds where MEAG expects to receive a cash subsidy payment from the United States Treasury for 35% of the related interest, subject to reduction due to sequestration. At this time, a portion of the interest subsidy payments with respect to the Build America Bonds is not being paid as a result of the federal government sequestration process and the Bipartisan Budget Act of 2019 for the current fiscal year through fiscal year 2030. The current sequestration rate of 5.7% will be applied unless and until a law is enacted that cancels or otherwise affects the sequester. MEAG issued $185,180 of additional Project J tax-exempt bonds on September 9, 2015. In addition, MEAG issued $570,925 of additional Project J tax-exempt bonds on July 19, 2019. JEA was not asked to, and did not, provide updated disclosure regarding JEA in connection with the preparation of MEAG's July 18, 2019 Project J Bonds Series 2019A Official Statement relating to the issuance and JEA did not make any representations or warranties, or deliver any opinions of legal counsel, in connection with the offering, issuance, and sale of the Project J Bonds, Series 2019A. Further, on July 20, 2021, July 12, 2022 and January 19, 2023, MEAG issued $150,350, $212,005, and $192,370 of additional Project J tax-exempt bonds, Series 2021A, Series 2022A and Series 2023A, respectively. JEA provided updated disclosure regarding JEA in connection with MEAG's July 8, 2021 Project J Bonds, Series 2021A Official Statement, June 29, 2022 Project J Bonds, Series 2022A Official Statement and January 12, 2023 Project J Bonds, Series 2023A Official Statement, respectively, relating to the issuances and JEA made certain representations and warranties and delivered opinions of legal counsel in connection with the offering, issuance, and sale of the Project J Bonds, Series 2021A, 2022A and 2023A.

On June 24, 2015, in order to obtain certain loan guarantees from the United States Department of Energy (DOE) for further funding of Plant Vogtle Units 3 and 4, MEAG divided its undivided ownership interest in Plant Vogtle Units 3 and 4 into three separate undivided interests and transferred such interests to the Vogtle Units 3 and 4 Project Entities. MEAG transferred approximately 41.175% of its ownership interest, representing 206 MW of nominally rated generating capacity (which is the portion of MEAG's ownership interest attributable to Project J), to MEAG Power SPVJ, LLC (the Project J Entity).

The Project J Entity entered into a loan guarantee agreement with the DOE in 2015, subsequently amended in 2016 and 2017, under which the Project J Entity is permitted to borrow from the Federal Financing Bank (FFB) an aggregate amount of approximately $687,279, all of which has been advanced to date.

On September 28, 2017, DOE, MEAG, and the Vogtle Units 3 and 4 Project Entities entered into a conditional commitment for additional DOE loan guarantees in the aggregate amount of $414,700. On March 22, 2019, MEAG announced that it had closed on the additional DOE loan guarantees in the aggregate amount of $414,700. The Project J Entity's portion of the $414,700 in additional loan guarantees is $111,541 and this amount was fully drawn on October 2, 2021. MEAG expects that the total financing needs for Project J will exceed the aggregate of the Project J Entity's FFB lending commitments and the balance will be financed in the capital markets, or bank borrowings.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

The following is a summary of financing associated with Project J:

Long-term bonds	
2010A Build America bonds	$ 1,224,265
2010B tax-exempt bonds	24,170
2015A tax-exempt bonds	185,180
2019A tax-exempt bonds	570,925
2021A tax-exempt bonds	150,350
2022A tax-exempt bonds	212,005
2023A tax-exempt bonds	192,370
Remaining financing requirement	16,740
Total long-term bonds	2,576,005
DOE advances(1)	
2015 DOE advances	345,990
2019 DOE advances	229,748
2020 DOE advances	111,541
Total DOE advances	687,279
Estimated interest earnings and bond premiums	189,379
Total capital requirements(2)	$ 3,452,663

(1) Includes advances and related capitalized interest accretion.

(2) Represents estimated total construction costs and required reserve deposits, net of payments received.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

Based on information provided by MEAG, JEA's portion of the debt service on the outstanding Project J debt as of September 30, 2023, is summarized as follows:

Fiscal Year Ending September 30	Principal	Interest	Annual Debt Service	Build America Bonds Subsidy	Capitalized Interest	Net Debt Service
2024	$ 34,951	$ 162,117	$ 197,068	$ (26,100)	$ (14,119)	$ 156,849
2025	37,296	159,306	196,602	(25,746)	–	170,856
2026	38,710	155,221	193,931	(25,378)	–	168,553
2027	40,198	152,844	193,042	(24,993)	–	168,049
2028	41,776	150,685	192,461	(24,592)	–	167,869
2029	43,399	148,566	191,965	(24,173)	–	167,792
2030	45,082	146,324	191,406	(23,737)	–	167,669
2031	46,838	143,991	190,829	(23,281)	–	167,548
2032	48,622	141,692	190,314	(22,806)	–	167,508
2033	50,586	139,007	189,593	(22,311)	–	167,282
2034	52,603	136,362	188,965	(21,794)	–	167,171
2035	54,653	133,682	188,335	(21,255)	–	167,080
2036	48,287	130,892	179,179	(20,692)	–	158,487
2037	35,932	127,928	163,860	(20,106)	–	143,754
2038	30,988	124,870	155,858	(19,494)	–	136,364
2039	28,020	121,601	149,621	(18,855)	–	130,766
2040	18,891	118,315	137,206	(18,189)	–	119,017
2041	15,847	114,843	130,690	(17,495)	–	113,195
2042	9,710	111,750	121,460	(16,770)	–	104,690
2043	3,393	90,426	93,819	(13,880)	–	79,939
2044	–	11,080	11,080	(1,790)	–	9,290
Total	$ 725,782	$ 2,721,502	$ 3,447,284	$ (433,437)	$ (14,119)	$ 2,999,728

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

Construction Arrangements for the Additional Vogtle Units

As a result of the bankruptcy of the original contractor for the Additional Vogtle Units and increases in the construction costs, the Vogtle Co-Owners have restructured the construction arrangements for the Additional Vogtle Units. Under the restructured construction arrangements:

- Bechtel Power Corporation (Bechtel) will serve as the prime construction contractor for the remaining construction activities for Plant Vogtle Units 3 and 4 under a Construction Agreement entered into between Bechtel and Georgia Power, acting for itself and as agent for the other Vogtle Co-Owners (the Construction Agreement), which is a cost reimbursable plus fee arrangement, which means that the Construction Agreement does not require Bechtel to absorb any increases in construction costs.

- In August 2018, the Vogtle Co-Owners approved amendments to their joint ownership agreements for Plant Vogtle Units 3 and 4 (as amended, the Vogtle Joint Ownership Agreements) that limit the circumstances under which the holders of at least 90% of the ownership interests in Plant Vogtle Units 3 and 4 are required to approve the continuance of the construction of the Additional Vogtle Units to a few events, including the delay of one year or more over the most recently approved project schedule. Such events do not include increases in the construction budget.

- Under the Vogtle Joint Ownership Agreements, Georgia Power has the right to cancel the project at any time in its discretion.

The estimated construction costs to complete Project J's share of the Additional Vogtle Units have significantly increased from the original project budget of approximately $1,400,000 to the current estimate of approximately $3,452,663 inclusive of financing costs and required reserves. In addition, significant delays in the project's construction schedule have resulted in the original placed inservice dates for Vogtle Unit 3 of April 2016 and for Vogtle Unit 4 of April 2017 being revised. Vogtle Unit 3 was placed inservice on July 31, 2023 and Vogtle Unit 4 is expected to be placed in service during the first quarter of 2024.

JEA is not a party to the Construction Agreement or to the Vogtle Joint Ownership Agreements and does not have the right under the Additional Vogtle Units PPA to cause a termination of the Construction Agreement, to cancel the project, or to approve increases in the construction costs or delays in the construction schedule of the project. Accordingly, JEA can provide no assurance that construction costs for the Additional Vogtle Units will not significantly increase or that the schedule of the project will not be significantly delayed.

Increases in construction costs for Plant Vogtle Units 3 and 4 result in increases in the payment obligations of JEA for capacity and energy under the Additional Vogtle Units PPA. See the *Overview* and *Financing and In-Service Costs* sections above and *Litigation and Regulatory Proceedings* section below for a description of the complaint filed by JEA and the City challenging the enforceability of the Additional Vogtle Units PPA.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

Settlement of Prior Litigation

On 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. In connection with the litigation settlement, MEAG and JEA executed an amendment to the Additional Vogtle Units PPA pursuant to which MEAG and JEA agreed to an increase in the Additional Compensation Obligation payable by JEA to MEAG of $0.75 per MWh of energy delivered to JEA thereunder.

In addition, MEAG and JEA also entered into an agreement that, subject to the rights granted to other Project J participants in their Project J power sales contracts, grants to JEA a right of first refusal 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 Project J power sales contract. This right of first refusal is 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 (July 31, 2033) and continuing until the expiration of twenty (20) years following such commercial operation dates. In order to exercise its right of first refusal as described above, 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.

Option to Purchase Interest in Lee Nuclear Station

On February 1, 2011, JEA entered into an option agreement with Duke Energy Carolinas, LLC (Duke Carolinas), a wholly owned subsidiary of Duke Energy Corporation, pursuant to which JEA has the option (but not the obligation) to purchase an undivided ownership interest of not less than 5% and not more than 20% of the proposed two-unit nuclear station currently known as William States Lee III Nuclear Station, Units 1 and 2 to be constructed at a site in Cherokee County, South Carolina (the Lee Project). The Lee Project planned to have 2,234 MW of electric generating capacity with a projected on-line date of 2026 with respect to Unit 1 and 2028 with respect to Unit 2. The total cost of the option was $7,500, with $3,750 paid in both fiscal year 2011 and 2012, respectively. JEA obtained this option in furtherance of its 2010 policy target to acquire up to 30% of JEA’s energy requirements from nuclear sources by 2030.

The option agreement requires that JEA and Duke Carolinas complete negotiation of an ownership agreement and an operation and maintenance agreement for the Lee Project prior to JEA exercising the option. The option exercise period will be opened by Duke Carolinas after it (i) receives NRC approval of the COL for the Lee Project and (ii) executes an engineering, procurement, and construction agreement for the Lee Project. The Lee Project COL was received from the NRC in December 2016. In August 2017, Duke Carolinas filed with the North Carolina Utilities Commission and the South Carolina Public Service Commission to cancel the plant. This cancellation allows Duke Carolinas to seek cost recovery for the expenditures on licensing the plant, however, the NRC license remains active and the cancellation is not permanent. There is currently no schedule for negotiating an EPC agreement.

Once the exercise period is opened, JEA will have 90 days within which to exercise the option, and, if it does exercise the option, it must specify the percentage undivided ownership interest in the Lee Project that it will acquire.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

After JEA exercises the option (should it elect to do so) and various regulatory approvals are obtained, JEA must pay Duke Carolinas the exercise price for the option. Such price is generally JEA's pro rata share, based on its percentage ownership interest in the Lee Project, of the development and pre construction cost for the Lee Project incurred by Duke Carolinas from the beginning of the Lee Project through the closing date of the option exercise. JEA is undecided as to the financing structure it would employ to finance its interest in the Lee Project, should it elect to exercise its option.

Under certain circumstances, should the Lee Project be terminated by Duke Carolinas, Duke may be obligated to provide JEA with options for alternative resources (but not necessarily from nuclear resources) to replace JEA's optional portion of the projected Lee Project capacity.

Such alternative resources are to be available to JEA within two years of the projected online date for the Lee Project, once such date is set. No alternative resource for the Lee Project has yet been proposed by Duke Carolinas.

Solar Projects

In 2009, JEA entered into a 30-year PPA with Jacksonville Solar, LLC for the produced energy, as well as the associated environmental attributes from a solar farm, Jacksonville Solar, which has been constructed in JEA's service territory. The facility, which consists of 200,000 photovoltaic panels on a JEA-leased 100-acre site, is currently owned by Rev Renewables, an LS Power company, and generated approximately 16,255 MWh of electricity in fiscal year 2023 and 18,024 MWh of electricity in 2022. JEA pays only for the energy produced. Purchases of energy were $3,636 for fiscal year 2023 and $3,928 in 2022.

As part of JEA's continued commitment to the environment, and to increase JEA's level of carbon-free renewable energy generation, in December 2014, the Board established a solar policy to add up to 38 MWac of solar photovoltaic capacity. To support this policy, JEA issued requests for proposals for PPAs in December 2014 and April 2015. Seven PPAs, representing 27 MWac, have been finalized. The solar PPAs are distributed around JEA's service territory.

As of the end of calendar year 2019, all seven projects had been completed: NW Jacksonville Solar, Old Plank Road Solar, Starratt Solar, Simmons Solar, Blair Road Solar, Old Kings Solar, and Sunport Solar. JEA entered into 20-25 year PPAs for the energy and the associated environmental attributes from each solar farm. The solar facilities generated approximately 51,304 MWh in fiscal year 2023 and 53,607 MWh in fiscal year 2022. JEA pays only for the energy produced. Purchases of energy were $4,042 for fiscal year 2023 and $4,174 in 2022.

On April 25, 2023, the JEA Board approved JEA's 2030 goals, which include sourcing 35% of JEA's energy from clean energy resources, such as solar and nuclear. To support this goal, JEA will need a total of 1,275 MW of solar. As a result, JEA entered into an agreement on January 24, 2023, to purchase 150 MWac of electric energy, capacity resources, and renewable attributes (Solar) beginning April 1, 2023, from Florida Power & Light. JEA received approximately 196,411 MWh in fiscal year 2023 and the purchases of energy were $9,934.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

JEA is in negotiations for a solar agreement with the Florida Municipal Power Agency to purchase approximately 140 MW from facilities set to commission in 2026. Finally, JEA is currently in negotiations with Florida Renewable Partners for 280 MW of solar and energy storage systems to be constructed on JEA-owned parcels. These facilities are expected to commission between 2026 and 2027.

Trail Ridge Landfill

JEA purchases energy from two landfill gas-to-energy facilities through PPA agreements with Landfill Energy Systems (LES). Each agreement is for 9.6 MWs. Currently, JEA purchases 9.6 MW from Trail Ridge Landfill in Jacksonville, FL and 6.4 MW from Sarasota Landfill in Sarasota, FL. LES can supply the remaining 3.2 MW from Sarasota, if it is expanded and becomes available, or JEA can exercise its option to receive the remaining 3.2 MW from New River Landfill in Raiford, FL. JEA pays only for the energy produced. LES pays all transmission and ancillary charges associated with transmitting the energy from Sarasota to Jacksonville, which came online in January 2015. Purchases of landfill energy were 55,312 MWh for $4,256 in fiscal year 2023 and 68,457 MWh for $5,161 in fiscal year 2022.

11. Energy Market Risk Management Program

The energy market risk management program is intended to help manage the risk of changes in the market prices of fuel consumed by JEA for electric generation. JEA entered into financial swaps that locked in the monthly commodity price of natural gas for calendar years 2023 through 2031. These swaps cover approximately 66% of expected annual natural gas requirements for calendar year 2024. Each year thereafter, until calendar year 2028, the number of financial swaps gradually declines. Calendar years 2029 through 2031 have consistent numbers of financial swaps.

Under the existing natural gas supply contract with Shell Energy, JEA has the option to enter into fixed price transactions with Shell Energy in relation to the purchases to be made under the contract. As of September 30, 2023, JEA has executed fixed price transactions on 43% of the natural gas supply to be received from Shell Energy through July 2027.

JEA executes over-the-counter forward purchase and sale contracts and swaps. For effective derivative transactions, hedge accounting is applied in accordance with GASB Statement No. 53 and the fair market value changes are recorded on the accompanying statements of net position as either deferred charges or deferred credits until such time that the transactions end. At September 30, 2023, deferred credits of $93,219 were included in accumulated increase in fair value of hedging derivatives and deferred charges of $20,789 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. At September 30, 2022, deferred credits of $267,808 were included in accumulated increase in fair value of hedging derivatives and deferred charges of $1,351 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. The related settled gains and losses from these transactions are recognized as fuel expenses on the accompanying statements of revenues, expenses, and changes in net position. There were realized gains offsetting fuel expense of $21,893 and $121,870 in fiscal years 2023 and 2022, respectively.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans

Substantially all JEA employees participate in and contribute to the GERP, as amended. The GERP is a cost-sharing, multiple-employer contributory defined benefit pension plan (DB) with a defined contribution alternative (DC). The defined benefit pension plan portion of the GERP is closed to new members, with all new employees entering the defined contribution plan. Employees hired prior to September 30, 2017 can electively change from the DC plan to the DB plan, or vice versa, up to three times within their first five years of participation. GERP, based on laws outlined in the City's Ordinance Code and applicable Florida statutes, provides for retirement, survivor, death, and disability benefits. Its latest financial statements, required supplementary information, and compositions of the nine member Board of Trustees and seven member Advisory Committee are included in the Comprehensive Annual Financial Report of the City. This report may be obtained at: https://www.coj.net/departments/finance/accounting/comprehensive-annual-financial-reports.aspx or by writing to the City of Jacksonville, Florida, Accounting Division, City Hall at St. James Building, 117 West Duval Street, Suite 375, Jacksonville, Florida 32202-5725.

Plan Benefits Provided – Participation in the GERP is mandatory for all full-time employees of JEA, Jacksonville Housing Authority, North Florida Transportation Planning Authority, and the City, other than police officers and firefighters. Appointed officials and permanent employees not in the civil service system may opt to become members of GERP. Elected officials are members of the Florida Retirement System Elected Officer Class. Members of the GERP are eligible to retire with a normal pension benefit upon achieving one of the following: (a) completing 30 years of credited service, regardless of age; (b) attaining age 55 with 20 years of credited service; or (c) attaining age 65 with five years of credited service. There is no mandatory retirement age.

Upon reaching one of the three conditions for retirement described above, a member is entitled to a retirement benefit of 2.5% of final average compensation, multiplied by the number of years of credited service, up to a maximum benefit of 80% of final monthly compensation. A time service retirement benefit is payable bi-weekly, to commence upon the first payday coincident with or next payday following the member's actual retirement and will continue until death.

Each member and survivor is entitled to a cost of living adjustment (COLA). The COLA consists of a 3% increase of the retiree's or survivor's pension benefits, which compounds annually. The COLA commences in the first full pay period of April occurring at least 4.5 years (and no more than 5.5 years) after retirement. In addition, there is a supplemental benefit. The supplemental benefit is equal to five dollars ($5) multiplied by the number of years of credited service. This benefit may not exceed $150 per month.

A member who has suffered an illness, injury, or disease, which renders the member permanently and totally incapacitated, physically or mentally, from regular and continuous duty as an employee is considered disabled under the terms of the GERP. The GERP provides two types of disability benefits: a service related disability benefit and a non-service related disability benefit. The service related disability benefit is 50% of the member's final monthly compensation at the time of the disability. Members are eligible for non-service related disability benefits after five years of service. The benefit is 25% of the member's final monthly compensation at the time of the disability, increasing 2.5% for each year of service in excess of five years to a maximum of 50%.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Contributions – Florida law requires plan contributions be made annually in amounts determined by an actuarial valuation in either dollars or as a percentage of payroll. The Florida Division of Retirement reviews and approves the City's actuarial report to ensure compliance with actuarial standards and appropriateness for funding purposes. Contributions were made in accordance with contribution requirements determined through an actuarial valuation.

JEA plan members of the DB plan were required to contribute 10.0% of their annual covered salary, which includes 0.3% to the DB disability plan. JEA's pension contribution for the DB plan was $43,986 (30.69%) in fiscal year 2023 and $43,825 (30.92%) in 2022.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflow of Resources Related to Pensions

Net Pension Liability – JEA's net pension liability at September 30, 2023 and September 30, 2022 were measured based on an actuarial valuation as of September 30, 2022 and September 30, 2021, respectively. JEA's allocated share of the net pension liability is $950,267 (52.03%) as of September 30, 2023, based on an allocation proportional to the actual contributions paid during the year ended September 30, 2022. JEA's allocated share of the net pension liability was $643,001 (52.29%) as of September 30, 2022, based on an allocation proportional to the actual contributions paid during the year ended September 30, 2021.

For the years ended September 30, 2023 and 2022, JEA's recognized pension expense is $124,719 and $74,455, respectively. As JEA has implemented regulatory accounting for pensions, the difference between the recognized pension expense and the cash contributions paid has been deferred as a regulatory asset. See note 2, Regulatory Deferrals, for additional details.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

JEA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	September 30 2023	September 30 2022
Deferred outflows of resources		
Net difference between projected and actual earnings on pension investments	**$ 135,885**	$ –
Contributions subsequent to the measurement date	**43,986**	43,825
Changes in assumptions	**40,808**	35,819
Differences between expected and actual experience	**23,024**	17,494
Changes in proportion	**10,953**	21,906
Total	**$ 254,656**	$ 119,044
Deferred inflows of resources		
Changes in proportion	**$ (5,039)**	$ (8,370)
Net difference between projected and actual earnings on pension investments	**–**	(87,658)
Total	**$ (5,039)**	$ (96,028)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Recognition of Deferred Outflows (Inflows)
2024	$ 119,303
2025	44,827
2026	33,511
2027	51,976
Total	$ 249,617

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Actuarial Assumptions – Actuarial valuations are performed as of the beginning of the fiscal year and assumptions below pertain to all years presented unless otherwise noted:

Inflation	2.50%
Salary increases assumption	3.00%-7.50%, of which 2.50% is the Plan's long-term payroll inflation
Investment rate of return	6.50% (2023) and 6.63% (2022), net of pension plan investment expense, including inflation
Healthy pre-retirement mortality rates	FRS pre-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with scale MP2018.
Healthy post-retirement mortality rates	FRS healthy post-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018.
Disabled mortality rates	FRS disabled mortality tables for personnel other than special risk, with no set forward, projected generationally from 2010 with Scale MP2018. The FRS tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, reasonably reflect the healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The FRS disabled mortality tables for personnel other than special risk reasonably reflect the disabled annuitant mortality experience as of the measurement date.
Rationale for assumptions	The information and analysis used in selecting each demographic assumption that has a significant effect on this actuarial valuation is shown in the Experience Study Report for the five-year period ended September 30, 2017.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table. The long-term expected real rates of return are based on 20-year projections of capital market assumptions provided by Segal Marco Advisors.

	2023		2022	
Asset Class	**Target Allocation**	**Long-term Expected Nominal Rate of Return**	**Target Allocation**	**Long-term Expected Nominal Rate of Return**
Domestic equity	30.0%	6.40%	30.0%	6.40%
Fixed income	20.0%	0.40%	20.0%	0.40%
International equity	20.0%	6.80%	20.0%	6.80%
Real estate	15.0%	3.90%	15.0%	3.90%
Alternatives	7.5%	2.75%	7.5%	2.75%
Private equity	7.5%	10.40%	7.5%	10.40%
Total	**100%**		100%	

Discount Rate – The discount rate used to measure the total pension liability is 6.50%. The projection of cash flows used to determine the discount rate assumed plan member contributions would be made at their applicable contribution rates and that City contributions would be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability. Cash flow projections were run for a 120-year period.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Jacksonville GERP, calculated using the discount rate of 6.50% for 2023 and 6.63% for 2022, as well as what the Jacksonville GERP's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the discount rate used:

	Net Pension Liability	
	2023	**2022**
1% decrease	**$ 1,175,687**	$ 861,454
Current discount	**950,267**	643,001
1% increase	**762,102**	460,660

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is included in the Comprehensive Annual Financial Report of the City.

Defined Contribution Plan

The City has, by ordinance, a defined contribution (DC) plan within the Jacksonville Retirement System for GERP participants as an employee choice alternative to the defined benefit (DB) plans. Beginning in fiscal year 2011, employees had the option to participate in a DC plan. Employees vest in the employer contributions to the plan at 25% after two years, and 25% per year thereafter until fully vested after five years of service. Employees hired prior to September 30, 2017 can electively change from the DC plan to the DB plan, or vice versa, up to three times within their first five years of participation. All employees hired after September 30, 2017 now enter this plan.

In fiscal years 2023 and 2022, JEA plan members of the defined contribution plan were required to contribute 7.7% of their annual covered salary. JEA's contribution for the members of the defined contribution plan was $7,502 (11.70%) in fiscal year 2023 and $5,792 (11.70%) in 2022.

Defined Contribution Disability Program Fund

The City of Jacksonville started in fiscal year 2022 to account for the defined contribution disability contributions separately from the disability contributions of the Defined Benefit plan and requested an actuarial valuation for the Defined Contribution Disability Program Fund as of September 30, 2021.

Contributions – In fiscal years 2023 and 2022, JEA plan members of the defined contribution plan were required to contribute 0 3% of their annual covered salary to the DC disability fund. JEA's contribution to the defined contribution disability plan was $955 (1.49%) in fiscal year 2023 and $150 (0.30%) in fiscal year 2022.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflow of Resources Related to Pensions

Net Pension Liability – JEA's Defined Contribution Disability net pension liability at September 30, 2023 was measured based on an actuarial valuation as of September 30, 2022. JEA's allocated share of the net pension liability is $3,471 (33.62%) as of September 30, 2023, and $3,111 (37.01%) as of September 30, 2022.

For the year ended September 30, 2023, JEA's recognized pension expense is $635 and $1,054 as of September 30, 2022. As JEA has implemented regulatory accounting for pensions, the difference between the recognized pension expense and the cash contributions paid has been deferred as a regulatory asset. See note 2, Regulatory Deferrals, for additional details.

JEA reported deferred outflows of resources and deferred inflows of resources related to the DC disability fund from the following sources:

	September 30	
	2023	**2022**
Deferred outflows of resources		
Differences between expected and actual experience	**$ 1,145**	$ 1,400
Contributions subsequent to the measurement date	**955**	150
Changes in proportion	**948**	942
Changes in assumptions	**58**	–
Net difference between projected and actual earnings on pension investments	**54**	15
Total	**$ 3,160**	$ 2,507
Deferred inflows of resources		
Changes in assumptions	**$ (2,494)**	$ (3,051)
Changes in proportion	**(429)**	–
Differences between expected and aactual experience	**(64)**	–
Total	**$ (2,987)**	$ (3,051)

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Recognition of Deferred Outflows (Inflows)
2024	$ 870
2025	(85)
2026	(85)
2027	(88)
2028	(99)
Thereafter	(440)
Total	$ 73

Actuarial Assumptions – Actuarial valuations are performed as of the beginning of the fiscal year and assumptions below pertain to all years presented unless otherwise noted:

Inflation	2.50%
Salary increases assumption	3.00%-7.50%, of which 2.50% is the Plan's long-term payroll inflation
Investment rate of return	6.50% (2023) and 6.63% (2022), net of pension plan investment expense, including inflation
Healthy pre-retirement mortality rates	FRS pre-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with scale MP2018.
Spouse post-retirement mortality rates	FRS healthy post-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018.
Disabled mortality rates	FRS disabled mortality tables for personnel other than special risk, with no set forward, projected generationally from 2010 with Scale MP2018. The FRS tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, reasonably reflect the healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The FRS disabled mortality tables for personnel other than special risk reasonably reflect the disabled annuitant mortality experience as of the measurement date.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Discount Rate – The discount rate used to measure the total pension liability is 6.50% (2023) and 6.63% (2022). The projection of cash flows used to determine the discount rate assumed plan member contributions would be made at their applicable contribution rates and that City contributions would be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability. Cash flow projections were run for a 120-year period.

The Plan's assets are not currently invested but are planned to be invested under the same investment policy as that employed by the General Employee's Retirement Plan, and thus the same investment return assumption as that used for the valuation of the Retirement Plan is used to measure TPL

Sensitivity of the Net DC Disability Fund Liability to Changes in the Discount Rate – The following presents the net pension liability of the Jacksonville DC disability plan, calculated using the discount rate of 6.50% for 2023 and 6.63% for 2022, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the discount rate used:

	Net Pension Liability	
	2023	**2022**
1% decrease	**$ 4,042**	$ 3,626
Current discount	**3,471**	3,111
1% increase	**2,999**	2,685

St. Johns River Power Park Plan Description

Plan Description – The SJRPP Plan is a single employer contributory defined benefit plan that covers former employees of SJRPP. The SJRPP Plan provides for pension, death, and disability benefits. Participation in the SJRPP Plan was required as a condition of employment. The SJRPP Plan is subject to provisions of Chapter 112 of the State of Florida Statutes and the oversight of the Florida Division of Retirement. The SJRPP Plan is governed by a three-member pension committee (Pension Committee). As part of the Asset Transfer Agreement with FPL related to the shutdown of SJRPP, JEA assumed all payment obligations and other liabilities related to separation benefits for the qualifying SJRPP employees and any amounts required to be deposited in SJRPP Pension Fund.

The SJRPP Plan periodically issues stand-alone financial statements, with the most recent report issued for the year ended September 30, 2022. This report may be obtained at https://www.jea.com/About/Investor_Relations/Financial_Reports/SJRPP_Pension.

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Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Pursuant to the February 25, 2013 amendment, the SJRPP Plan consists of two tiers: Tier One is the Defined Benefits Tier and Tier Two is the Cash Balance Tier. Tier One participants will remain in the traditional defined benefit plan and Tier Two employees (defined as employees with less than 20 years of experience) will participate in a modified defined benefit plan, or "cash balance" plan, with an employer match provided for any Tier Two employee who contributes to the 457 Plan. Participants hired after February 25, 2013 are only eligible to accrue Tier Two benefits.

Plan Benefits Provided – Members of the SJRPP Plan are eligible to retire with a normal pension benefit upon achieving one of the following: (a) completing 30 years of credited service, regardless of age; (b) attaining age 55 with 20 years of credited service; or (c) attaining age 65 with five years of credited service. There is no mandatory retirement age.

Upon reaching one of the three conditions for retirement described above, a member in Tier One is entitled to a retirement benefit of:

- 2.0% of final average earnings (FAE) multiplied by the number of years of credited service, not to exceed 15 years
- plus 2.4% of FAE multiplied by the number of years of credited service in excess of 15 years, but not to exceed 30 years
- plus .65% of the excess FAE over the Social Security Average Wages multiplied by years of credited service, not to exceed 35 years

FAE is the annual average of a participant's earnings over the highest 36 consecutive complete months out of the last 120 months of participation immediately preceding retirement or termination. Retirement benefits are payable bi-weekly beginning on the first day of the month following or coincident with the participant's Earliest Retirement Age.

As of February 25, 2013, the accrued benefits in Tier One of newly classified Tier Two participants were frozen. Distribution of frozen Tier One Benefits is governed by the provisions applicable to Tier One. Tier Two Benefits employees receive annual pay credits to their Cash Balance accounts in the amount of 6.0% of earnings between February 25, 2013 and September 30, 2015 and 8.5% of earnings on or after October 1, 2015. Cash Balance Accounts are credited with interest at the rate of 4% per year. Benefits may be distributed as a lump sum, by rollover in accordance with the Internal Revenue Service Code or as an annuity, at the election of the participant.

For participants retired on or after October 1, 2003, each member and survivor of Tier One is entitled to a COLA. The COLA consists of a 1% increase of the retiree's or survivor's pension benefits, which compounds annually. The COLA commences each October 1 following the fifth anniversary of payment commencement.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Employees Covered by Benefit Terms – At September 30, 2023 and September 30, 2022, the following employees were covered by the benefit terms:

	2023	2022
Inactive plan members or beneficiaries currently receiving benefits	**386**	387
Inactive plan members entitled to but not yet receiving benefits	**66**	68
Active plan members	**3**	3
Total plan members	**455**	458

Contributions – The SJRPP Plan's funding policy provides for biweekly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. In fiscal years 2023 and 2022, SJRPP plan members were required to contribute 4% of their annual covered salary. SJRPP didn't make employer contributions in fiscal year 2023, for fiscal year 2022 SJRPP made an employer contribution of $6,900 (2,323.23%).

Net Pension Liability – SJRPP's net pension liability (asset) at September 30, 2023 and September 30, 2022 was measured based on an actuarial valuation as of September 30, 2022 and September 30, 2021, respectively.

Actuarial Assumptions – Actuarial valuations are performed as of the beginning of the fiscal year and assumptions below pertain to all years presented unless otherwise noted:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary increases	2.5%–12.5% per year, including inflation
Investment rate of return	6.00% per year compounded annually, net of investment expenses
Retirement Age	Experience-based table of rates based on year of eligibility.
Mortality rates	Mortality tables used by the Florida Retirement System for classes other than K-12 School Instructional Personnel described as follows:
	Healthy pre-retirement mortality rates: PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;
	Healthy post-retirement mortality rates: PUB-2010 Headcount Weighted General Below Median Healthy Retiree tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;
	Disabled mortality rates: PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.
Notes:	A new formal written funding policy was adopted on December 14, 2022 and implemented in the October 1, 2022 valuation. The new policy (i) amended the Asset Method for determining the actuarial value of assets by incorporating five-year smoothing of investment returns on assets and (ii) amended the Amortization Method by incorporating a five-year amortization schedule for changes in unfunded actuarial accrued liability. Other significant actuarial assumptions used in the October 1, 2022 valuation were based on the results of an actuarial experience study for the period October 1, 2003-September 30, 2012.

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Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table.

	2023		2022	
Asset Class	**Target Allocation**	**Long-term Expected Nominal Rate of Return**	**Target Allocation**	**Long-term Expected Nominal Rate of Return**
Domestic equity	**47%**	**6.02%**	47%	6.19%
Fixed income	**45%**	**1.40%**	45%	1.54%
International equity	**8%**	**4.80%**	8%	4.94%
Total	**100%**		100%	

Discount Rate – The discount rate used to measure the total pension liability is 6%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at their applicable contribution rates and that the employer's contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of SJRPP, calculated using a discount rate of 6%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	2023	2022
1% decrease	**$ 20,230**	$ (10,261)
Current discount rate	**4,796**	(26,412)
1% increase	**(8,377)**	(40,153)

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Changes in the net pension liability/(asset) are detailed below.

	2023	2022
Total pension liability		
Beginning balance	**$ 163,682**	$ 167,697
Service cost	**10**	22
Interest on the total pension liability	**9,414**	9,656
Difference between expected and actual experience	**912**	(153)
Benefit payments	**(13,579)**	(13,540)
Ending balance	**160,439**	163,682
Plan fiduciary net postion		
Beginning balance	**190,094**	169,982
Employer contributions	**6,900**	–
Employee contributions	**12**	15
Pension plan net investment income	**(27,684)**	33,731
Benefit payments	**(13,579)**	(13,540)
Administrative expense	**(100)**	(94)
Ending balance	**155,643**	190,094
Net pension liability/(asset)	**$ 4,796**	$ (26,412)

Plan Assets – Cash balances are amounts on deposit with the SJRPP Plan's trust bank, as well as amounts held in various money market funds as authorized in the Investment Policy Statement (Policy). All investments shall comply with the Policy as approved by the Pension Committee, and with the fiduciary standards set forth by the Employee Retirement Income Security Act and requirements set forth by the Florida Statutes. The trust bank balances are collateralized and subject to the Florida Security for Public Deposits Act of Chapter 280, Florida Statutes.

The Plan follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments are presented at fair value, which is based on available or equivalent market values. The money market mutual fund is a 2a-7 fund registered with the SEC and, therefore is presented at actual pooled share price, which approximates fair value.

At September 30, 2023 and September 30, 2022, the SJRPP Plan's cash and cash equivalents consisted of the following:

	2023	2022
Cash equivalents:		
Wells Fargo Treasury Plus Money Market Account	$ 4,869	$ 3,469
Total cash and cash equivalents	$ 4,869	$ 3,469

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

The Policy specifies investment objectives and guidelines for the SJRPP Plan's investment portfolio and provides asset allocation targets for various asset classes.

Investments controlled by the SJRPP Plan that represent 5% or more of the SJRPP Plan's net position were the Alliance Domestic Passive Collective Trust. At September 30, 2023, the investment had a basis of $8,391, a fair market value of $39,859, and represented 25% of the fiduciary net position available for benefits. At September 30, 2022, the investment had a basis of $11,761, a fair market value of $45,965, and represented 30% of the fiduciary net position available for benefits.

Risk

In accordance with GASB Statement No. 40, investments also require certain disclosures regarding policies and practices with respect to the risks associated with them (see discussion in the following paragraphs).

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally speaking, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the SJRPP Plan's fixed income portfolio manager monitors the duration of the fixed maturity securities portfolio as part of the strategy to manage interest rate risk. The average modified duration of the managed fixed securities portfolio was 4.7 years as of September 30, 2023 and 4.6 years as of September 30, 2022.

Credit risk

Credit risk is the risk that a security or a portfolio will lose some or all its value due to real or perceived changes in the ability of the issuer to repay its debt. The SJRPP Plan's rated debt instruments as of September 30, 2023 and 2022 were rated by Standard & Poor's and/or an equivalent nationally recognized statistical rating organization.

The fixed income managers limit their investments to securities with an investment grade rating (BBB or equivalent) and the overall weighted average composite quality rating of the managed fixed income portfolio was Aa3.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the SJRPP Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All the SJRPP Plan's investments are held by the SJRPP Plan's directed trustee and custodian in the SJRPP Plan's name, or by an agent in the SJRPP Plan's name.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The Policy specifies an overall target allocation of 55% equities and 45% fixed income, including cash. The Policy further specifies target allocations for the equity investments among several asset classes.

The fair value of the asset classes and portfolio and specific target allocations are as follows:

	September 30, 2023			September 30, 2022		
		Percent			Percent	
	Fair Value	Actual	Target	Fair Value	Actual	Target
U.S. Government Securities and Agencies	**$ 39,460**	**25%**	**N/A**	$ 30,525	20%	N/A
Corporate bonds - non-convertible	**29,581**	**18%**	**N/A**	28,916	18%	N/A
Money Market / Cash	**4,869**	**3%**	**N/A**	3,469	2%	N/A
Total fixed income	**73,910**	**46%**	**45%**	62,910	40%	45%
S&P 500 Index Fund	**39,859**	**25%**	**28%**	45,965	30%	28%
S&P 400 Mid-Cap Index Fund	**17,742**	**11%**	**11%**	18,794	12%	11%
Small and Mid-Cap Value Fund	**13,618**	**9%**	**8%**	15,281	10%	8%
International equities	**14,812**	**9%**	**8%**	12,565	8%	8%
Total equities	**86,031**	**54%**	**55%**	92,605	60%	55%
Total	**$ 159,941**	**100%**	**100%**	$ 155,515	100%	100%

The Policy allows the percentage allocation to each asset class to vary by plus or minus 5% depending upon market conditions.

The annual money-weighted rate of return on pension plan investments was -14.83% for the year ended September 30, 2023 and 20.67% for the year ended September 30, 2022. This reflects the changing amounts actually invested.

Foreign Currency Risk

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair market value of the investment or a deposit. The Plan is exposed to foreign currency risk through its investments in an international equity mutual fund. Investments in international equities are limited by the Policy's target asset allocation for that asset class. The target for international equities is 8% of the total portfolio. The international fund comprised 9% of total investments as of September 30, 2023 and 8% as of September 30, 2022.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Fair Value Disclosures

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The SJRPP Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability.

- Level 1 – quoted prices (unadjusted) for identical assets or liabilities in active markets that are accessible at the measurement date
- Level 2 – Inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for an asset or liability

Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using direct market observations combined with quantitative pricing models to generate prices. The table below summarizes the SJRPP Plan's investments.

	September 30, 2023			September 30, 2022		
	Level 1	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
U.S. Government Securities and Agencies	**$ 26,392**	**$ 13,068**	**$ 39,460**	$ 21,042	$ 9,483	$ 30,525
Corporate bonds - non-convertible	**–**	**29,581**	**29,581**	–	28,916	28,916
Money Market / Cash	**4,869**	**–**	**4,869**	3,469	–	3,469
Total fixed income	**31,261**	**42,649**	**73,910**	24,511	38,399	62,910
S&P 500 Index Fund	**–**	**39,859**	**39,859**	–	45,965	45,965
S&P 400 Mid-Cap Index Fund	**17,041**	**701**	**17,742**	18,241	553	18,794
Small and Mid-Cap Value Fund	**12,041**	**1,577**	**13,618**	13,931	1,350	15,281
International equities	**102**	**14,710**	**14,812**	92	12,473	12,565
Total equities	**29,184**	**56,847**	**86,031**	32,264	60,341	92,605
Total	**$ 60,445**	**$ 99,496**	**$ 159,941**	$ 56,775	$ 98,740	$ 155,515

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued SJRPP Pension Plan financial report.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Pension Liabilities/Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the Pension

Net Pension Asset – SJRPP's net pension liability at September 30, 2023 and net pension asset at September 30, 2022 was measured based on an actuarial valuation as of September 30, 2022 and September 30, 2021, respectively. SJRPP's net pension liability is $4,796 as of September 30, 2023 and is included in other noncurrent assets on the statement of net position. SJRPP's net pension asset is $26,412 as of September 30, 2022.

For the year ended September 30, 2023 and 2022, SJRPP recognized pension expense is $3,198 and $4,937, respectively. As JEA has implemented regulatory accounting for pensions, the difference between the recognized pension expense and the cash contributions paid has been deferred as a regulatory asset. See note 2, Regulatory Deferrals, for additional details.

SJRPP Plan reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	September 30 2023		September 30 2022	
Deferred outflows of resources				
Contributions subsequent to the measurement date	**$**	**–**	$	6,900
Net difference between projected and actual earnings on pension plan investments		**32,894**		3,200
Total	**$**	**32,894**	$	10,100
Deferred inflows of resources				
Net difference between projected and actual earnings on pension plan investments	**$**	**(14,365)**	$	(19,581)
Total	**$**	**(14,365)**	$	(19,581)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Recognition of Deferred Outflows (Inflows)	
2024	$	4,405
2025		3,358
2026		2,989
2027		7,777
Total	$	18,529

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits

Plan Description

Plan administration – JEA maintains a medical benefits plan (OPEB Plan) that it makes available to its retirees. The medical plan is an agent multiple-employer, experience rated insurance contract plan that provides medical benefits to employees and eligible retirees and their beneficiaries.

JEA currently determines the eligibility, benefit provisions, and changes to those provisions applicable to eligible retirees. The OPEB Plan does not issue separate financial statements for each participating employer's share of the plan.

Plan membership – As of September 30, 2023 and September 30, 2022, the OPEB Plan membership consisted of the following:

	2023	2022
Inactive plan members or beneficiaries currently receiving benefits	**347**	371
Active plan members	**1,904**	1,877
Total plan members	**2,251**	2,248

Benefits provided – The OPEB Plan refers to the benefits applicable to current and future retirees and their beneficiaries. These benefits consist of continued access to medical, dental, and vision benefits as well as life insurance coverage upon retirement through the plan sponsored by JEA. Premiums for the first $5,000 of coverage are being subsidized by JEA and, as such, are considered as other postemployment benefits for purposes of GASB Statement No. 75.

Contributions – Retired members pay the full premium associated with the health coverage elected. There is no direct JEA subsidy currently applicable; however, there is an implicit cost. Spouses and other dependents are also eligible for coverage and the member is responsible for payment of the applicable premiums.

Florida law prohibits JEA from separately rating retirees and active employees. Therefore, JEA assigns to both groups blended-rate premiums.

In 2008, JEA began to advance-fund the OPEB obligation. This was accomplished by establishing a separate trust into which JEA makes periodic deposits and withdrawals to reimburse operations for costs incurred on a pay-as-you-go basis.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

Actuarial assumptions – Actuarial valuations are performed as of the beginning of the fiscal year and assumptions below pertain to all years presented unless otherwise noted:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Discount Rate	6.00%
Salary increases	2.5% to 12.5%, including inflation; varies by years of service
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Mortality rates used by the Florida Retirement System for its regular class members other than K-12 School Instructional Personnel described as follows: *Healthy pre-retirement mortality rates* : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; *Healthy post-retirement mortality rates* : PUB-2010 Headcount Weighted General Below Median Healthy Retiree tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; *Disabled mortality rates* : PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 7.50% (2023) and 6.00% (2022) and gradually decreasing to an ultimate trend rate of 4.00% (2023) and 3.75% (2022).
Aging Factors	Based on the 2013 SOA Study “Health Care Costs – From Birth to Death”.
Expenses	Investment returns are net of the investment expenses; and, Administrative expenses related to the operation of the health plan are included in the premium costs.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table.

	2023		2022	
Asset Class	**Target Allocation**	**Long-term Expected Nominal Rate of Return**	**Target Allocation**	**Long-term Expected Nominal Rate of Return**
Large cap domestic equity	**25%**	**9.9%**	25%	9.8%
Global fixed income	**15%**	**5.6%**	15%	5.6%
International equity	**21%**	**11.0%**	21%	10.9%
Domestic fixed income	**15%**	**5.3%**	15%	5.3%
Small cap domestic equity	**14%**	**11.3%**	14%	11.2%
Real estate	**10%**	**9.4%**	10%	9.4%
Total	**100%**		100%	

Discount Rate – GASB Statement No. 75 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As the assets are projected to be sufficient to meet benefit payments, the assumed valuation discount rate of 6.00% was used.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability, calculated using a discount rate of 6.00% as well as what the net OPEB liability would be if it were calculated using a rate that is 1% lower or 1% higher than the current rate:

	2023	2022
1% decrease	**$ 12,595**	$ 6,785
Current discount rate	**7,971**	1,642
1% increase	**4,047**	(2,613)

Healthcare Cost Trend Rate – JEA followed the Getzen model with trend rates for costs and premiums declining from 7.50% to 4.00% assumed for the year 2023 and 6.00% to the ultimate level of 3.75% for the year 2022.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the net OPEB liability, calculated using a healthcare cost trend rate of 7.50% for 2023 and 6.00% for 2022, down to 4.00% for 2023 and 3.75% for 2022, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the current trend rate:

	2023	2022
1% decrease	**$ 3,795**	$ (2,873)
Current healthcare cost trend rate	**7,971**	1,642
1% increase	**12,905**	7,098

Changes in the net OPEB liability are detailed below.

	2023	2022
Total OPEB liability		
Beginning balance	**$ 42,338**	$ 39,135
Service cost	**528**	432
Interest on the total OPEB liability	**2,489**	2,291
Difference between expected and actual experience	**670**	(2,934)
Change of assumptions	**(1,135)**	6,202
Benefit payments	**(2,773)**	(2,788)
Ending balance	**42,117**	42,338
Plan fiduciary net postion		
Beginning balance	**40,696**	33,999
Employer contributions	**1,714**	2,946
Net investment income	**(5,463)**	6,552
Reimbursements to employer	**(2,773)**	(2,774)
OPEB plan administrative expense	**(28)**	(27)
Ending balance	**34,146**	40,696
Net OPEB liability	**$ 7,971**	$ 1,642
Plan fiduciary net position as a percentage of the total OPEB liability	**81.07%**	96.12%
Covered payroll	**$173,502**	$169,291
Net OPEB liability as a percentage of covered payroll	**4.59%**	0.97%

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

Plan Assets – The assets of the plan consist of shares held in the Florida Municipal Investment Trust (FMIT), which is administered by the Florida League of Cities. The FMIT is an interlocal governmental entity created under the laws of the State of Florida and an Authorized Investment under Sec. 163.01 Florida Statutes. It is considered an external investment pool for reporting purposes. JEA owns shares in the OPEB Fund A as directed in the Master Trust Agreement. OPEB Fund A target asset allocation is 60% equities, 30% fixed income, and 10% real estate.

At September 30, 2023 and September 30, 2022, the OPEB Plan's cash and money market balance within the OPEB Fund A was ($137) and $122, respectively.

Risk

In accordance with GASB Statement No. 40, investments also require certain disclosures regarding policies and practices with respect to the risks associated with them (see discussion in the following paragraphs).

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally speaking, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The table below details the interest rate risk in years for investments in the trust.

	September 30, 2023		September 30, 2022	
Fixed Income Fund	**Modified Duration**	**Weighted Average Maturity**	**Modified Duration**	**Weighted Average Maturity**
FMIT Broad Market High Quality Bond Fund	**5.46**	**6.70**	5.39	6.30
FMIT Core Plus Fixed Income Fund	**6.02**	**8.92**	3.98	8.21

Credit risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to real or perceived changes in the ability of the issuer to repay its debt. The FMIT Broad Market High Quality Bond Fund was rated by Fitch as AAf/S4 as of September 30, 2023 and September 30, 2022. The remaining funds of the trust are unrated.

Money-Weighted rates of return

The money-weighted rates of return for the fiscal years ended September 30, 2023 and September 30, 2022 were -13.56% and 19.13%, respectively.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

Fair Value Disclosures

The table below summarizes the OPEB Plan's investments. Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using direct market observations combined with quantitative pricing models to generate prices. The disclosure below is based on the asset allocation provided by the FMIT of those investments held by OPEB Fund A.

	September 30, 2023			September 30, 2022		
	Level 2	Level 3	Total	Level 2	Level 3	Total
FMIT Core Plus Fixed Income Fund	**$ –**	**$ 4,644**	**$ 4,644**	$ –	$ 6,227	$ 6,227
FMIT Broad Market High Quality Bond Fund	**5,088**	**–**	**5,088**	6,674	–	6,674
Total fixed income	**5,088**	**4,644**	**9,732**	6,674	6,227	12,901
FMIT Large Cap Diversified Value Portfolio	**8,058**	**–**	**8,058**	10,337	–	10,337
FMIT International Equity Portfolio	**6,010**	**–**	**6,010**	8,505	–	8,505
FMIT Diversified Small to Mid Cap Equity Portfolio	**5,054**	**–**	**5,054**	5,657	–	5,657
FMIT Core Real Estate Portfolio	**–**	**5,429**	**5,429**	–	3,174	3,174
Total equities	**19,122**	**5,429**	**24,551**	24,499	3,174	27,673
Total	**$ 24,210**	**$ 10,073**	**$ 34,283**	$ 31,173	$ 9,401	$ 40,574

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the OPEB

Net OPEB Liability – JEA's net OPEB liability at September 30, 2023 and September 30, 2022 was measured based on an actuarial valuation as of and with the measurement dates of September 30, 2022 and September 30, 2021, respectively. JEA's net OPEB liability is $7,971 as of September 30, 2023 and $1,642 as of September 30, 2022.

For the year ended September 30, 2023 and 2022, JEA's recognized OPEB expense is $121 and $(1,621), respectively. As JEA has implemented regulatory accounting for OPEB, the difference between the recognized OPEB expense and the cash contributions paid has been deferred as a regulatory asset. See note 2, Regulatory Deferrals, for additional details.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

The JEA Plan recorded deferred outflows of resources and deferred inflows of resources related to OPEB as detailed in the table below.

	September 30	
	2023	**2022**
Deferred outflows of resources		
Change of assumptions	**$ 7,839**	$ 9,022
Contributions subsequent to the measurement date	**961**	1,714
Differences between expected and actual experience	**823**	249
Net difference between projected and actual earnings on OPEB plan investments	**6,320**	44
Total	**$ 15,943**	$ 11,029
Deferred inflows of resources		
Differences between expected and actual experience	**$ 7,948**	$ (9,490)
Change of assumptions	**5,596**	(5,329)
Net difference between projected and actual earnings on OPEB plan investments	**2,799**	(3,780)
Total	**$ 16,343**	$ (18,599)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30	**Recognition of Deferred (Inflows)**
2024	$ 479
2025	(504)
2026	(457)
2027	444
2028	(394)
Thereafter	32
Total	$ (400)

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. For JEA, this statement applies to certain investments, interest rate swap agreements, and natural gas cash flow hedges.

JEA categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability.

- Level 1 – quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
- Level 2 – Inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for an asset or liability

Investments

JEA's investments are summarized in the table below. Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using direct market observations combined with quantitative pricing models to generate prices. Money market mutual funds are managed to meet the requirements of Rule 2a-7 under the Investment Company Act of 1940, as amended, and are recorded at net asset value (NAV). The local government investment pools transact with participants at a stable NAV and are recorded at NAV. Certain U.S. Treasury and government agency securities and commercial paper are measured at cost.

	2023		
	Total	**Level 1**	**Level 2**
Investments by fair value level			
State and local government securities	**$ 63,917**	**$ –**	**$ 63,917**
U.S. Treasury and government agency securities	**272,528**	**34,722**	**237,806**
Total investments by fair value level	**336,445**	**34,722**	**301,723**
Investments measured at NAV			
Money market mutual funds	**74,502**		
Local government investment pools	**119,545**		
Total investments measured at NAV	**194,047**		
Investments measured at cost			
Commercial paper	**72,873**		
Total investments measured at cost	**72,873**		
Total investments	**$ 603,365**		

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements (continued)

	2022		
	Total	Level 1	Level 2
Investments by fair value level			
State and local government securities	$ 92,400	$ –	$ 92,400
U.S. Treasury and government agency securities	153,707	19,420	134,287
Total investments by fair value level	246,107	19,420	226,687
Investments measured at NAV			
Money market mutual funds	122,525		
Local government investment pools	126,076		
Total investments measured at NAV	248,601		
Investments measured at cost			
Commercial paper	97,301		
Total investments measured at cost	97,301		
Total investments	$ 592,009		

Interest Rate Swap Agreements

JEA's interest rate swap agreements are valued using market rates as of September 30, 2023 and 2022 and standard cash flow present valuing techniques, which places them at Level 2 in the fair value hierarchy. The agreements are recorded at fair value as part of long-term debt in the statements of net position. The fair value of the interest rate swap agreements is detailed below.

	2023	2022
Electric	$ (15,736)	$ (31,504)
Water and Sewer	(2,632)	(6,727)
Total	$ (18,368)	$ (38,231)

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements (continued)

Natural Gas Cash Flow Hedges

JEA's natural gas cash flow hedges consisted of swap agreements, covering calendar years 2023 through 2031. These hedges were valued using prices observed on commodities exchanges and/or using industry-standard valuation techniques, such as option modeling or discounted cash flows techniques, incorporating both observable and unobservable valuation inputs, which placed them at Level 3 in the fair value hierarchy. At September 30, 2023, deferred credits of $93,218 were included in accumulated increase in fair value of hedging derivatives and deferred charges of $20,789 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. At September 30, 2022, deferred credits of $267,807 were included in accumulated increase in fair value of hedging derivatives and deferred charges of $1,351 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position.

15. Commitments and Contingent Liabilities

Grants

JEA participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal or state audit may become a liability of JEA. It is management's opinion that the results of these audits will have no material adverse effect on JEA's financial position or results of operations.

Regulatory Initiatives

The electric industry and water and wastewater industry have been and will continue to be affected by a number of legislative and regulatory initiatives. The following summarizes the key regulations affecting JEA:

Electric Enterprise System – On August 3, 2015, the Environmental Protection Agency (EPA) issued the first-ever limits on carbon pollution from U.S. power plants with the Clean Power Plan (CPP) applicable to existing fossil fuel-fired electric generating units (EGUs). The Best System of Emissions Reduction (BSER) called for by the CPP was challenged by several states.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

On February 9, 2016, the United States Supreme Court (SCOTUS) issued an order staying implementation of the CPP. The SCOTUS granted the applications of numerous parties to stay the CPP pending judicial review of the rule. On March 28, 2017, President Trump issued an Executive Order establishing a national policy "in favor of energy independence, economic growth, and the rule of law". The President has directed agencies to review existing regulations that potentially burden the development of domestic energy resources, and appropriately suspend, revise, or rescind regulations that unduly burden the development of U.S. energy resources beyond what is necessary to protect the public interest or otherwise comply with the law. The Executive Order specifically directed EPA to review and, if appropriate, initiate reconsideration proceedings to suspend, revise or rescind the new EPA Final Rules pertaining to CO_2 emissions. EPA initially obtained temporary court orders to hold the court challenge of the CPP and the CPS in abeyance, pending the completion of EPA's review of the rules. EPA subsequently petitioned the court to pause the litigation indefinitely while EPA promulgates new rules.

On October 16, 2017, EPA published a proposal to repeal the Clean Power Plan (CPP). On August 31, 2018, EPA published a proposal to replace the CPP, called the Affordable Clean Energy (ACE) Rule. On July 8, 2019, EPA published the final ACE rule. The compliance requirements of the ACE rule are significantly less stringent than those of the CPP. Rule will establish a CO_2 emission limit for Northside Generating Units 1 and 2. The CO_2 emission limit will be set using a baseline of previous CO_2 emissions and what potential reductions can be completed by heat rate improvements (HRI). Units 1 and 2 are currently being assessed on what HRI projects could be implemented. These studies were completed in November 2020. On January 19, 2021, the D.C. Circuit vacated the ACE rule and remanded to the EPA for further proceedings consistent with its opinion. EPA is in process of developing a new rule.

On October 29, 2021, the Supreme Court accepted appeal of ACE vacatur (CPP Replacement) from West Virginia and 18 states, North Dakota, Westmoreland Mining and North American Coal Corp. On June 30, 2022, the Supreme Court reversed and remanded the January 19, 2021 DC Circuit Court decision, with a vote of 6-3. SCOTUS stated that Section 111(d) does not allow generating shifting, and the DC Circuit Court was wrong to interpret that the CAA gives the EPA expansive power to curb carbon emissions. On May 23, 2023, the EPA issued a proposal titled New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the ACE Rule. This rule is expected to be finalized in April 2024.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

On July 6, 2011, the EPA released the Cross-State Air Pollution Rule (CSAPR), which is intended as a substitute for the invalidated Clean Air Interstate Rule (CAIR). In the CSAPR, the EPA determined that 27 states in the eastern United States are in violation of the Clean Air Act, because they significantly contribute to nonattainment or interference with the maintenance of attainment of three National Ambient Air Quality Standards (NAAQS) in one or more downwind states. The three air quality standards addressed in the CSAPR are the 1997 and 2006 fine particulate matter ($PM_{2.5}$), NAAQS, and the 1997 ozone NAAQS. To address these violations, the CSAPR imposes Federal Implementation Plans (FIPs) that establish state budgets for SO_2 and NOx emissions from EGUs. The EPA targeted these two pollutants, because they are precursors to the formation of $PM_{2.5}$ and ozone in the atmosphere. The budgets are allocated to individual EGUs in the form of allowances and the CSAPR permits limited interstate emissions trading and unlimited intrastate emissions trading as a means of compliance. States became subject to the emission budgets in 2012 with more stringent limits taking effect in 2014. In April 2014, the SCOTUS upheld the rule, but remanded back certain legal issues to the DCA to address. On July 28, 2015, the DCA issued an order and opinion remanding, without vacatur, certain state budgets under the CSAPR for reconsideration by the EPA, including the ozone-season NOx emissions budget for Florida. On September 7, 2016, the EPA issued a final updated CSAPR rule that removed Florida and two other eastern states from the rule.

On December 21, 2011, the EPA issued its Mercury and Air Toxics Standards (MATS) rule, setting forth maximum achievable control technology (MACT) standards for coal and oil generating stations. The new standards regulate four categories of hazardous air pollutants (HAPS) emitted by coal- or oil-fired EGUs, namely mercury, HAP metals, acid gases, and organic HAP.

The compliance deadline for affected sources to have all necessary pollution controls installed was April 2015. JEA's units that are regulated under MATS comply with all rule requirements.

In April 2015, the EPA finalized rules to regulate the disposal and management of coal combustion residuals (CCRs), meaning fly ash, bottom ash, boiler slag, and flue gas desulfurization materials, destined for disposal from coal-fired power plants. The new rule became effective on October 19, 2015 and established technical requirements for surface impoundments and landfills. The rule requires protective controls, such as liners and groundwater monitoring, at landfills and surface impoundments that store CCRs. The rule, as adopted by the EPA, is enforced only by citizen-initiated lawsuits, rather than by the EPA. However, with passage of the WIIN Act in 2016, the rule can now be reformed to provide the following: 1) conversion from a "self-implementing" program to a permit program the states or EPA would have primary responsibility to administer and enforce; and, 2) flexibility for state programs to adjust and tailor federal CCR requirements to meet local, case-specific situations, so long as they are adequately protective of federal CCR requirements. Multiple federal rulemaking proceedings are underway, many of which are subject to litigation. Florida has started the process to incorporate the rule and regulations and is seeking approval from EPA of a state program.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

The rule applies to CCR management practices at SJRPP and Scherer. The rule does not apply to management of byproducts at Northside Generating Station (NGS) as long as it continues to burn a fuel mix with less than 50% coal. SJRPP has no regulated surface impoundments. The recently closed cell within Area B of SJRPP does not have to be lined, but must comply with the operating and monitoring requirements of the rule. Area B is currently in post-closure care management with a natural attenuation remedy in place for the groundwater monitoring program. SJRPP’s two closed Area A byproduct storage areas (Areas A-I and A-II) are not currently affected by this rule. However, the EPA promulgated a proposed rule on May 18, 2023, that covers legacy surface impoundments and CCR management units (CCRMUs). The comment period closed on July 17, 2023, and the rule revision is expected to be finalized in May 2024. As drafted, the rule will require SJRPP to assess its CCRMUs on a site-wide basis and determine if they require additional action. It is likely that areas A-I and A-II will be brought under the CCR regulatory program at some point. The measures that will need to be implemented to bring these two closed landfill cells into compliance with the rule will need to be determined after completion of the site-wide assessment. Existing surface impoundments, like that at Scherer, are required to meet increased and more restrictive technical and operating criteria or close. Georgia Power has decided to close the surface impoundment at Scherer instead of pursuing a retrofit and the timeline for closure activities is currently projected to run through 2030.

The EPA left in place the Bevill exemption for beneficial uses of CCRs in which CCRs are recycled as components of products instead of placed in impoundments or landfills. Large quantities of CCRs are used today in concrete, cement, wallboard, and other contained applications that should not involve any exposure by the public to unsafe contaminants.

On November 22, 2010, the EPA entered into a settlement agreement with Riverkeeper, Inc. regarding rule-making dates for the EPA to set technology standards for cooling water intake systems for existing facilities under Section 316(b) of the Federal Clean Water Act. Section 316(b) requires that standards for the location, design, construction and capacity of cooling water intake systems reflect the best technology available for minimizing adverse environmental impacts. The EPA announced proposed standards for cooling water intake systems on March 28, 2011. Under the proposal, existing facilities are required to conduct studies to help their respective permitting authorities determine whether and what site-specific controls, if any, would be required to reduce the number of aquatic organisms that are captured in cooling water intake systems.

With few changes to the proposed rule, the EPA published the final rule in the Federal Register in August 2015. The new standards will not affect any JEA facilities other than NGS. NGS is one of more than 1,260 existing facilities that use large volumes of cooling water from lakes, rivers, estuaries, or oceans to cool their plants. The new standards will likely require upgrades to the system, varying from establishment of existing facilities as the Best Technology Available (BTA) to improvements to the existing screening facilities or installation of cooling towers. A full two-year biological study is required to evaluate site-specific conditions and form a basis for assessing BTA and was completed in 2020. Study results are currently being evaluated. Estimated final compliance deadlines are not expected until after 2025 and will depend on the level of upgrade ultimately required. Accordingly, costs of compliance have not been determined for NGS and are not included in JEA’s capital program for the Electric System.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

On September 30, 2016, the EPA issued the Effluent Limitation Guidelines for Steam Electric Power Plants. In setting the new and more stringent standards, the EPA evaluated the technologies and costs to remove metals and other parameters from individual wastewater streams generated by steam electric power plants and identify the BAT to affect their control. The new requirements for existing power plants must be phased in as soon as possible on or after November 1, 2018, but no later than December 31, 2023. The costs of compliance at NGS and Scherer have been evaluated and are anticipated in operating budgets and in JEA's five-year capital program for the Electric System.

Water Supply System Regulatory Initiatives – JEA was issued a 20-year Consumptive Use Permit (CUP) in May 2011 from the St. Johns River Water Management District (SJRWMD), which allows for aquifer withdrawals sufficient to completely satisfy customer demands until 2031 if certain permit conditions are met. JEA evaluates its total water management plan annually to continuously understand changes in demand and how to balance investments in a three-part program: (1) continued expansion of the reuse system, (2) measured conservation program and (3) water transfers from areas with a higher supply on JEA's north grid to areas with a lower supply on JEA's south grid via river-crossing pipelines. In North Florida, the Suwannee River Water Management District (SRWMD), Florida Department of Environmental Protection (FDEP), and the SJRWMD have set or are setting/revising Minimum Flows and Levels (MFLs) for water bodies in the region. MFLs are intended to assess the potential for ecological resource risks from water withdrawals and ensure sustainable supplies. In 2015, MFLs were adopted in the SRWMD and a determination required a recovery strategy. By permit, JEA will participate to the extent of its proportionate impact in prevention and recovery strategies that may be developed to ensure the groundwater resource remains sustainable. The SRWMD is re-evaluating the 2015 MFLs and a draft MFL has been released and is still in recovery status. In 2020, the SJRWMD released draft MFLs for Lakes Brooklyn and Geneva in the Keystone Heights area. The draft MFL indicates the lakes will require a prevention and recovery strategy. In 2021, JEA along with other northeast Florida water utilities entered into an MOA with SJRWMD to provide financial assistance with a proposed pipeline from Black Creek to assist in providing additional water resource for recharging of the lakes. In addition, JEA completed and submitted the CUP 10-year compliance report in May 2021 and the report was accepted by SJRWMD.

Wastewater Treatment System Regulatory Initiatives – The Sewer System is regulated by the EPA under provisions of the Federal Clean Water Act and the Federal Water Pollution Act. In Florida, the EPA has delegated the wastewater regulatory program to FDEP. The FDEP has implemented a Total Maximum Daily Load regulation (TMDL) defining the mass of nitrogen and phosphorus that can be assimilated by the St. Johns River, to which 8 of JEA's 11 wastewater treatment plants discharge. This state rule limits the amount of nitrogen and phosphorus that these eight wastewater treatment facilities are allowed to discharge by permit. JEA is meeting these limits as the result of past capital improvements to its wastewater facilities, expansion of the reclaimed water system, and phase-out of smaller old technology wastewater facilities. By virtue of exceeding its own regulatory obligation, JEA has generated nutrient reduction credits and has assisted the City in meeting a portion of their Municipal Separate Storm System nutrient requirements by transferring 33.44 short tons per year. This was recognized in JEA's annual contribution agreement negotiated in 2016. In 2013, both the FDEP and EPA reaffirmed the site-specific nutrient standard that is codified in the Lower St. Johns River TMDL.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

The Florida Legislature passed statutory changes in 2021 to eliminate the disposal of effluent from wastewater treatment facilities (WWTF) via surface water discharge by 2032. This change would require the WWTF effluent be used for aquifer recharge, potable reuse, conventional reuse, or ecological restoration. The bill also declares potable reuse to be an alternative water supply and prohibits exclusion of use of potable reuse water from regional water supply planning. Per the requirements of the legislation, JEA submitted plans to eliminate its surface water discharges on October 29, 2021. The plans were reviewed and accepted by FDEP in July 2022. The initial phases of the plan are underway with the completed drilling of an exploratory deep injection well in Nassau County and permitting underway for a 1 million gallon per day indirect potable reuse demonstration facility to be constructed in Duval County.

Pollution Remediation Obligations

JEA is subject to numerous federal, state, and local environmental regulations resulting in environmental liabilities due to compliance costs associated with new regulatory initiatives, enforcement actions, legal actions, and contaminated site assessment and remediation. Based on an analysis of the cost of cleanup and other identified environmental contingencies, JEA has accrued a liability associated with the remediation efforts. In accordance with GASB No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, based on project estimates and probabilities, the liability is estimated to be $42,888 at September 30, 2023. The accrual is related to the following environmental matters: Kennedy Generating Station (KGS) RCRA Corrective Action for former wood preserving site; Northside Generating Station RCRA Corrective Action for former chemical waste pond site; SJRPP post-closure; Pearl Street Electric Shop remedial activities; Sans Souci Substation remedial activities; KGS Bulkhead remedial activities; Westside Service Center PCB remedial activities, and remediation at a number of miscellaneous petroleum sites. Of the $42,888 that JEA has accrued as environmental liabilities, approximately $18,641 is associated with the expected cost of remediating the former wood preserving facility at the Kennedy Generating Facility and approximately $18,619 is associated with remediating the former chemical waste ponds at the Northside Generating Station. Following are other environmental matters that could have an impact on JEA; however, the resolution of these matters is uncertain and no accurate prediction of range of loss is possible at this time: Southside Generating Station brownfield, Pickettville Road Landfill CERCLA site post-closure activities and the Ellis Road CERCLA site. Although uncertainties associated with these recognized environmental liabilities remain, JEA believes that the current provision for such costs is adequate and additional costs, if any, will not have a material adverse effect upon its financial position, results of operations, or liquidity. Costs associated with these obligations that were expensed prior to the approval of regulatory accounting for environmental projects and after the discontinuation of the separate environmental charge are recorded in other noncurrent liabilities and total $28,283. The remaining liability is recognized as part of revenues to be used for future costs.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

Northside Generating Station Byproduct

JEA Northside Generating Station (NGS) Units 1 and 2 produce byproducts that consist of fly ash and bed ash. JEA has obtained a permit from FDEP to beneficially use the processed byproduct material in the State of Florida, subject to certain restrictions. These ash products are processed into materials marketed as EZBase and EZSorb. The expansion of rail capacity, the ability to load rail cars directly from the storage silos, and direct leasing of railcars has enabled JEA to become a full-service marketer, delivering products by truck or rail. EZSorb is currently being transported by truck and rail to leachate solidification and environmental remediation/stabilization projects in several southeastern states.

The Byproducts Storage Area is an FDEP permitted, Class I lined storage facility at NGS. JEA received a new 20-year permit effective May 4, 2015.

A case is pending in the Second Judicial Circuit in Harrison County, Mississippi. Plaintiff sued multiple defendants seeking damages allegedly resulting from construction defects at The Promenade, a retail shopping mall in D'Iberville, Mississippi. Plaintiff amended the complaint in April 2010 to add JEA as a defendant on various product liability theories, claiming that JEA's ash byproduct was allegedly incorporated as a component of the product of another party defendant and used by other party defendants at the subject project. Plaintiff seeks injunctive relief, to remediate the site, and damages. Multiple third party claims and cross claims were raised and remain pending. JEA believes it has good and meritorious defenses in this action and will vigorously defend the case. The plaintiff is seeking approximately $100,000 in damages from JEA; however, the trial court ruled that JEA is entitled to a sovereign immunity cap of $500. The issue was argued in the Mississippi Supreme Court in January 2019. In June 2019, the U.S. Supreme Court reversed a long-standing precedent with respect to the ability of one state's courts to exercise jurisdiction over another state. The same week, the Mississippi Supreme Court dismissed Promenade's damages cap appeal and remanded the case to the trial court for consideration of JEA's jurisdiction defense in light of the U.S. Supreme Court's 2019 decision. JEA has filed a Re-Urged Motion to Dismiss, which was originally set for hearing in 2020, but was cancelled and rescheduled multiple times due to COVID-19. The Motion was finally heard on August 10, 2023 and the court entered a Final Judgment of Dismissal in favor of JEA on October 11, 2023. Plaintiff filed a notice of appeal on November 9, 2023.

General Litigation

JEA is party to various pending or threatened legal actions in connection with its normal operations. In the opinion of management, any ultimate liabilities that may arise from these actions are not expected to materially affect JEA's financial position, results of operations, or liquidity.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

16. Disaster Costs

Storm Costs

Hurricane Matthew tracked parallel along the coast of Florida on October 7, 2016 and Hurricane Irma passed to the west of Jacksonville as a tropical storm on September 11, 2017, causing extensive damage within the JEA service territory. Damage to JEA property was primarily to the transmission and distribution systems. Because of the extensive damage, Jacksonville was declared a federal major disaster area, making JEA eligible to receive reimbursement from FEMA. Requests for Public Assistance for both declared disasters were filed and accepted.

JEA is in the midst of the cost reimbursement process through FEMA, which allows cost share of 87.5% of eligible cost (75.0% from FEMA and 12.5% from the State of Florida) of those costs not covered by insurance. As a result, $42,111 of the eligible costs were deferred as costs to be recovered from future revenues in the statement of net position with $4,000, being recognized in the maintenance and other operating expenses financial statement line item in the statement of revenues, expenses and changes in net position in fiscal year 2017. Through September 30, 2023, JEA has received $38,455, which reduced the deferred costs to be recovered from future revenues. Of the $38,455 received, $18,500 was from insurance and $19,955 from FEMA. JEA believes it is probable that reimbursement from FEMA will be received for the eligible cost incurred that is remaining.

COVID-19 Pandemic

JEA incurred $1,977 of expenditures for personal protective equipment as well as cleaning supplies in response to the COVID-19 pandemic that were eligible for recovery from FEMA. JEA is in the midst of the cost reimbursement process through FEMA, which allows cost share of 87.5% of eligible cost (75.0% from FEMA and 12.5% from the State of Florida). As a result, $1,700 of the eligible costs were deferred as costs to be recovered from future revenues in the statement of net position with $277, being recognized in the maintenance and other operating expenses financial statement line item in the statement of revenues, expenses and changes in net position in fiscal year 2022. JEA believes it is probable that reimbursement from FEMA will be received for the eligible cost incurred.

17. Segment Information

The financial statements of JEA contain four segments, as the Electric System and Bulk Power Supply System, the SJRPP System, the Water and Sewer System, and DES represent separate identifiable activities. These systems have debt outstanding with a revenue stream pledged in support of the debt. In addition, the activities are required to be accounted for separately. JEA's Electric System and Bulk Power Supply System segment consists of an electric utility engaged in the generation, purchase, transmission, distribution, and sale of electricity primarily in Northeast Florida. JEA's SJRPP System segment consists of a generation facility that is 100% owned by JEA as of August 2022, previously 80% owned by JEA and 20% owned by FPL. The facility was decommissioned as discussed in note 3, Asset Retirement Obligations. JEA's Water and Sewer System segment consists of water collection, distribution, and wastewater treatment in Northeast Florida. The DES segment consists of chilled water activities.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

17. Segment Information (Continued)

Intercompany billing is employed between the Electric System, the Water and Sewer System, and DES and includes purchases of electricity, water, sewer, and chilled water services and the rental of inventory and buildings. The utility charges between entities are based on a commercial customer rate. All intercompany billings are eliminated in the financial statements. See intercompany charges detailed below.

	2023			2022		
	Electric	**W&S**	**DES**	**Electric**	**W&S**	**DES**
Electricity services	**N/A**	**$ 18,775**	**$ 4,056**	N/A	$ 16,602	$ 3,672
Water and sewer services	**368**	**N/A**	**174**	200	N/A	116
Chilled water services	**–**	**827**	**N/A**	–	473	N/A

The Electric System shares certain administrative functions with the Water and Sewer System. Generally, these costs are charged to the Electric System and the costs of these functions are allocated to the Water and Sewer System based on the benefits provided. Operating expense allocated to the Water and Sewer System was $76,443 for fiscal year 2023 and $61,677 for 2022.

In September 1999, the Water and Sewer System purchased the inventory owned by the Electric System for $32,929. This was initiated to increase the utilization of its assets between the Electric System and the Water and Sewer System. A monthly inventory carrying charge is paid by the Electric System based on the value of the inventory multiplied by one-twelfth of the prior year's Water and Sewer average cost of debt. Inventory carrying charges were $3,492 for fiscal year 2023 and $499 for 2022.

In July 1999 and July 2004, the Electric System transferred several buildings to the Water and Sewer System in the amounts of $22,940 and $6,284, respectively, an amount equal to the net book value of the assets. Monthly, the Electric System reimburses the Water and Sewer System for their equitable allocation. Annual rent paid by the Electric System to the Water and Sewer System for use of these buildings was $2,456 for fiscal year 2023 and $2,251 for 2022.

To utilize the efficiencies in the Customer Account Information billing system and reduce the administrative efforts in recording deposits, customer deposits are recorded to one Service Agreement per account. Deposits are allocated to the Electric System or Water and Sewer System based on revenues. When the deposits are credited to customer accounts, they are allocated between the service agreements.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

17. Segment Information (continued)

Segment information for these activities for the fiscal years ended September 30, 2023 and 2022 was as follows:

	Electric System and Bulk Power Supply System		SJRPP System		Water and Sewer		DES	
	2023	2022	2023	2022	2023	2022	2023	2022
Condensed statements of net position								
Total current assets	$ 649,180	$ 535,598	$ 4,011	$ 3,313	$ 188,754	$ 194,076	$ 2,036	$ 1,670
Total noncurrent assets	816,208	1,078,285	100,243	142,830	467,094	504,333	3,891	3,640
Net capital assets	2,584,379	2,471,231	8,095	8,505	3,253,201	2,947,535	43,285	37,226
Deferred outflows of resources	272,658	199,666	33,891	11,379	148,737	94,375	133	145
Total assets and deferred outflows of resources	$ 4,322,425	$ 4,284,780	$ 146,240	$ 166,027	$ 4,057,786	$ 3,740,319	$ 49,345	$ 42,681
Total current liabilities	$ 189,007	$ 212,802	$ 114	$ 335	$ 54,579	$ 54,126	$ 471	$ 101
Total current liabilities payable from restricted assets	69,440	86,407	22,509	23,236	185,215	103,224	3,200	5,404
Total long-term debt	1,425,668	1,470,557	76,809	92,838	1,333,959	1,275,664	36,945	30,810
Total other noncurrent liabilities	759,935	466,278	8,608	4,765	415,372	275,486	69	94
Total liabilities	2,444,050	2,236,044	108,040	121,174	1,989,125	1,708,500	40,685	36,409
Deferred inflows of resources	394,074	435,934	28,098	36,512	10,235	74,342	–	–
Net investment in (divestment of) capital assets	1,167,090	1,110,851	(9,943)	(10,215)	1,881,290	1,727,842	4,229	1,933
Restricted net position	155,196	279,515	16,148	15,524	54,831	125,762	2,935	2,864
Unrestricted net position	162,015	222,436	3,897	3,032	122,305	103,873	1,496	1,475
Total net position	1,484,301	1,612,802	10,102	8,341	2,058,426	1,957,477	8,660	6,272
Total liabilities, deferred inflows of resources, and net position	$ 4,322,425	$ 4,284,780	$ 146,240	$ 166,027	$ 4,057,786	$ 3,740,319	$ 49,345	$ 42,681
Condensed statements of revenues, expenses, and changes in net position information								
Total operating revenues	$ 1,324,028	$ 1,534,588	$ 21,023	$ 53,450	$ 538,308	$ 509,862	$ 12,761	$ 8,997
Depreciation	225,098	323,596	410	410	203,742	173,644	2,897	2,607
Other operating expenses	1,130,799	1,080,820	15,829	118,505	254,747	222,868	6,071	5,239
Operating income (loss)	(31,869)	130,172	4,784	(65,465)	79,819	113,350	3,793	1,151
Total nonoperating expenses, net	(12,276)	(32,501)	(3,023)	(10,423)	(16,472)	(31,242)	(1,405)	(1,102)
Total contributions, net	(95,491)	(94,546)	–	–	37,602	8,044	–	–
Special item	11,135	100,000	–	–	–	–	–	–
Changes in net position	(128,501)	103,125	1,761	(75,888)	100,949	90,152	2,388	49
Net position, beginning of year	1,612,802	1,509,677	8,341	84,229	1,957,477	1,867,325	6,272	6,223
Net position, end of year	$ 1,484,301	$ 1,612,802	$ 10,102	$ 8,341	$ 2,058,426	$ 1,957,477	$ 8,660	$ 6,272
Condensed statements of cash flow information								
Net cash provided by operating activities	$ 470,428	$ 410,856	$ 19,217	$ 35,673	$ 226,127	$ 310,931	$ 7,246	$ 3,887
Net cash used in noncapital and related financing activities	(95,412)	(94,468)	–	–	(26,911)	(39,145)	–	–
Net cash used in capital and related financing activities	(349,267)	(358,106)	(18,920)	(155,106)	(327,382)	(276,226)	(6,678)	(3,347)
Net cash provided by (used in) investing activities	(96,682)	(17,323)	470	10,344	55,586	(20,414)	100	21
Net change in cash and cash equivalents	(70,933)	(59,041)	767	(109,089)	(72,580)	(24,854)	668	561
Cash and cash equivalents at beginning of year	327,733	386,774	24,864	133,953	163,282	188,136	4,811	4,250
Cash and cash equivalents at end of year	$ 256,800	$ 327,733	$ 25,631	$ 24,864	$ 90,702	$ 163,282	$ 5,479	$ 4,811

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

18. Leases

JEA financial statements reflect the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to establish a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, unless the lease is a short-term lease or ownership is transferred at the end of the contract.

Lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset, the underlying asset, as specified in the contract for a period of time in an exchange or exchange-like transaction. The lease term is the period during which a lessee has a noncancellable right to use an underlying asset plus periods covered by the option to extend if it is reasonably certain the lessee will extend, and the option to terminate if it is reasonably certain the lessee will not terminate. Lease assets are amortized on a straight-line basis over the shorter of the contract term or the useful life of the underlying asset.

JEA is party to a multitude of leases, as either lessee or lessor, and applies a materiality threshold of one million dollars in net assets based on the present value of expected receipts or payments over the term of the contract. JEA had no material leases in FY22 and one material lease that began in FY23. On November 3, 2022, JEA entered into an agreement with Ryan Companies to lease a new building and parking garage, located at 225 N Pearl St., Jacksonville, FL 32202, as JEA corporate headquarters. As the lessee party, JEA recognizes a right-to-use capital asset (known as the lease asset) and a lease liability.

At September 30, 2023, the lease asset is $93,313, with accumulated amortization of $4,217, included in net capital assets on the Statement of Net Position. At September 30, 2023, the lease liability is $89,463. The lease expires December 31, 2042 and the payments are discounted using an estimated incremental borrowing rate.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

18. Leases (continued)

Future principal and interest payments as of September 30, 2023 are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total Payment
2024	$ 1,937	$ 3,726	$ 5,663
2025	2,163	3,642	5,805
2026	2,401	3,549	5,950
2027	2,654	3,445	6,099
2028	2,920	3,331	6,251
2029-2033	19,156	14,525	33,681
2034-2038	28,336	9,689	38,025
2039-2043	31,833	2,946	34,779
Total Minimum Lease Payments	$ 91,400	$ 44,853	$ 136,253

19. Subsequent Events

On October 25, 2023, the revolving credit agreement was drawn upon by the Water and Sewer System for $50,000 leaving $312,000 available to be drawn.

JEA expects to issue up to $353 million dollars of new Water and Sewer System senior lien bonds during February 2024 to pay down the outstanding balance of Water and Sewer System draws of the revolving line of credit and fund capital projects.

REQUIRED SUPPLEMENTARY INFORMATION

JEA

Required Supplementary Information – Pension
(Dollars in Thousands)

City of Jacksonville General Employees Retirement Plan

Schedule of JEA's Proportionate Share of the Net Pension Liability[a]

Fiscal Year	Proportional Share Percentage	Net Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	48.85%	$ 386,789	$ 129,922	297.71%	68.64%
2015	48.85%	404,466	128,084	315.78%	69.06%
2016	49.15%	480,353	127,440	376.92%	64.03%
2017	50.37%	541,025	126,808	426.65%	63.00%
2018	51.68%	527,680	134,443	392.49%	63.71%
2019	50.59%	562,371	135,709	414.40%	65.23%
2020	48.84%	633,292	134,549	470.68%	60.54%
2021	52.71%	729,569	133,714	545.62%	59.16%
2022	52.29%	643,001	130,400	493.10%	65.16%
2023	52.00%	950,267	130,164	730.05%	50.01%

Schedule of JEA Contributions[a]

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2014	$ 34,149	$ 34,149	$ -	$ 129,922	26.28%
2015	40,179	40,179	-	128,084	31.37%
2016	43,156	43,156	-	127,440	33.86%
2017	48,942	48,942	-	126,808	38.60%
2018	35,459	35,929	(470)	134,443	26.72%
2019	33,856	34,352	(496)	135,709	25.31%
2020	37,592	38,095	(503)	134,549	28.31%
2021	40,401	40,401	-	133,714	30.21%
2022	43,825	43,825	-	130,400	33.61%
2023	43,986	43,986	-	130,164	33.79%

(a) All information is on measurement year basis.

JEA

Required Supplementary Information – Pension (continued)
(Dollars in Thousands)

Notes to Schedule of Contributions

Valuation date:	Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of payroll, using 1.50% annual increases*
Remaining amortization period	As of October 1, 2020, the effective amortization period is 26 years
Asset valuation method	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.
Actual assumptions:	
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Inflation rate	2.50%*
Projected salary increases	3.00% – 7.50%, of which 2.50% is the Plan's long-term payroll inflation assumption
Cost-of-living adjustments	Plan provisions contain a 3.00% COLA.

* The Fund's payroll inflation assumption is 2.50% as of October 1, 2020. Per Part VII, Chapter 112.64(5)(a) of *Florida Statutes*, the payroll growth assumption used for amortization of the unfunded liability is not allowed to exceed the average annual payroll growth for the proceeding ten years. However, pursuant to Chapter 112.64(5)(b), and after adjusting this analysis to account for bargained pay level increases and inclusion of DC plan participants in the total payroll, the assumption was set at 1.50%.

JEA

Required Supplementary Information – Pension (continued)
(Dollars in Thousands)

City of Jacksonville Defined Contribution Disability Fund

Schedule of JEA's Proportionate Share of the Net Pension Liability[a]

Fiscal Year	Proportional Share Percentage	Net Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	37.01%	$ 3,111	$ 50,609	6.15%	22.07%
2023	33.62%	3,471	51,427	6.75%	19.66%

Schedule of JEA Contributions[a]

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	N/A	$ 150	N/A	$ 50,609	0.30%
2023	$ 955	955	$ -	51,427	1.86%

[a] These schedules are presented to illustrate the requirement to share information for ten years. However, until a full ten-year trend is compiled, only available information is shown. All information is on a measurement year basis.

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates:

Valuation date	Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry Age Actuarial Cost Method.
Amortization method	Level Percentage of Payroll, using 1.50% annual increases.
Remaining amortization period	As of October 1, 20202 the effective amortization period is 27 years.
Asset valuation method	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

JEA

Required Supplementary Information – Pension
(Dollars in Thousands)

SJRPP Plan – Schedule of Changes in Net Pension (Asset) Liability and Related Ratios[a]

	2022[d]	2021[c]	2020	2019[b]	2018	2017	2016	2015	2014
Total Pension Liability									
Beginning balance	**$ 163,682**	$ 167,697	$ 169,807	$ 174,666	$ 169,321	$ 158,926	$ 155,143	$ 148,508	$ 146,521
Service cost	**10**	22	21	35	112	1,032	1,210	1,275	1,470
Interest	**9,414**	9,656	9,795	10,086	11,163	10,768	10,514	10,271	10,026
Changes in benefit terms	**–**	–	–	–	–	–	(59)	–	–
Difference between actual and expected experience	**912**	(153)	1,222	1,193	(1,784)	10,826	714	2,121	–
Changes in assumptions	**–**	–	–	(2,975)	15,782	26	3,730	3,316	–
Benefit payments	**(13,579)**	(13,540)	(13,148)	(13,198)	(19,928)	(12,257)	(12,326)	(10,348)	(9,509)
Total pension liability – ending	**$ 160,439**	$ 163,682	$ 167,697	$ 169,807	$ 174,666	$ 169,321	$ 158,926	$ 155,143	$ 148,508
Plan Fiduciary Net Position									
Beginning balance	**$ 190,094**	$ 169,982	$ 162,013	$ 170,665	$ 152,798	$ 142,286	$ 138,902	$ 145,425	$ 135,019
Contributions – employer	**6,900**	–	13,307	–	26,409	8,039	2,142	3,509	5,559
Contributions – employee	**12**	15	19	90	232	625	629	648	655
Net investment income (loss)	**(27,684)**	33,731	7,877	4,610	11,499	14,571	13,379	(266)	13,763
Benefit payments	**(13,579)**	(13,540)	(13,148)	(13,198)	(19,928)	(12,257)	(12,326)	(10,348)	(9,509)
Administrative expense	**(100)**	(94)	(86)	(154)	(345)	(466)	(440)	(66)	(62)
Plan fiduciary net position – ending	**$ 155,643**	$ 190,094	$ 169,982	$ 162,013	$ 170,665	$ 152,798	$ 142,286	$ 138,902	$ 145,425
Net Pension Liability (Asset) – Ending	**$ 4,796**	$ (26,412)	$ (2,285)	$ 7,794	$ 4,001	$ 16,523	$ 16,640	$ 16,241	$ 3,083
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	**97.01%**	116.14%	101.36%	95.41%	97.71%	90.24%	89.53%	89.53%	97.92%
Covered Payroll	**$ 297**	$ 373	$ 468	$ 452	$ 3,992	$ 15,621	$ 15,730	$ 16,665	$ 21,304
Net Pension Liability (Asset) as a Percentage of Covered Payroll	**1616.38%**	-7078.62%	-488.67%	1723.50%	100.24%	105.78%	105.79%	97.46%	14.47%

(a) These schedules are presented to illustrate the requirement to share information for ten years. However, until a full ten-year trend is compiled, only available information is shown. All information is on a measurement year basis.

(b) The mortality tables and improvement scales used by FRS were updated in their July 1, 2019 valuation. The new FRS mortality assumptions were adopted for this measurement.

(c) The mortality tables and improvement scales used by FRS were updated in their July 1, 2021 valuation. The new FRS mortality assumptions were adopted for this measurement.

(d) The new funding policy adopted for the Plan on December 14, 2022 implemented five-year smoothing for the actuarial value of assets and five-year amortization of the unfunded accrued actuarial liability. The changed methods were adopted for this measurement.

JEA

Required Supplementary Information – Pension (continued)
(Dollars in Thousands)

SJRPP Plan – Investment Returns[a]

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
12.64%	10.32%	-0.19%	9.99%	10.39%	7.37%	2.48%	4.78%	21.33%	1.92%

SJRPP Plan – Schedule of Contributions[a]

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	$ 5,397	$ 5,559	$ (162)	$ 21,304	26.09%
2015	3,414	3,509	(95)	16,665	21.06%
2016	2,050	2,142	(92)	15,730	13.62%
2017	7,967	8,039	(72)	15,621	51.46%
2018	7,727	26,409	(18,682)	3,992	661.57%
2019	-	-	-	452	0.00%
2020	4,582	13,307	(8,725)	468	2845.69%
2021	-	-	-	373	0.00%
2022	-	6,900	(6,900)	297	2323.23%
2023	-	-	-	339	0.00%

(a) All information is on measurement year basis

Notes to Schedule of Contributions

Valuation date:	Actuarially determined contributions are calculated in a valuation performed as of the beginning of the year prior to the fiscal year in which contributions are made and reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	4 years
Asset valuation method	Market value of assets, with 5-year smoothing, less Credit Balance Account
Inflation	2.25%
Salary increases	2.5% - 12.5% per year, including inflation
Investment rate of return	6.00% per year, compounded annually, net of investment expenses.
Retirement Rates	Experience-based table of rates based on year of eligibility.
Mortality	Mortality rates used by the Florida Retirement System for Non-K12 Instructional Regular Class members, described as follows: *Healthy pre-retirement mortality rates* : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; *Healthy post-retirement mortality rates* : PUB-2010 Headcount Weighted General Below Median Healthy Retiree tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; *Disabled mortality rates* : PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.

JEA

Required Supplementary Information – OPEB
(Dollars in Thousands)

OPEB Plan – Schedule of Changes in Net OPEB Liability and Related Ratios[(a)]

	2022	2021[(b)]	2020[(c)]	2019[(d)]	2018	2017	2016
Total OPEB Liability							
Beginning balance	**$ 42,338**	$ 39,135	$ 40,794	$ 46,705	$ 44,547	$ 60,949	$ 62,554
Service cost	**528**	432	453	539	499	811	781
Interest on the total OPEB liability	**2,489**	2,291	2,392	2,740	3,044	4,253	4,203
Changes in benefit terms	**–**	–	–	–	–	(11,556)	–
Difference between actual and expected experience	**670**	(2,934)	(620)	362	(4,057)	(7,891)	–
Change of assumptions	**(1,135)**	6,202	(1,131)	(6,387)	5,794	–	–
Benefit payments	**(2,773)**	(2,788)	(2,753)	(3,165)	(3,122)	(2,019)	(6,589)
Total OPEB liability – ending	**$ 42,117**	$ 42,338	$ 39,135	$ 40,794	$ 46,705	$ 44,547	$ 60,949
Plan Fiduciary Net Position							
Beginning balance	**$ 40,696**	$ 33,999	$ 30,703	$ 28,449	$ 25,712	$ 21,441	$ 18,156
Employer contributions	**1,714**	2,946	4,394	3,903	4,078	5,240	5,061
Net investment income	**(5,463)**	6,552	2,112	1,617	1,989	2,942	2,135
Reimbursements to employer	**(2,773)**	(2,774)	(3,187)	(3,244)	(3,308)	(3,911)	(3,911)
OPEB plan administrative expense	**(28)**	(27)	(23)	(22)	(22)	–	–
Plan fiduciary net position – ending	**$ 34,146**	$ 40,696	$ 33,999	$ 30,703	$ 28,449	$ 25,712	$ 21,441
Net OPEB Liability – Ending	**$ 7,971**	$ 1,642	$ 5,136	$ 10,091	$ 18,256	$ 18,835	$ 39,508
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	**81.07%**	96.12%	86.88%	75.26%	60.91%	57.72%	35.18%
Covered Payroll	**$ 173,502**	$ 169,291	$ 162,138	$ 157,415	$ 156,042	$ 155,326	$ 150,073
Net OPEB Liability as a Percentage of Covered Payroll	**4.59%**	0.97%	3.17%	6.41%	11.70%	12.13%	26.33%

(a) This schedule is presented to illustrate the requirement to share information for ten years. However, until a full ten-year trend is compiled, only available information is shown. All information is on a measurement year basis.

(b) The expected claims costs and premiums were updated to reflect recent information provided for this valuation. Long-term trend rates of healthcare increases were lowered from 3.99% to 3.75%, and the year for reaching the ultimate value was revised from 2040 to 2050.

(c) A load for modeling the excise tax was removed following the repeal of the Cadillac tax.

(d) First year trend on premiums was reduced from 6.50% to 2.06%. Assumed initial cost of coverage was reduced from previously projected $1,090 per subscriber per month to $1,016 per subscriber per month, partially offset by a modest change in the first year average premium to $699 per month from expected $695 per month. Assumed mortality rates were updated to PUB-2020 tables. These are the same rates used by the Florida Retirement System in their July 1, 2019 Actuarial Valuation for non K-12 Instructional Regular Class Members. Demographic assumptions for GERP members were updated following an experience study by the plan actuary for the GERP. Updated assumptions include salary increase assumptions, rates of disability, rates of withdrawal, and rates of retirement. The ultimate inflation assumption was changed from 2.5% to 2.25% with healthcare cost trend assumption revised accordingly.

JEA

Required Supplementary Information – OPEB
(Dollars in Thousands)

OPEB Plan – Investment Returns[(a)]

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
11.93%	8.22%	-0.46%	7.90%	13.35%	7.54%	5.55%	6.69%	19.13%	-13.56%

OPEB Plan – Schedule of Contributions[(a)]

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2013	$ 5,433	$ 6,185	$ (752)	N/A	N/A
2014	4,819	4,382	437	$ 148,617	2.95%
2015	5,011	7,255	(2,244)	N/A	N/A
2016	5,061	7,739	(2,678)	150,073	5.16%
2017	4,138	5,240	(1,102)	155,326	3.37%
2018	4,078	4,078	-	156,042	2.61%
2019	3,903	3,903	-	157,415	2.48%
2020	4,394	4,394	-	162,138	2.71%
2021	2,946	2,946	-	169,291	1.74%
2022	1,714	1,714	-	173,502	0.99%

(a) All information is on measurement year basis.

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	5 years
Asset valuation method	Market value
Inflation	2.25%
Salary increases	2.5% – 12.5% per year, including inflation; varies by years of service
Investment rate of return	6.00%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Mortality rates used by the Florida Retirement System for its regular class members other than K-12 School Instructional Personnel described as follows:
	Healthy pre-retirement mortality rates : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;
	Healthy post-retirement mortality rates : PUB-2010 Headcount Weighted General Below Median Healthy Retiree tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;
	Disabled mortality rates : PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.00% (2022) and 6.25% (2021) and gradually decreasing to an ultimate trend rate of 3.75% in 2050.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses	Investment returns are net of the investment expenses; and, administrative expenses related to operation of the health plan are included in the premium costs.

JEA

Combining Statement of Net Position
(In Thousands)

September 30, 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	$ 256,800	$ 2,972	$ –	$ 259,772	$ 16,802	$ 1,909	$ 278,483
Investments	105,855	846	–	106,701	–	–	106,701
Customer accounts receivable, net of allowance ($2,242)	194,282	–	–	194,282	58,458	121	252,861
Inventories:							
Materials and supplies	2,292	–	–	2,292	100,765	–	103,057
Fuel	56,131	–	–	56,131	–	–	56,131
Prepaid assets	23,348	6	–	23,354	487	6	23,847
Other current assets	10,472	187	(425)	10,234	12,242	–	22,476
Total current assets	649,180	4,011	(425)	652,766	188,754	2,036	843,556
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	–	22,659	–	22,659	73,900	3,570	100,129
Investments	225,063	3,159	–	228,222	59,910	–	288,132
Other restricted assets	958	33	–	991	–	–	991
Total restricted assets	226,021	25,851	–	251,872	133,810	3,570	389,252
Costs to be recovered from future revenues	460,923	70,580	–	531,503	333,259	321	865,083
Hedging derivative instruments	93,219	–	–	93,219	–	–	93,219
Other assets	36,045	3,812	(3,812)	36,045	25	–	36,070
Total noncurrent assets	816,208	100,243	(3,812)	912,639	467,094	3,891	1,383,624
Net capital assets	2,584,379	8,095	–	2,592,474	3,253,201	43,285	5,888,960
Total assets	4,049,767	112,349	(4,237)	4,157,879	3,909,049	49,212	8,116,140
Deferred outflows of resources							
Unrealized pension contributions and losses	149,475	32,894	–	182,369	108,241	–	290,610
Unamortized deferred losses on refundings	36,525	–	–	36,525	2,632	–	39,157
Unrealized asset retirement obligation	41,135	997	–	42,132	31,168	133	73,433
Accumulated decrease in fair value of hedging derivatives	36,276	–	–	36,276	–	–	36,276
Unrealized OPEB contributions and losses	9,247	–	–	9,247	6,696	–	15,943
Total deferred outflows of resources	272,658	33,891	–	306,549	148,737	133	455,419
Total assets and deferred outflows of resources	$ 4,322,425	$ 146,240	$ (4,237)	$ 4,464,428	$ 4,057,786	$ 49,345	$ 8,571,559

JEA

Combining Statement of Net Position (continued)

(In Thousands)

September 30, 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expense payable	$ 82,995	$ 114	$ (114)	$ 82,995	$ 17,211	$ 439	$ 100,645
Customer deposits and prepayments	58,791	–	–	58,791	26,860	–	85,651
Billings on behalf of state and local governments	24,496	–	–	24,496	4,039	–	28,535
Compensation and benefits payable	12,006	–	–	12,006	4,199	32	16,237
City of Jacksonville payable	8,096	–	–	8,096	2,270	–	10,366
Asset retirement obligation	2,623	–	–	2,623	–	–	2,623
Total current liabilities	189,007	114	(114)	189,007	54,579	471	244,057
Current liabilities payable from restricted assets:							
Debt due within one year	19,275	15,865	–	35,140	52,365	1,870	89,375
Interest payable	22,820	1,720	–	24,540	23,129	635	48,304
Construction contracts and accounts payable	27,345	343	(311)	27,377	109,721	695	137,793
Renewal and replacement reserve	–	4,581	–	4,581	–	–	4,581
Total current liabilities payable from restricted assets	69,440	22,509	(311)	91,638	185,215	3,200	280,053
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,330,015	76,850	–	1,406,865	1,261,690	36,955	2,705,510
Unamortized premium (discount), net	79,917	(41)	–	79,876	69,637	(10)	149,503
Fair value of debt management strategy instruments	15,736	–	–	15,736	2,632	–	18,368
Total long-term debt	1,425,668	76,809	–	1,502,477	1,333,959	36,945	2,873,381
Net pension liability	553,168	4,796	–	557,964	400,570	–	958,534
Lease liability	89,463	–	–	89,463	–	–	89,463
Asset retirement obligations	33,653	–	–	33,653	–	–	33,653
Compensation and benefits payable	28,619	–	–	28,619	11,454	69	40,142
Net OPEB liability	4,623	–	–	4,623	3,348	–	7,971
Other liabilities	50,409	3,812	(3,812)	50,409	–	–	50,409
Total noncurrent liabilities	2,185,603	85,417	(3,812)	2,267,208	1,749,331	37,014	4,053,553
Total liabilities	2,444,050	108,040	(4,237)	2,547,853	1,989,125	40,685	4,577,663
Deferred inflows of resources							
Revenues to be used for future costs	286,722	13,733	–	300,455	–	–	300,455
Accumulated increase in fair value of hedging derivatives	93,218	–	–	93,218	–	–	93,218
Unrealized OPEB gains	9,479	–	–	9,479	6,864	–	16,343
Unrealized pension gains	4,655	14,365	–	19,020	3,371	–	22,391
Total deferred inflows of resources	394,074	28,098	–	422,172	10,235	–	432,407
Net position							
Net investment in (divestment of) capital assets	1,167,090	(9,943)	–	1,157,147	1,881,290	4,229	3,042,666
Restricted for:				–			
Capital projects	135,992	–	–	135,992	1,188	1,065	138,245
Debt service	19,204	15,865	–	35,069	53,643	1,870	90,582
Other purposes	–	283	311	594	–	–	594
Unrestricted	162,015	3,897	(311)	165,601	122,305	1,496	289,402
Total net position	1,484,301	10,102	–	1,494,403	2,058,426	8,660	3,561,489
Total liabilities, deferred inflows of resources, and net position	$ 4,322,425	$ 146,240	$ (4,237)	$ 4,464,428	$ 4,057,786	$ 49,345	$ 8,571,559

JEA

Combining Statement of Net Position
(In Thousands)

September 30, 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	$ 173,076	$ 3,031	$ –	$ 176,107	$ 67,889	$ 1,341	$ 245,337
Investments	–	278	–	278	–	–	278
Customer accounts receivable, net of allowance ($3,155)	257,894	–	–	257,894	56,145	323	314,362
Inventories:							
Materials and supplies	2,342	–	–	2,342	64,722	–	67,064
Fuel	52,483	–	–	52,483	–	–	52,483
Prepaid assets	31,385	1	–	31,386	382	6	31,774
Other current assets	18,418	3	(372)	18,049	4,938	–	22,987
Total current assets	535,598	3,313	(372)	538,539	194,076	1,670	734,285
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	154,657	21,833	–	176,490	95,393	3,470	275,353
Investments	193,653	3,811	–	197,464	109,186	–	306,650
Other restricted assets	–	40	–	40	175	–	215
Total restricted assets	348,310	25,684	–	373,994	204,754	3,470	582,218
Costs to be recovered from future revenues	428,479	85,968	–	514,447	299,544	170	814,161
Hedging derivative instruments	267,807	–	–	267,807	–	–	267,807
Other assets	33,689	31,178	(4,765)	60,102	35	–	60,137
Total noncurrent assets	1,078,285	142,830	(4,765)	1,216,350	504,333	3,640	1,724,323
Net capital assets	2,471,231	8,505	–	2,479,736	2,947,535	37,226	5,464,497
Total assets	4,433,424	180,332	(5,137)	4,608,619	3,850,698	46,006	8,505,323
Deferred outflows of resources							
Unrealized pension contributions and losses	71,715	10,100	–	81,815	49,836	–	131,651
Unamortized deferred losses on refundings	45,710	1,227	–	46,937	33,290	145	80,372
Unrealized asset retirement obligation	42,879	52	–	42,931	–	–	42,931
Accumulated decrease in fair value of hedging derivatives	32,855	–	–	32,855	6,727	–	39,582
Unrealized OPEB contributions and losses	6,507	–	–	6,507	4,522	–	11,029
Total deferred outflows of resources	199,666	11,379	–	211,045	94,375	145	305,565
Total assets and deferred outflows of resources	$ 4,633,090	$ 191,711	$ (5,137)	$ 4,819,664	$ 3,945,073	$ 46,151	$ 8,810,888

JEA

Combining Statement of Net Position (continued)

(In Thousands)

September 30, 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expense payable	$ 105,033	$ 281	$ –	$ 105,314	$ 11,717	$ 74	$ 117,105
Customer deposits and prepayments	57,113	–	–	57,113	32,577	–	89,690
Billings on behalf of state and local governments	29,873	2	–	29,875	3,889	–	33,764
Compensation and benefits payable	10,573	–	–	10,573	3,706	27	14,306
City of Jacksonville payable	8,008	–	–	8,008	2,237	–	10,245
Asset retirement obligation	2,202	52	–	2,254	–	–	2,254
Total current liabilities	212,802	335	–	213,137	54,126	101	267,364
Current liabilities payable from restricted assets:							
Debt due within one year	47,120	15,285	–	62,405	9,850	1,815	74,070
Interest payable	23,504	2,029	–	25,533	22,811	606	48,950
Construction contracts and accounts payable	15,783	1,670	(372)	17,081	70,563	2,983	90,627
Renewal and replacement reserve	–	4,252	–	4,252	–	–	4,252
Total current liabilities payable from restricted assets	86,407	23,236	(372)	109,271	103,224	5,404	217,899
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,349,290	92,715	–	1,442,005	1,187,055	30,825	2,659,885
Unamortized premium (discount), net	89,763	123	–	89,886	81,882	(15)	171,753
Fair value of debt management strategy instruments	31,504	–	–	31,504	6,727	–	38,231
Total long-term debt	1,470,557	92,838	–	1,563,395	1,275,664	30,810	2,869,869
Net pension liability	381,206	–	–	381,206	264,906	–	646,112
Asset retirement obligations	40,677	–	–	40,677	–	–	40,677
Compensation and benefits payable	24,725	–	–	24,725	9,907	94	34,726
Net OPEB liability	969	–	–	969	673	–	1,642
Other liabilities	18,701	4,765	(4,765)	18,701	–	–	18,701
Total noncurrent liabilities	1,936,835	97,603	(4,765)	2,029,673	1,551,150	30,904	3,611,727
Total liabilities	2,236,044	121,174	(5,137)	2,352,081	1,708,500	36,409	4,096,990
Deferred inflows of resources							
Revenues to be used for future costs	98,697	16,931	–	115,628	26,094	–	141,722
Accumulated increase in fair value of hedging derivatives	267,807	–	–	267,807	–	–	267,807
Unrealized OPEB gains	10,973	–	–	10,973	7,626	–	18,599
Unrealized pension gains	58,457	19,581	–	78,038	40,622	–	118,660
Total deferred inflows of resources	435,934	36,512	–	472,446	74,342	–	546,788
Net position							
Net investment in (divestment of) capital assets	1,110,851	(10,215)	–	1,100,636	1,727,842	1,933	2,830,411
Restricted for:							
Capital projects	233,129	–	–	233,129	113,751	1,049	347,929
Debt service	46,386	15,321	–	61,707	10,113	1,815	73,635
Other purposes	–	203	372	575	1,898	–	2,473
Unrestricted	222,436	3,032	(372)	225,096	103,873	1,475	330,444
Total net position	1,612,802	8,341	–	1,621,143	1,957,477	6,272	3,584,892
Total liabilities, deferred inflows of resources, and net position	$ 4,284,780	$ 166,027	$ (5,137)	$ 4,445,670	$ 3,740,319	$ 42,681	$ 8,228,670

JEA

Combining Statement of Revenues, Expenses, and Changes in Net Position
(In Thousands)

Year Ended September 30, 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenue								
Electric	$ 1,299,546	$ 21,023	$ (21,023)	$ 1,299,546	$ –	$ –	$ (22,831)	$ 1,276,715
Water and sewer	–	–	–	–	519,309	–	(542)	518,767
District energy system	–	–	–	–	–	12,761	(827)	11,934
Other operating revenue	24,482	–	–	24,482	18,999	–	(5,948)	37,533
Total operating revenue	1,324,028	21,023	(21,023)	1,324,028	538,308	12,761	(30,148)	1,844,949
Operating expense								
Operations and maintenance:								
Maintenance and other operating expense	313,557	571	–	314,128	231,632	6,064	(30,148)	521,676
Fuel	438,132	–	–	438,132	–	–	–	438,132
Purchased power	293,963	–	(21,023)	272,940	–	–	–	272,940
Depreciation and amortization	225,098	410	–	225,508	203,742	2,897	–	432,147
State utility and franchise taxes	72,490	–	–	72,490	11,319	–	–	83,809
Recognition of deferred costs and revenues, net	12,657	15,258	–	27,915	11,796	7	–	39,718
Total operating expense	1,355,897	16,239	(21,023)	1,351,113	458,489	8,968	(30,148)	1,788,422
Operating income (loss)	(31,869)	4,784	–	(27,085)	79,819	3,793	–	56,527
Nonoperating revenue (expense)								
Interest on debt	(59,019)	(3,637)	–	(62,656)	(44,955)	(1,664)	–	(109,275)
Earnings from The Energy Authority	23,603	–	–	23,603	–	–	–	23,603
Allowance for funds used during construction	5,581	–	–	5,581	20,113	159	–	25,853
Other nonoperating income, net	3,849	228	–	4,077	2,523	–	–	6,600
Investment income, net	20,942	386	–	21,328	6,359	100	–	27,787
Other interest, net	(7,232)	–	–	(7,232)	(512)	–	–	(7,744)
Total nonoperating expense, net	(12,276)	(3,023)	–	(15,299)	(16,472)	(1,405)	–	(33,176)
Income (loss) before contributions	(44,145)	1,761	–	(42,384)	63,347	2,388	–	23,351
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(95,491)	–	–	(95,491)	(26,933)	–	–	(122,424)
Developers and other	7,664	–	–	7,664	169,107	–	–	176,771
Reduction of plant cost through contributions	(7,664)	–	–	(7,664)	(104,572)	–	–	(112,236)
Total contributions, net	(95,491)	–	–	(95,491)	37,602	–	–	(57,889)
Special item	11,135	–	–	11,135	–	–	–	11,135
Change in net position	(128,501)	1,761	–	(126,740)	100,949	2,388	–	(23,403)
Net position, beginning of year	1,612,802	8,341	–	1,621,143	1,957,477	6,272	–	3,584,892
Net position, end of year	$ 1,484,301	$ 10,102	$ -	$ 1,494,403	$ 2,058,426	$ 8,660	$ -	$ 3,561,489

JEA

Combining Statement of Revenues, Expenses, and Changes in Net Position
(In Thousands)

Year Ended September 30, 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenue								
Electric	$ 1,511,371	$ 53,222	$ (53,222)	$ 1,511,371	$ –	$ –	$ (20,274)	$ 1,491,097
Water and sewer	–	–	–	–	490,130	–	(316)	489,814
District energy system	–	–	–	–	–	8,989	(473)	8,516
Other operating revenue	23,217	228	–	23,445	19,732	8	(2,750)	40,435
Total operating revenue	1,534,588	53,450	(53,222)	1,534,816	509,862	8,997	(23,813)	2,029,862
Operating expense								
Operations and maintenance:								
Maintenance and other operating expense	239,907	(14,699)	–	225,208	195,656	5,239	(23,813)	402,290
Fuel	487,776	–	–	487,776	–	–	–	487,776
Purchased power	337,400	–	(53,222)	284,178	–	–	–	284,178
Depreciation and amortization	323,596	410	–	324,006	173,644	2,607	–	500,257
State utility and franchise taxes	72,598	–	–	72,598	11,294	–	–	83,892
Recognition of deferred costs and revenues, net	(56,861)	133,204	–	76,343	15,918	–	–	92,261
Total operating expense	1,404,416	118,915	(53,222)	1,470,109	396,512	7,846	(23,813)	1,850,654
Operating income (loss)	130,172	(65,465)	–	64,707	113,350	1,151	–	179,208
Nonoperating revenue (expense)								
Interest on debt	(61,320)	(11,329)	–	(72,649)	(40,796)	(1,262)	–	(114,707)
Earnings from The Energy Authority	29,731	–	–	29,731	–	–	–	29,731
Allowance for funds used during construction	3,699	–	–	3,699	10,028	139	–	13,866
Other nonoperating income, net	3,846	259	–	4,105	2,748	–	–	6,853
Investment income, net	(7,324)	647	–	(6,677)	(3,012)	21	–	(9,668)
Other interest, net	(1,133)	–	–	(1,133)	(210)	–	–	(1,343)
Total nonoperating expense, net	(32,501)	(10,423)	–	(42,924)	(31,242)	(1,102)	–	(75,268)
Income (loss) before contributions	97,671	(75,888)	–	21,783	82,108	49	–	103,940
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(94,546)	–	–	(94,546)	(39,167)	–	–	(133,713)
Developers and other	5,387	–	–	5,387	115,840	–	–	121,227
Reduction of plant cost through contributions	(5,387)	–	–	(5,387)	(68,629)	–	–	(74,016)
Total contributions, net	(94,546)	–	–	(94,546)	8,044	–	–	(86,502)
Special item	100,000	–	–	100,000	–	–	–	100,000
Change in net position	103,125	(75,888)	–	27,237	90,152	49	–	117,438
Net position, beginning of year	1,509,677	84,229	–	1,593,906	1,867,325	6,223	–	3,467,454
Net position, end of year	$ 1,612,802	$ 8,341	$ -	$ 1,621,143	$ 1,957,477	$ 6,272	$ -	$ 3,584,892

JEA

Combining Statement of Cash Flows

(In Thousands)

Year Ended September 30, 2023

	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	Elimination of intercompany transactions	Total JEA
Operating activities								
Receipts from customers	$ 1,544,875	$ 21,023	$ (21,076)	$ 1,544,822	$ 484,672	$ 12,963	$ (24,200)	$ 2,018,257
Payments to suppliers	(899,702)	(1,856)	21,076	(880,482)	(186,560)	(4,907)	30,148	(1,041,801)
Payments for salaries and benefits	(209,585)	–	–	(209,585)	(84,845)	(810)	–	(295,240)
Other operating activities	34,840	50	–	34,890	12,860	–	(5,948)	41,802
Net cash provided by operating activities	470,428	19,217	–	489,645	226,127	7,246	–	723,018
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(95,412)	–	–	(95,412)	(26,911)	–	–	(122,323)
Net cash used in noncapital and related financing activities	(95,412)	–	–	(95,412)	(26,911)	–	–	(122,323)
Capital and related financing activities								
Acquisition and construction of capital assets	(235,504)	–	–	(235,504)	(456,057)	(11,244)	–	(702,805)
Interest paid on debt	(64,716)	(3,749)	–	(68,465)	(54,455)	(1,619)	–	(124,539)
Repayment of debt principal	(47,120)	(15,285)	–	(62,405)	(9,850)	(1,815)	–	(74,070)
Capital contributions	–	–	–	–	64,536	–	–	64,536
Revolving credit agreement withdrawals	–	–	–	–	127,000	8,000	–	135,000
Other capital financing activities	(1,927)	114	–	(1,813)	1,444	–	–	(369)
Net cash used in capital and related financing activities	(349,267)	(18,920)	–	(368,187)	(327,382)	(6,678)	–	(702,247)
Investing activities								
Proceeds from sale and maturity of investments	347,271	586	–	347,857	134,875	–	–	482,732
Purchase of investments	(482,745)	(586)	–	(483,331)	(85,579)	–	–	(568,910)
Distributions from The Energy Authority	20,731	–	–	20,731	–	–	–	20,731
Investment income	18,061	470	–	18,531	6,290	100	–	24,921
Net cash provided by (used in) investing activities	(96,682)	470	–	(96,212)	55,586	100	–	(40,526)
Net change in cash and cash equivalents	(70,933)	767	–	(70,166)	(72,580)	668	–	(142,078)
Cash and cash equivalents at beginning of year	327,733	24,864	–	352,597	163,282	4,811	–	520,690
Cash and cash equivalents at end of year	$ 256,800	$ 25,631	$ –	$ 282,431	$ 90,702	$ 5,479	$ –	$ 378,612
Reconciliation of operating income (loss) to net cash provided by operating activities								
Operating income (loss)	$ (31,869)	$ 4,784	$ –	$ (27,085)	$ 79,819	$ 3,793	$ –	$ 56,527
Adjustments:								
Depreciation and amortization	225,098	410	–	225,508	203,742	2,897	–	432,147
Recognition of deferred costs and revenues, net	12,657	15,258	–	27,915	11,796	7	–	39,718
Other nonoperating income, net	7,329	–	–	7,329	(512)	–	–	6,817
Changes in noncash assets and noncash liabilities:								
Accounts receivable	63,612	–	–	63,612	(2,313)	202	–	61,501
Inventories	(3,598)	–	–	(3,598)	(36,044)	–	–	(39,642)
Other assets	19,479	885	–	20,364	(6,244)	1	–	14,121
Accounts and accrued expense payable	(26,468)	(168)	–	(26,636)	431	370	–	(25,835)
Current liabilities payable from restricted assets	–	(999)	–	(999)	–	–	–	(999)
Other noncurrent liabilities and deferred inflows	204,188	(953)	–	203,235	(24,548)	(24)	–	178,663
Net cash provided by operating activities	$ 470,428	$ 19,217	$ –	$ 489,645	$ 226,127	$ 7,246	$ –	$ 723,018
Non-cash activity								
Contribution of capital assets from developers	$ 7,664	$ –	$ –	$ 7,664	$ 104,572	$ –	$ –	$ 112,236
Unrealized investment fair market value changes, net	$ 1,792	$ (84)	$ –	$ 1,708	$ 21	$ –	$ –	$ 1,729

JEA

Combining Statement of Cash Flows
(In Thousands)

Year Ended September 30, 2022

	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	Elimination of intercompany transactions	Total JEA
Operating activities								
Receipts from customers	$ 1,423,152	$ 53,444	$ (49,349)	$ 1,427,247	$ 499,966	$ 9,169	$ (21,063)	$ 1,915,319
Payments to suppliers	(948,626)	(11,099)	49,349	(910,376)	(133,236)	(4,527)	23,813	(1,024,326)
Payments for salaries and benefits	(190,202)	(6,900)	–	(197,102)	(76,239)	(763)	–	(274,104)
Other operating activities	126,532	228	–	126,760	20,440	8	(2,750)	144,458
Net cash provided by operating activities	410,856	35,673	–	446,529	310,931	3,887	–	761,347
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(94,468)	–	–	(94,468)	(39,145)	–	–	(133,613)
Net cash used in noncapital and related financing activities	(94,468)	–	–	(94,468)	(39,145)	–	–	(133,613)
Capital and related financing activities								
Acquisition and construction of capital assets	(183,372)	–	–	(183,372)	(268,078)	(3,311)	–	(454,761)
Defeasance of debt	(47,630)	(129,590)	–	(177,220)	–	–	–	(177,220)
Interest paid on debt	(66,420)	(11,374)	–	(77,794)	(49,001)	(1,266)	–	(128,061)
Repayment of debt principal	(66,220)	(14,175)	–	(80,395)	(9,370)	(1,770)	–	(91,535)
Capital contributions	–	–	–	–	47,211	–	–	47,211
Revolving credit agreement withdrawals	–	–	–	–	–	3,000	–	3,000
Other capital financing activities	5,536	33	–	5,569	3,012	–	–	8,581
Net cash used in capital and related financing activities	(358,106)	(155,106)	–	(513,212)	(276,226)	(3,347)	–	(792,785)
Investing activities								
Proceeds from sale and maturity of investments	304,542	51,035	–	355,577	164,476	–	–	520,053
Purchase of investments	(340,927)	(41,377)	–	(382,304)	(188,511)	–	–	(570,815)
Distributions from The Energy Authority	15,464	–	–	15,464	–	–	–	15,464
Investment income	3,598	686	–	4,284	3,621	21	–	7,926
Net cash provided by (used in) investing activities	(17,323)	10,344	–	(6,979)	(20,414)	21	–	(27,372)
Net change in cash and cash equivalents	(59,041)	(109,089)	–	(168,130)	(24,854)	561	–	(192,423)
Cash and cash equivalents at beginning of year	386,774	133,953	–	520,727	188,136	4,250	–	713,113
Cash and cash equivalents at end of year	$ 327,733	$ 24,864	$ –	$ 352,597	$ 163,282	$ 4,811	$ –	$ 520,690
Reconciliation of operating income (loss) to net cash provided by operating activities								
Operating income (loss)	$ 130,172	$ (65,465)	$ –	$ 64,707	$ 113,350	$ 1,151	$ –	$ 179,208
Adjustments:								
Depreciation and amortization	323,596	410	–	324,006	173,918	2,607	–	500,531
Recognition of deferred costs and revenues, net	(56,861)	133,204	–	76,343	15,918	–	–	92,261
Other nonoperating income, net	98,866	–	–	98,866	(210)	–	–	98,656
Changes in noncash assets and noncash liabilities:								
Accounts receivable	(92,323)	222	–	(92,101)	(873)	180	–	(92,794)
Inventories	(19,666)	–	–	(19,666)	(4,173)	–	–	(23,839)
Other assets	(25,909)	122	–	(25,787)	580	(2)	–	(25,209)
Accounts and accrued expense payable	48,003	(235)	–	47,768	15,937	(65)	–	63,640
Current liabilities payable from restricted assets	–	(32,585)	–	(32,585)	–	–	–	(32,585)
Other noncurrent liabilities and deferred inflows	4,978	–	–	4,978	(3,516)	16	–	1,478
Net cash provided by operating activities	$ 410,856	$ 35,673	$ –	$ 446,529	$ 310,931	$ 3,887	$ –	$ 761,347
Non-cash activity								
Contribution of capital assets from developers	$ 5,387	$ –	$ –	$ 5,387	$ 68,629	$ –	$ –	$ 74,016
Unrealized investment fair market value changes, net	$ (11,038)	$ (70)	$ –	$ (11,108)	$ (6,686)	$ –	$ –	$ (17,794)

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
JEA
Jacksonville, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activity of JEA, as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise JEA's basic financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered JEA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JEA's internal control. Accordingly, we do not express an opinion on the effectiveness of JEA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether JEA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

December 21, 2023

Building a better working world

BOND COMPLIANCE INFORMATION

JEA Electric System

Schedule of Debt Service Coverage
(In Thousands)

	Year Ended September 30	
	2023	**2022**
Revenues		
Electric	**$ 1,481,583**	$ 1,516,654
Investment income [(1)]	**17,919**	2,547
Earnings from The Energy Authority	**23,603**	29,731
Other [(2)]	**35,709**	123,175
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	**15,034**	82,232
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	**(197,071)**	(87,515)
Total Revenues	**1,376,777**	1,666,824
Cost of Operation and Maintenance [(3)]		
Fuel	**438,127**	478,743
Purchased power [(4)]	**306,647**	408,317
Maintenance and other operating expense	**304,327**	227,313
State utility and franchise taxes	**72,490**	72,598
Total Cost of Operation and Maintenance	**1,121,591**	1,186,971
Net Revenues	**$ 255,186**	$ 479,853
Debt Service Requirement on Electric System Bonds (prior to reduction of investment income on sinking fund and Build America Bonds subsidy)	**$ 42,012**	$ 50,560
Less: investment income on sinking fund	**(1,231)**	(1,167)
Less: Build America Bonds subsidy	**(1,535)**	(1,535)
Debt Service Requirement on Electric System Bonds	**$ 39,246**	$ 47,858
Debt service coverage on Electric System Bonds [(5)]	**6.50 x**	10.03 x
Debt Service Requirement on Electric System Bonds (from above)	**$ 39,246**	$ 47,858
Plus: Aggregate Subordinated Debt Service on Subordinated Electric System Bonds (prior to Build America Bonds subdsidy)	**31,179**	40,500
Less: Build America Bonds subsidy	**(1,775)**	(1,843)
Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds	**$ 68,650**	$ 86,515
Debt service coverage on Electric System Bonds and Subordinated Electric System Bonds [(6)]	**3.72 x**	5.55 x

(1) Excludes investment income on sinking funds.

(2) Excludes the Build America Bonds subsidy.

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

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

(5) Net Revenues divided by Debt Service Requirement on Electric System Bonds. Minimum annual coverage is 1.20x.

(6) Net Revenues divided by Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds. Minimum annual coverage is 1.15x.

JEA Bulk Power Supply System

Schedule of Debt Service Coverage

(In Thousands)

	Year ended September 30 2023	Year ended September 30 2022
Revenues		
Operating	**$ 12,683**	$ 70,918
Investment income	**141**	77
Total Revenues	**12,824**	70,995
Operation and Maintenance Expenses [1]		
Fuel	**5**	9,033
Maintenance and other operating expense	**5,408**	9,173
Total Operation and Maintenance Expenses	**5,413**	18,206
Net Revenues	**$ 7,411**	$ 52,789
Aggregate Debt Service (prior to reduction of Build America Bonds subsidy)	**$ 3,918**	$ 6,153
Less: Build America Bonds subsidy	**(470)**	(511)
Aggregate Debt Service	**$ 3,448**	$ 5,642
Debt service coverage [2]	**2.15 x**	9.36 x

[1] Excludes depreciation.

[2] Net Revenues divided by Aggregate Debt Service. Minimum annual coverage is 1.15x.

JEA St. Johns River Power Park System, Second Resolution

Schedule of Debt Service Coverage

(In Thousands)

	Year Ended September 30 2023	Year Ended September 30 2022
Revenues		
Operating	**$ 21,395**	$ 53,495
Investment income	**470**	717
Total Revenues	**21,865**	54,212
Operation and Maintenance Expenses	**–**	–
Net Revenues	**$ 21,865**	$ 54,212
Aggregate Debt Service (prior to reduction of Build America Bonds subsidy)	**$ 19,305**	$ 23,741
Less: Build America Bonds subsidy	**(228)**	(259)
Aggregate Debt Service	**$ 19,077**	$ 23,482
Debt service coverage [1]	**1.15 x**	2.31 x

[1] Net Revenues divided by Aggregate Debt Service. Minimum annual coverage is 1.15x.

JEA Water and Sewer System

Schedule of Debt Service Coverage

(In Thousands)

	Year Ended September 30 2023	2022
Revenues		
Water	**$ 217,572**	$ 214,073
Water Capacity Charges	**18,845**	17,046
Sewer	**275,642**	272,074
Sewer Capacity Charges	**45,690**	30,165
Investment income	**6,338**	3,674
Other [(1)]	**18,999**	19,732
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	**48,387**	30,609
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	**(22,292)**	(26,626)
Total Revenues	**609,181**	560,747
Operation and Maintenance Expenses		
Maintenance and other operating expense [(2)]	**231,632**	195,656
State utility and franchise taxes	**11,319**	11,294
Total Operation and Maintenance Expenses	**242,951**	206,950
Net Revenues	**$ 366,230**	$ 353,797
Aggregate Debt Service on Water and Sewer System Bonds (prior to reduction of Build America Bonds subsidy)	**$ 86,676**	$ 48,341
Less: Build America Bonds subsidy	**(2,435)**	(2,443)
Aggregate Debt Service on Water and Sewer System Bonds	**$ 84,241**	$ 45,898
Debt service coverage on Water and Sewer System Bonds [(3)]	**4.35 x**	7.71 x
Aggregate Debt Service on Water and Sewer System Bonds (from above)	**$ 84,241**	$ 45,898
Plus: Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	**16,899**	7,302
Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	**$ 101,140**	$ 53,200
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds excluding Capacity Charges [(4)]	**2.98 x**	5.76 x
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds including Capacity Charges [(4)]	**3.62 x**	6.65 x

(1) Excludes the Build America Bonds subsidy.

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

(3) Net Revenues divided by Aggregate Debt Service on Water and Sewer System Bonds. Minimum annual coverage is 1.25x.

(4) Net Revenues divided by Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds. Minimum annual coverage is either 1.00x Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds (excluding Capacity Charges) or the sum of 1.00x Aggregate Debt Service on Water and Sewer System Bonds and 1.20x Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds (including Capacity Charges).

JEA District Energy System

Schedule of Debt Service Coverage
(In Thousands)

	Year Ended September 30	
	2023	**2022**
Revenues		
Service revenue	**$ 12,761**	$ 8,989
Investment income	**100**	21
Other	**-**	8
Total Revenues	**12,861**	9,018
Operation and Maintenance Expenses [1]		
Maintenance and other operating expense	**6,064**	5,239
Total Operation and Maintenance Expenses	**6,064**	5,239
Net Revenues	**$ 6,797**	$ 3,779
Aggregate Debt Service [2]	**$ 3,022**	$ 3,021
Debt service coverage [3]	**2.25 x**	1.25 x

[1] Excludes depreciation.

[2] On June 19, 2013, the closing date of the District Energy System Refunding Revenue Bonds, 2013 Series A, JEA covenanted to deposit into the 2013 Series A Bonds Subaccount from Available Water and Sewer System Revenues an amount equal to the Aggregate DES Debt Service Deficiency that exists with respect to the 2013 Series A Bonds, in the event that the amount on deposit in the Debt Service Account in the Debt Service Fund in accordance with the District Energy System Resolution is less than Accrued Aggregate Debt Service as of the last business day of the then current month.

[3] Net Revenues divided by Aggregrate Debt Service.

Jacksonville Small and Emerging Business (JSEB) & Supplier Diversity Program Quarterly Report

Rita Scott, Manager, Supplier Diversity Programs & Procurement Services

Deepen Customer & Community Engagement

Jacksonville Small and Emerging Business (JSEB) Scorecard

FY24 JSEB Spend Results as of Q1

Available Spend is $133M

JSEB Goal is $26.6M

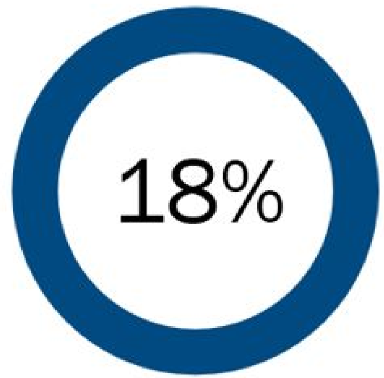
As of December 2023, we achieved $4.7M in actual spend, representing 18% of the Goal

Prime JSEB vendors account for 54% of the actual spend

Diverse mix of JSEB vendors that account for the actual spend

JSEB Goal

AVAILABLE SPEND	JSEB GOAL
$133,000,000	$26,600,000



JSEB ACTUAL SPEND

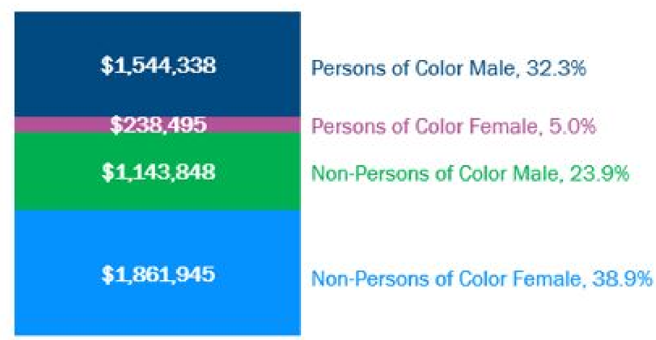
$4,788,627

QTR 1
$4,788,627

QTR 2
$0

QTR 3
$0

QTR 4
$0



Jacksonville Small and Emerging Business (JSEB) Scorecard

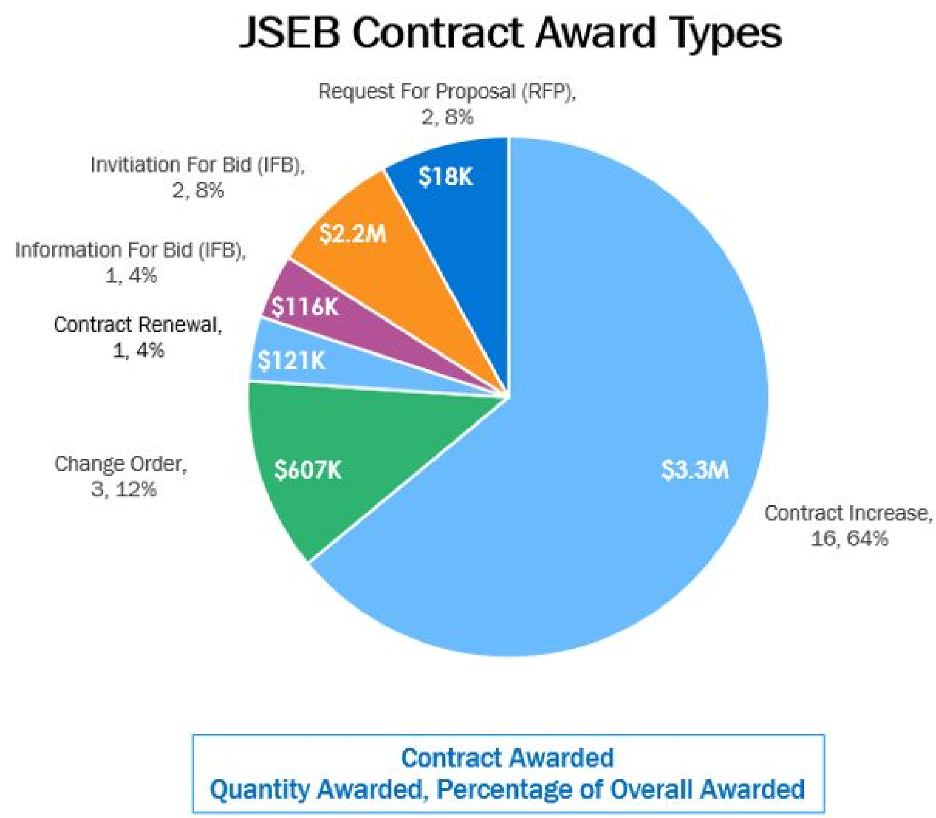
FY23 Contracts Awarded to JSEB Vendors as of Q1

25 contracts awarded to JSEB vendors – 4 prime contracts and 21 subcontracts

Contracts awarded are valued at $6.4M

Projects within the Electric, Facilities, and Water/Wastewater groups

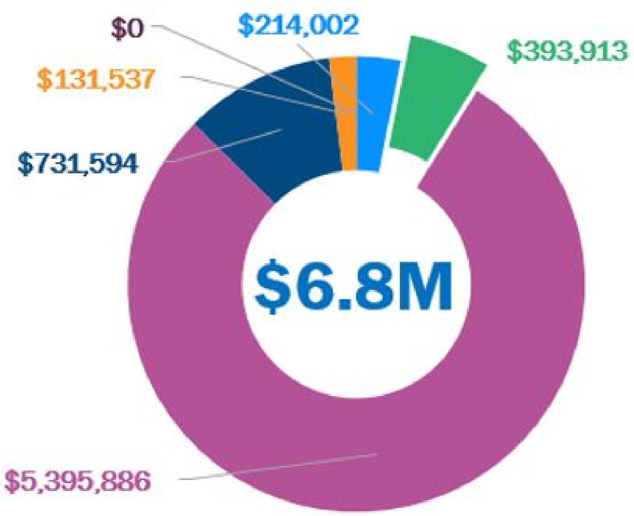
Contract awards typically range from 1 to 5 years



Supplier Diversity Metrics

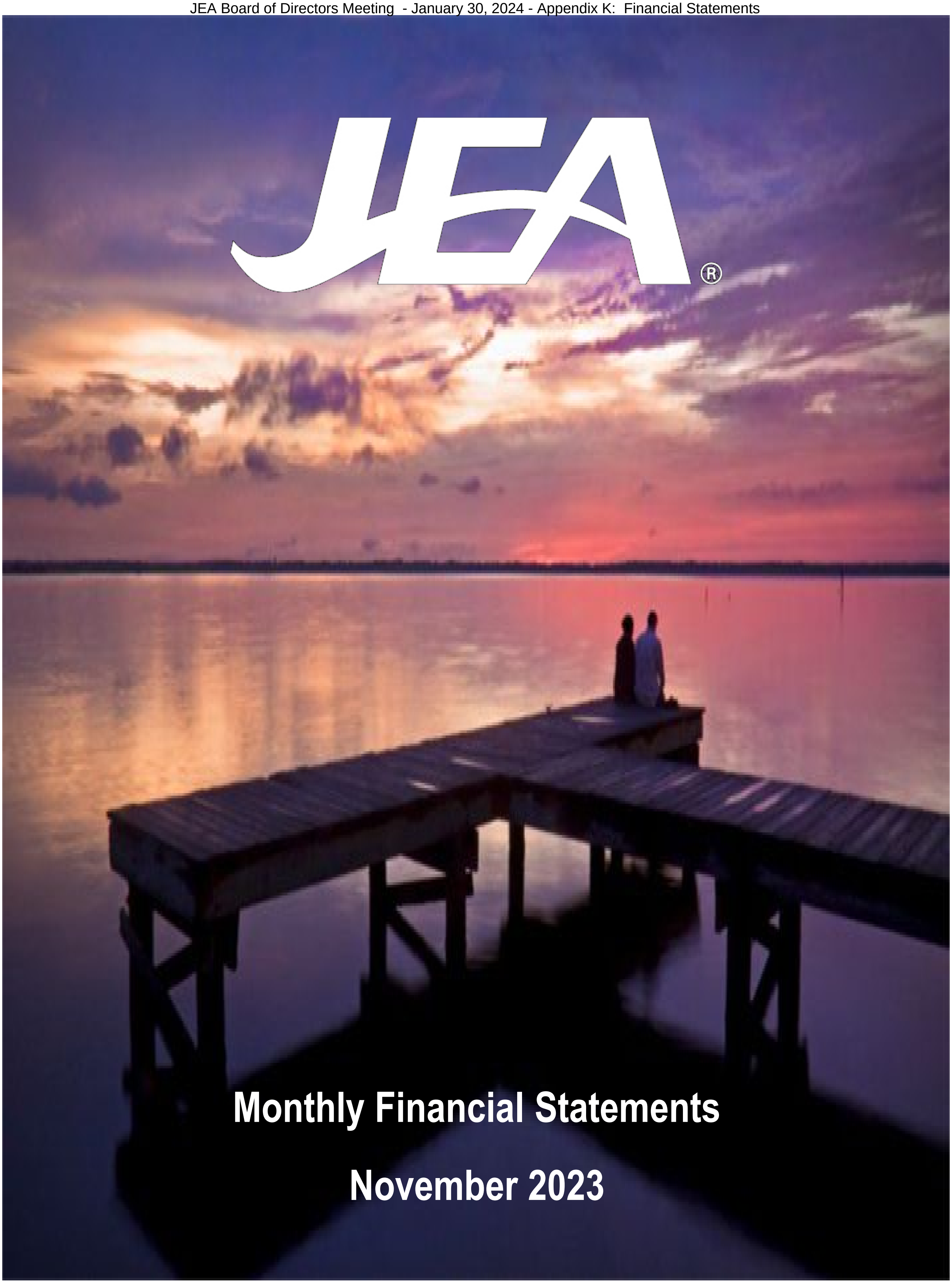
FY24 Supplier Diversity Data as of Q1

Supplier Diversity Spend
(Non-JSEB)



AA = African American
HA = Hispanic
WBE = Women Business Enterprise
AI/NA = Asian/Native American
VA = Veteran
SBE = Small Business Enterprise

Quarterly Metric	FY24
Outreach Events/Initiatives	3
Supplier Diversity Directory	25
Diverse Suppliers Currently Doing Business With	39



Monthly Financial Statements

November 2023

Monthly Financial Statements

November 2023

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JEA **Page 2**

Statements of Net Position
(in thousands)

	November 2023 (unaudited)	September 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 233,569	$ 278,483
Investments	196,310	106,701
Customer accounts receivable, net of allowance ($2,312 and $2,241, respectively)	197,522	252,861
Inventories:		
Materials and supplies	116,194	103,057
Fuel	59,937	56,131
Prepaid assets	24,889	23,847
Other current assets	11,977	22,476
Total current assets	840,398	843,556
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	21,249	100,129
Investments	200,329	288,132
Other restricted assets	977	991
Total restricted assets	222,555	389,252
Costs to be recovered from future revenues	861,292	865,083
Hedging derivative instruments	80,944	93,219
Other assets	36,757	36,070
Total noncurrent assets	1,201,548	1,383,624
Capital assets:		
Land and easements	227,476	223,954
Plant in service	13,111,132	13,064,743
Lease asset	93,313	93,313
Less accumulated depreciation	(8,458,027)	(8,392,624)
Plant in service, net	4,973,894	4,989,386
Construction work in progress	932,525	899,574
Net capital assets	5,906,419	5,888,960
Total assets	7,948,365	8,116,140
Deferred outflows of resources		
Unrealized pension contributions and losses	290,610	290,610
Accumulated decrease in fair value of hedging derivatives	43,108	39,157
Unamortized deferred losses on refundings	72,276	73,433
Unrealized asset retirement obligations	36,191	36,276
Unrealized OPEB contributions and losses	15,943	15,943
Total deferred outflows of resources	458,128	455,419
Total assets and deferred outflows of resources	$ 8,406,493	$ 8,571,559

JEA **Page 3**

Statements of Net Position

(in thousands)

	November 2023 (unaudited)	September 2023
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	$ 75,237	$ 100,645
Customer deposits and prepayments	94,467	85,651
Billings on behalf of state and local governments	22,039	28,535
Compensation and benefits payable	16,168	16,237
City of Jacksonville payable	10,449	10,366
Asset retirement obligations	2,623	2,623
Total current liabilities	220,983	244,057
Current liabilities payable from restricted assets:		
Debt due within one year	106,565	89,375
Interest payable	17,263	48,304
Construction contracts and accounts payable	75,274	137,793
Renewal and replacement reserve	4,996	4,581
Total current liabilities payable from restricted assets	204,098	280,053
Noncurrent liabilities:		
Long-term debt:		
Debt payable, less current portion	2,648,945	2,705,510
Unamortized premium, net	146,040	149,503
Fair value of debt management strategy instruments	18,368	18,368
Total long-term debt	2,813,353	2,873,381
Net pension liability	958,534	958,534
Lease liability	89,463	89,463
Asset retirement obligations	33,568	33,653
Compensation and benefits payable	38,624	40,142
Net OPEB liability	8,245	7,971
Other liabilities	54,305	50,409
Total noncurrent liabilities	3,996,092	4,053,553
Total liabilities	4,421,173	4,577,663
Deferred inflows of resources		
Revenues to be used for future costs	299,995	300,455
Accumulated increase in fair value of hedging derivatives	80,944	93,218
Unrealized OPEB gains	16,343	16,343
Unrealized pension gains	22,391	22,391
Total deferred inflows of resources	419,673	432,407
Net position		
Net investment in capital assets	3,166,857	3,042,666
Restricted for:		
Capital projects	81,752	138,245
Debt service	17,656	90,582
Other purposes	(11,026)	594
Unrestricted	310,408	289,402
Total net position	3,565,647	3,561,489
Total liabilities, deferred inflows of resources, and net position	$ 8,406,493	$ 8,571,559

JEA

Statements of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited)

	Month November 2023	Month November 2022	Year-to-Date November 2023	Year-to-Date November 2022
Operating revenues				
Electric - base	$ 61,626	$ 61,646	$ 134,146	$ 128,816
Electric - fuel and purchased power	31,431	43,758	68,672	97,918
Water and sewer	38,024	40,521	84,270	83,516
District energy system	1,045	831	2,217	1,951
Other operating revenues	2,812	4,341	5,874	16,013
Total operating revenues	134,938	151,097	295,179	328,214
Operating expenses				
Operations and maintenance:				
Maintenance and other operating expenses	44,113	47,507	88,966	76,911
Fuel	22,255	29,081	41,279	69,610
Purchased power	26,355	20,445	54,644	41,384
Depreciation	34,044	34,536	68,113	66,876
State utility and franchise taxes	5,699	5,769	12,575	14,176
Recognition of deferred costs and revenues, net	1,242	8,013	10,191	9,441
Total operating expenses	133,708	145,351	275,768	278,398
Operating income	1,230	5,746	19,411	49,816
Nonoperating revenues (expenses)				
Interest on debt	(9,246)	(8,281)	(18,559)	(16,879)
Earnings from The Energy Authority	659	2,180	1,251	2,954
Allowance for funds used during construction	3,326	1,824	6,356	3,870
Other nonoperating income, net	534	555	1,088	1,117
Investment income	1,952	1,391	3,580	2,714
Other interest, net	(313)	(66)	(367)	(1,269)
Total nonoperating expenses, net	(3,088)	(2,397)	(6,651)	(7,493)
Income before contributions	(1,858)	3,349	12,760	42,323
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(10,304)	(10,202)	(20,608)	(20,404)
Developers and other	12,050	3,623	27,652	14,188
Reduction of plant cost through contributions	(6,655)	(1,532)	(15,646)	(6,881)
Total contributions, net	(4,909)	(8,111)	(8,602)	(13,097)
Change in net position	(6,767)	(4,762)	4,158	29,226
Net position, beginning of period	3,572,414	3,618,880	3,561,489	3,584,892
Net position, end of period	$3,565,647	$3,614,118	$3,565,647	$3,614,118

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Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date November 2023	Year-to-Date November 2022
Operating activities		
Receipts from customers	$ 351,307	$ 404,454
Payments to suppliers	(189,635)	(177,497)
Payments for salaries and benefits	(58,561)	(55,123)
Other operating activities	14,847	5,057
Net cash provided by operating activities	117,958	176,891
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(20,506)	(20,303)
Net cash used in noncapital and related financing activities	(20,506)	(20,303)
Capital and related financing activities		
Acquisition and construction of capital assets	(148,374)	(110,338)
Interest paid on debt	(51,793)	(51,114)
Repayment of debt principal	(89,375)	(74,070)
Capital contributions	12,006	7,306
Revolving credit agreement withdrawals	50,000	-
Other capital financing activities	3,404	62
Net cash used in capital and related financing activities	(224,132)	(228,154)
Investing activities		
Proceeds from sale and maturity of investments	45,273	2,260
Purchase of investments	(47,079)	(75,734)
Distributions from The Energy Authority	1,712	2,105
Investment income	2,980	1,919
Net cash provided by (used in) investing activities	2,886	(69,450)
Net change in cash and cash equivalents	(123,794)	(141,016)
Cash and cash equivalents at beginning of year	378,612	520,690
Cash and cash equivalents at end of period	$ 254,818	$ 379,674
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 19,411	$ 49,816
Adjustments:		
Depreciation and amortization	68,113	66,876
Recognition of deferred costs and revenues, net	10,191	9,441
Other nonoperating income, net	(359)	(1,255)
Changes in noncash assets and noncash liabilities:		
Accounts receivable	55,338	94,475
Inventories	(16,943)	(11,807)
Other assets	6,802	8,230
Accounts and accrued expenses payable	(23,273)	(37,770)
Current liabilities payable from restricted assets	438	(2,148)
Other noncurrent liabilities and deferred inflows	(1,760)	1,033
Net cash provided by operating activities	$ 117,958	$ 176,891
Noncash activity		
Contribution of capital assets from developers	$ 15,646	$ 6,881

JEA
Combining Statement of Net Position
(in thousands - unaudited) November 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	$ 217,906	$ 3,181	$ -	$ 221,087	10,410	$ 2,072	$ 233,569
Investments	178,265	1,258	-	179,523	16,787	-	196,310
Customer accounts receivable, net of allowance ($2,312)	142,572	-	-	142,572	54,673	277	197,522
Inventories:							
Materials and supplies	2,295	-	-	2,295	113,899	-	116,194
Fuel	59,937	-	-	59,937	-	-	59,937
Prepaid assets	22,262	2	-	22,264	2,591	34	24,889
Other current assets	8,179	109	(371)	7,917	4,060	-	11,977
Total current assets	631,416	4,550	(371)	635,595	202,420	2,383	840,398
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	9,763	-	9,763	10,523	963	21,249
Investments	157,743	1,504	-	159,247	41,082	-	200,329
Other restricted assets	952	25	-	977	-	-	977
Total restricted assets	158,695	11,292	-	169,987	51,605	963	222,555
Costs to be recovered from future revenues	454,724	67,935	-	522,659	338,302	331	861,292
Hedging derivative instruments	80,944	-	-	80,944	-	-	80,944
Other assets	36,733	3,812	(3,812)	36,733	24	-	36,757
Total noncurrent assets	731,096	83,039	(3,812)	810,323	389,931	1,294	1,201,548
Capital assets:							
Land and easements	132,816	6,660	-	139,476	84,949	3,051	227,476
Plant in service	6,338,139	1,316,043	-	7,654,182	5,380,699	76,251	13,111,132
Lease asset	93,313	-	-	93,313	-	-	93,313
Less accumulated depreciation	(4,213,313)	(1,314,677)	-	(5,527,990)	(2,892,220)	(37,817)	(8,458,027)
Plant in service, net	2,350,955	8,026	-	2,358,981	2,573,428	41,485	4,973,894
Construction work in progress	236,393	-	-	236,393	694,566	1,566	932,525
Net capital assets	2,587,348	8,026	-	2,595,374	3,267,994	43,051	5,906,419
Total assets	3,949,860	95,615	(4,183)	4,041,292	3,860,345	46,728	7,948,365
Deferred outflows of resources							
Unrealized pension contributions and losses	149,475	32,894	-	182,369	108,241	-	290,610
Accumulated decrease in fair value of hedging derivatives	40,476	-	-	40,476	2,632	-	43,108
Unamortized deferred losses on refundings	40,373	958	-	41,331	30,814	131	72,276
Unrealized asset retirement obligations	36,191	-	-	36,191	-	-	36,191
Unrealized OPEB contributions and losses	9,247	-	-	9,247	6,696	-	15,943
Total deferred outflows of resources	275,762	33,852	-	309,614	148,383	131	458,128
Total assets and deferred outflows of resources	$ 4,225,622	$ 129,467	$ (4,183)	$ 4,350,906	$ 4,008,728	$ 46,859	$ 8,406,493

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Combining Statement of Net Position
(in thousands - unaudited) November 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	$ 53,542	$ 40	$ (32)	$ 53,550	$ 21,635	$ 52	$ 75,237
Customer deposits and prepayments	67,331	-	-	67,331	27,136	-	94,467
Billings on behalf of state and local governments	18,177	-	-	18,177	3,862	-	22,039
Compensation and benefits payable	11,430	-	-	11,430	4,700	38	16,168
City of Jacksonville payable	8,065	-	-	8,065	2,384	-	10,449
Asset retirement obligations	2,623	-	-	2,623	-	-	2,623
Total current liabilities	161,168	40	(32)	161,176	59,717	90	220,983
Current liabilities payable from restricted assets:							
Debt due within one year	32,515	16,445	-	48,960	55,675	1,930	106,565
Interest payable	8,577	468	-	9,045	7,978	240	17,263
Construction contracts and accounts payable	16,885	366	(339)	16,912	58,154	208	75,274
Renewal and replacement reserve	-	4,996	-	4,996	-	-	4,996
Total current liabilities payable from restricted assets	57,977	22,275	(339)	79,913	121,807	2,378	204,098
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,297,500	60,405	-	1,357,905	1,256,015	35,025	2,648,945
Unamortized premium (discount), net	78,276	(51)	-	78,225	67,823	(8)	146,040
Fair value of debt management strategy instruments	15,736	-	-	15,736	2,632	-	18,368
Total long-term debt	1,391,512	60,354	-	1,451,866	1,326,470	35,017	2,813,353
Net pension liability	553,168	4,796	-	557,964	400,570	-	958,534
Lease liability	89,463	-	-	89,463	-	-	89,463
Asset retirement obligations	33,568	-	-	33,568	-	-	33,568
Compensation and benefits payable	27,733	-	-	27,733	10,829	62	38,624
Net OPEB liability	4,777	-	-	4,777	3,468	-	8,245
Other liabilities	54,305	3,812	(3,812)	54,305	-	-	54,305
Total noncurrent liabilities	2,154,526	68,962	(3,812)	2,219,676	1,741,337	35,079	3,996,092
Total liabilities	2,373,671	91,277	(4,183)	2,460,765	1,922,861	37,547	4,421,173
Deferred inflows of resources							
Revenues to be used for future costs	286,262	13,733	-	299,995	-	-	299,995
Accumulated increase in fair value of hedging derivatives	80,944	-	-	80,944	-	-	80,944
Unrealized OPEB gains	9,479	-	-	9,479	6,864	-	16,343
Unrealized pension gains	4,655	14,365	-	19,020	3,371	-	22,391
Total deferred inflows of resources	381,340	28,098	-	409,438	10,235	-	419,673
Net position							
Net investment in (divestment of) capital assets	1,201,611	2,580	-	1,204,191	1,956,307	6,359	3,166,857
Restricted for:							
Capital projects	97,702	-	-	97,702	(16,351)	401	81,752
Debt service	5,336	2,741	-	8,077	9,257	322	17,656
Other purposes	(6,269)	262	339	(5,668)	(5,358)	-	(11,026)
Unrestricted	172,231	4,509	(339)	176,401	131,777	2,230	310,408
Total net position	1,470,611	10,092	-	1,480,703	2,075,632	9,312	3,565,647
Total liabilities, deferred inflows of resources, and net position	$ 4,225,622	$ 129,467	$ (4,183)	$ 4,350,906	$ 4,008,728	$ 46,859	$ 8,406,493

JEA
Combining Statement of Net Position
(in thousands) September 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	$ 256,800	$ 2,972	$ -	$ 259,772	$ 16,802	$ 1,909	$ 278,483
Investments	105,855	846	-	106,701	-	-	106,701
Customer accounts receivable, net of allowance ($2,241)	194,282	-	-	194,282	58,458	121	252,861
Inventories:							
Materials and supplies	2,292	-	-	2,292	100,765	-	103,057
Fuel	56,131	-	-	56,131	-	-	56,131
Prepaid assets	23,348	6	-	23,354	487	6	23,847
Other current assets	10,472	187	(425)	10,234	12,242	-	22,476
Total current assets	649,180	4,011	(425)	652,766	188,754	2,036	843,556
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	22,659	-	22,659	73,900	3,570	100,129
Investments	225,063	3,159	-	228,222	59,910	-	288,132
Other restricted assets	958	33	-	991	-	-	991
Total restricted assets	226,021	25,851	-	251,872	133,810	3,570	389,252
Costs to be recovered from future revenues	460,923	70,580	-	531,503	333,259	321	865,083
Hedging derivative instruments	93,219	-	-	93,219	-	-	93,219
Other assets	36,045	3,812	(3,812)	36,045	25	-	36,070
Total noncurrent assets	816,208	100,243	(3,812)	912,639	467,094	3,891	1,383,624
Capital assets:							
Land and easements	132,817	6,660	-	139,477	81,426	3,051	223,954
Plant in service	6,330,880	1,316,043	-	7,646,923	5,341,288	76,532	13,064,743
Lease Asset	93,313	-	-	93,313	-	-	93,313
Less accumulated depreciation	(4,177,236)	(1,314,608)	-	(5,491,844)	(2,863,482)	(37,298)	(8,392,624)
Plant in service, net	2,379,774	8,095	-	2,387,869	2,559,232	42,285	4,989,386
Construction work in progress	204,605	-	-	204,605	693,969	1,000	899,574
Net capital assets	2,584,379	8,095	-	2,592,474	3,253,201	43,285	5,888,960
Total assets	4,049,767	112,349	(4,237)	4,157,879	3,909,049	49,212	8,116,140
Deferred outflows of resources							
Unrealized pension contributions and losses	149,475	32,894	-	182,369	108,241	-	290,610
Accumulated decrease in fair value of hedging derivatives	36,525	-	-	36,525	2,632	-	39,157
Unamortized deferred losses on refundings	41,135	997	-	42,132	31,168	133	73,433
Unrealized asset retirement obligations	36,276	-	-	36,276	-	-	36,276
Unrealized OPEB contributions and losses	9,247	-	-	9,247	6,696	-	15,943
Total deferred outflows of resources	272,658	33,891	-	306,549	148,737	133	455,419
Total assets and deferred outflows of resources	$ 4,322,425	$ 146,240	$ (4,237)	$ 4,464,428	$ 4,057,786	$ 49,345	$ 8,571,559

JEA
Combining Statement of Net Position
(in thousands) September 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	$ 82,995	$ 114	$ (114)	$ 82,995	$ 17,211	$ 439	$ 100,645
Customer deposits and prepayments	58,791	-	-	58,791	26,860	-	85,651
Billings on behalf of state and local governments	24,496	-	-	24,496	4,039	-	28,535
Compensation and benefits payable	12,006	-	-	12,006	4,199	32	16,237
City of Jacksonville payable	8,096	-	-	8,096	2,270	-	10,366
Asset retirement obligations	2,623	-	-	2,623	-	-	2,623
Total current liabilities	189,007	114	(114)	189,007	54,579	471	244,057
Current liabilities payable from restricted assets:							
Debt due within one year	19,275	15,865	-	35,140	52,365	1,870	89,375
Interest payable	22,820	1,720	-	24,540	23,129	635	48,304
Construction contracts and accounts payable	27,345	343	(311)	27,377	109,721	695	137,793
Renewal and replacement reserve	-	4,581	-	4,581	-	-	4,581
Total current liabilities payable from restricted assets	69,440	22,509	(311)	91,638	185,215	3,200	280,053
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,330,015	76,850	-	1,406,865	1,261,690	36,955	2,705,510
Unamortized premium (discount), net	79,917	(41)	-	79,876	69,637	(10)	149,503
Fair value of debt management strategy instruments	15,736	-	-	15,736	2,632	-	18,368
Total long-term debt	1,425,668	76,809	-	1,502,477	1,333,959	36,945	2,873,381
Net pension liability	553,168	4,796	-	557,964	400,570	-	958,534
Lease Liability	89,463	-	-	89,463	-	-	89,463
Asset retirement obligations	33,653	-	-	33,653	-	-	33,653
Compensation and benefits payable	28,619	-	-	28,619	11,454	69	40,142
Net OPEB liability	4,623	-	-	4,623	3,348	-	7,971
Other liabilities	50,409	3,812	(3,812)	50,409	-	-	50,409
Total noncurrent liabilities	2,185,603	85,417	(3,812)	2,267,208	1,749,331	37,014	4,053,553
Total liabilities	2,444,050	108,040	(4,237)	2,547,853	1,989,125	40,685	4,577,663
Deferred inflows of resources							
Revenues to be used for future costs	286,722	13,733	-	300,455	-	-	300,455
Accumulated increase in fair value of hedging derivatives	93,218	-	-	93,218	-	-	93,218
Unrealized OPEB gains	9,479	-	-	9,479	6,864	-	16,343
Unrealized pension gains	4,655	14,365	-	19,020	3,371	-	22,391
Total deferred inflows of resources	394,074	28,098	-	422,172	10,235	-	432,407
Net position							
Net investment in (divestment of) capital assets	1,167,090	(9,943)	-	1,157,147	1,881,290	4,229	3,042,666
Restricted for:							
Capital projects	135,992	-	-	135,992	1,188	1,065	138,245
Debt service	19,204	15,865	-	35,069	53,643	1,870	90,582
Other purposes	-	283	311	594	-	-	594
Unrestricted	162,015	3,897	(311)	165,601	122,305	1,496	289,402
Total net position	1,484,301	10,102	-	1,494,403	2,058,426	8,660	3,561,489
Total liabilities, deferred inflows of resources, and net position	$ 4,322,425	$ 146,240	$ (4,237)	$ 4,464,428	$ 4,057,786	$ 49,345	$ 8,571,559

JEA

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended November 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	$ 62,644	$ -	$ -	$ 62,644	$ -	$ -	$ (1,018)	$ 61,626
Electric - fuel and purchased power	32,111	1,760	(1,760)	32,111	-	-	(680)	31,431
Water and sewer	-	-	-	-	38,078	-	(54)	38,024
District energy system	-	-	-	-	-	1,112	(67)	1,045
Other operating revenues	1,568	-	-	1,568	1,888	-	(644)	2,812
Total operating revenues	96,323	1,760	(1,760)	96,323	39,966	1,112	(2,463)	134,938
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	24,960	211	-	25,171	20,997	408	(2,463)	44,113
Fuel	22,255	-	-	22,255	-	-	-	22,255
Purchased power	28,115	-	(1,760)	26,355	-	-	-	26,355
Depreciation	18,522	34	-	18,556	15,228	260	-	34,044
State utility and franchise taxes	4,792	-	-	4,792	907	-	-	5,699
Recognition of deferred costs and revenues, net	(69)	1,311	-	1,242	-	-	-	1,242
Total operating expenses	98,575	1,556	(1,760)	98,371	37,132	668	(2,463)	133,708
Operating income	(2,252)	204	-	(2,048)	2,834	444	-	1,230
Nonoperating revenues (expenses)								
Interest on debt	(4,615)	(260)	-	(4,875)	(4,221)	(150)	-	(9,246)
Earnings from The Energy Authority	659	-	-	659	-	-	-	659
Allowance for funds used during construction	814	-	-	814	2,507	5	-	3,326
Other nonoperating income, net	315	16	-	331	203	-	-	534
Investment income	1,682	42	-	1,724	215	13	-	1,952
Other interest, net	(299)	-	-	(299)	(14)	-	-	(313)
Total nonoperating expenses, net	(1,444)	(202)	-	(1,646)	(1,310)	(132)	-	(3,088)
Income before contributions	(3,696)	2	-	(3,694)	1,524	312	-	(1,858)
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,934)	-	-	(7,934)	(2,370)	-	-	(10,304)
Developers and other	953	-	-	953	11,097	-	-	12,050
Reduction of plant cost through contributions	(953)	-	-	(953)	(5,702)	-	-	(6,655)
Total contributions, net	(7,934)	-	-	(7,934)	3,025	-	-	(4,909)
Change in net position	(11,630)	2	-	(11,628)	4,549	312	-	(6,767)
Net position, beginning of period	1,482,241	10,090	-	1,492,331	2,071,083	9,000	-	3,572,414
Net position, end of period	$ 1,470,611	$ 10,092	$ -	$ 1,480,703	$ 2,075,632	$ 9,312	$ -	$ 3,565,647

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended November 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	$ 62,360	$ -	$ -	$ 62,360	$ -	$ -	$ (714)	$ 61,646
Electric - fuel and purchased power	44,811	1,777	(1,777)	44,811	-	-	(1,053)	43,758
Water and sewer	-	-	-	-	40,541	-	(20)	40,521
District energy system	-	-	-	-	-	893	(62)	831
Other operating revenues	3,354	-	-	3,354	1,400	-	(413)	4,341
Total operating revenues	110,525	1,777	(1,777)	110,525	41,941	893	(2,262)	151,097
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	28,003	574	-	28,577	20,790	402	(2,262)	47,507
Fuel	29,081	-	-	29,081	-	-	-	29,081
Purchased power	22,222	-	(1,777)	20,445	-	-	-	20,445
Depreciation	17,727	34	-	17,761	16,546	229	-	34,536
State utility and franchise taxes	4,883	-	-	4,883	886	-	-	5,769
Recognition of deferred costs and revenues, net	4,170	1,271	-	5,441	2,572	-	-	8,013
Total operating expenses	106,086	1,879	(1,777)	106,188	40,794	631	(2,262)	145,351
Operating income	4,439	(102)	-	4,337	1,147	262	-	5,746
Nonoperating revenues (expenses)								
Interest on debt	(4,515)	(303)	-	(4,818)	(3,353)	(110)	-	(8,281)
Earnings from The Energy Authority	2,180	-	-	2,180	-	-	-	2,180
Allowance for funds used during construction	494	-	-	494	1,317	13	-	1,824
Other nonoperating income, net	333	19	-	352	203	-	-	555
Investment income	724	11	-	735	647	9	-	1,391
Other interest, net	(65)	-	-	(65)	(1)	-	-	(66)
Total nonoperating expenses, net	(849)	(273)	-	(1,122)	(1,187)	(88)	-	(2,397)
Income before contributions	3,590	(375)	-	3,215	(40)	174	-	3,349
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,957)	-	-	(7,957)	(2,245)	-	-	(10,202)
Developers and other	182	-	-	182	3,441	-	-	3,623
Reduction of plant cost through contributions	(182)	-	-	(182)	(1,350)	-	-	(1,532)
Total contributions, net	(7,957)	-	-	(7,957)	(154)	-	-	(8,111)
Change in net position	(4,367)	(375)	-	(4,742)	(194)	174	-	(4,762)
Net position, beginning of period	1,629,157	9,925	-	1,639,082	1,973,273	6,525	-	3,618,880
Net position, end of period	$ 1,624,790	$ 9,550	$ -	$1,634,340	$1,973,079	$6,699	$ -	$3,614,118

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the 2 months ended November 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	$ 136,349	$ -	$ -	$ 136,349	$ -	$ -	$ (2,203)	$ 134,146
Electric - fuel and purchased power	70,192	3,523	(3,523)	70,192	-	-	(1,520)	68,672
Water and sewer	-	-	-	-	84,400	-	(130)	84,270
District energy system	-	-	-	-	-	2,356	(139)	2,217
Other operating revenues	3,291	-	-	3,291	3,836	-	(1,253)	5,874
Total operating revenues	209,832	3,523	(3,523)	209,832	88,236	2,356	(5,245)	295,179
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	49,281	425	-	49,706	43,581	924	(5,245)	88,966
Fuel	41,279	-	-	41,279	-	-	-	41,279
Purchased power	58,167	-	(3,523)	54,644	-	-	-	54,644
Depreciation	37,119	68	-	37,187	30,407	519	-	68,113
State utility and franchise taxes	10,667	-	-	10,667	1,908	-	-	12,575
Recognition of deferred costs and revenues, net	7,568	2,623	-	10,191	-	-	-	10,191
Total operating expenses	204,081	3,116	(3,523)	203,674	75,896	1,443	(5,245)	275,768
Operating income	5,751	407	-	6,158	12,340	913	-	19,411
Nonoperating revenues (expenses)								
Interest on debt	(9,368)	(518)	-	(9,886)	(8,369)	(304)	-	(18,559)
Earnings from The Energy Authority	1,251	-	-	1,251	-	-	-	1,251
Allowance for funds used during construction	1,316	-	-	1,316	5,030	10	-	6,356
Other nonoperating income, net	639	33	-	672	416	-	-	1,088
Investment income	2,919	68	-	2,987	560	33	-	3,580
Other interest, net	(330)	-	-	(330)	(37)	-	-	(367)
Total nonoperating expenses, net	(3,573)	(417)	-	(3,990)	(2,400)	(261)	-	(6,651)
Income before contributions	2,178	(10)	-	2,168	9,940	652	-	12,760
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(15,868)	-	-	(15,868)	(4,740)	-	-	(20,608)
Developers and other	1,375	-	-	1,375	26,277	-	-	27,652
Reduction of plant cost through contributions	(1,375)	-	-	(1,375)	(14,271)	-	-	(15,646)
Total contributions, net	(15,868)	-	-	(15,868)	7,266	-	-	(8,602)
Change in net position	(13,690)	(10)	-	(13,700)	17,206	652	-	4,158
Net position, beginning of year	1,484,301	10,102	-	1,494,403	2,058,426	8,660	-	3,561,489
Net position, end of period	$ 1,470,611	$ 10,092	$ -	$ 1,480,703	$ 2,075,632	$ 9,312	$ -	$ 3,565,647

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the 2 months ended November 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	$ 130,281	$ -	$ -	$ 130,281	$ -	$ -	$ (1,465)	$ 128,816
Electric - fuel and purchased power	100,569	3,554	(3,554)	100,569	-	-	(2,651)	97,918
Water and sewer	-	-	-	-	83,580	-	(64)	83,516
District energy system	-	-	-	-	-	2,085	(134)	1,951
Other operating revenues	14,409	-	-	14,409	2,414	-	(810)	16,013
Total operating revenues	245,259	3,554	(3,554)	245,259	85,994	2,085	(5,124)	328,214
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	46,661	(811)	-	45,850	35,161	1,024	(5,124)	76,911
Fuel	69,610	-	-	69,610	-	-	-	69,610
Purchased power	44,938	-	(3,554)	41,384	-	-	-	41,384
Depreciation	35,466	68	-	35,534	30,884	458	-	66,876
State utility and franchise taxes	12,355	-	-	12,355	1,821	-	-	14,176
Recognition of deferred costs and revenues, net	4,380	2,543	-	6,923	2,518	-	-	9,441
Total operating expenses	213,410	1,800	(3,554)	211,656	70,384	1,482	(5,124)	278,398
Operating income	31,849	1,754	-	33,603	15,610	603	-	49,816
Nonoperating revenues (expenses)								
Interest on debt	(9,245)	(606)	-	(9,851)	(6,810)	(218)	-	(16,879)
Earnings from The Energy Authority	2,954	-	-	2,954	-	-	-	2,954
Allowance for funds used during construction	1,125	-	-	1,125	2,721	24	-	3,870
Other nonoperating income, net	673	38	-	711	406	-	-	1,117
Investment income	1,550	23	-	1,573	1,123	18	-	2,714
Other interest, net	(1,003)	-	-	(1,003)	(266)	-	-	(1,269)
Total nonoperating expenses, net	(3,946)	(545)	-	(4,491)	(2,826)	(176)	-	(7,493)
Income before contributions	27,903	1,209	-	29,112	12,784	427	-	42,323
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(15,915)	-	-	(15,915)	(4,489)	-	-	(20,404)
Developers and other	254	-	-	254	13,934	-	-	14,188
Reduction of plant cost through contributions	(254)	-	-	(254)	(6,627)	-	-	(6,881)
Total contributions, net	(15,915)	-	-	(15,915)	2,818	-	-	(13,097)
Change in net position	11,988	1,209	-	13,197	15,602	427	-	29,226
Net position, beginning of year	1,612,802	8,341	-	1,621,143	1,957,477	6,272	-	3,584,892
Net position, end of period	$ 1,624,790	$ 9,550	$ -	$1,634,340	$1,973,079	$6,699	$ -	$3,614,118

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Combining Statement of Cash Flows
(in thousands - unaudited) for the 2 months ended November 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	$ 264,620	$ 3,523	$ (3,469)	$ 264,674	$ 88,425	$ 2,200	$ (3,992)	$ 351,307
Payments to suppliers	(157,723)	25	3,469	(154,229)	(39,457)	(1,194)	5,245	(189,635)
Payments for salaries and benefits	(41,376)	-	-	(41,376)	(17,039)	(146)	-	(58,561)
Other operating activities	4,840	(73)	-	4,767	11,333	-	(1,253)	14,847
Net cash provided by operating activities	70,361	3,475	-	73,836	43,262	860	-	117,958
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(15,892)	-	-	(15,892)	(4,614)	-	-	(20,506)
Net cash used in noncapital and related financing activities	(15,892)	-	-	(15,892)	(4,614)	-	-	(20,506)
Capital and related financing activities								
Acquisition and construction of capital assets	(50,790)	-	-	(50,790)	(96,812)	(772)	-	(148,374)
Interest paid on debt	(24,429)	(1,720)	-	(26,149)	(24,949)	(695)	-	(51,793)
Repayment of debt principal	(19,275)	(15,865)	-	(35,140)	(52,365)	(1,870)	-	(89,375)
Capital contributions	-	-	-	-	12,006	-	-	12,006
Revolving credit agreement withdrawals	-	-	-	-	50,000	-	-	50,000
Other capital financing activities	2,061	115	-	2,176	1,228	-	-	3,404
Net cash used in capital and related financing activities	(92,433)	(17,470)	-	(109,903)	(110,892)	(3,337)	-	(224,132)
Investing activities								
Proceeds from sale and maturity of investments	38,164	1,841	-	40,005	5,268	-	-	45,273
Purchase of investments	(43,253)	(599)	-	(43,852)	(3,227)	-	-	(47,079)
Distributions from The Energy Authority	1,712	-	-	1,712	-	-	-	1,712
Investment income	2,447	66	-	2,513	434	33	-	2,980
Net cash provided by (used in) investing activities	(930)	1,308	-	378	2,475	33	-	2,886
Net change in cash and cash equivalents	(38,894)	(12,687)	-	(51,581)	(69,769)	(2,444)	-	(123,794)
Cash and cash equivalents at beginning of year	256,800	25,631	-	282,431	90,702	5,479	-	378,612
Cash and cash equivalents at end of period	$ 217,906	$ 12,944	$ -	$ 230,850	$ 20,933	$ 3,035	$ -	$ 254,818
Reconciliation of operating income to net cash provided by operating activities								
Operating income	$ 5,751	$ 407	$ -	$ 6,158	$ 12,340	$ 913	$ -	$ 19,411
Adjustments:								
Depreciation and amortization	37,119	68	-	37,187	30,407	519	-	68,113
Recognition of deferred costs and revenues, net	7,568	2,623	-	10,191	-	-	-	10,191
Other nonoperating income, net	(322)	-	-	(322)	(37)	-	-	(359)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	51,709	-	-	51,709	3,785	(156)	-	55,338
Inventories	(3,809)	-	-	(3,809)	(13,134)	-	-	(16,943)
Other assets	1,425	13	-	1,438	5,392	(28)	-	6,802
Accounts and accrued expenses payable	(27,832)	(74)	-	(27,906)	5,013	(380)	-	(23,273)
Current liabilities payable from restricted assets	-	438	-	438	-	-	-	438
Other noncurrent liabilities and deferred inflows	(1,248)	-	-	(1,248)	(504)	(8)	-	(1,760)
Net cash provided by operating activities	$ 70,361	$ 3,475	$ -	$ 73,836	$ 43,262	$ 860	$ -	$ 117,958
Noncash activity								
Contribution of capital assets from developers	$ 1,375	$ -	$ -	$ 1,375	$ 14,271	$ -	$ -	$ 15,646

JEA

Combining Statement of Cash Flows
(in thousands - unaudited) for the 2 months ended November 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	$ 324,358	$ 3,553	$ (3,615)	$ 324,296	$ 82,497	$ 1,975	$ (4,314)	$ 404,454
Payments to suppliers	(154,885)	(1,337)	3,615	(152,607)	(29,118)	(896)	5,124	(177,497)
Payments for salaries and benefits	(39,169)	-	-	(39,169)	(15,802)	(152)	-	(55,123)
Other operating activities	419	38	-	457	5,410	-	(810)	5,057
Net cash provided by operating activities	130,723	2,254	-	132,977	42,987	927	-	176,891
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(15,836)	-	-	(15,836)	(4,467)	-	-	(20,303)
Net cash used in noncapital and related financing activities	(15,836)	-	-	(15,836)	(4,467)	-	-	(20,303)
Capital and related financing activities								
Acquisition and construction of capital assets	(35,683)	-	-	(35,683)	(71,917)	(2,738)	-	(110,338)
Interest paid on debt	(25,149)	(2,029)	-	(27,178)	(23,309)	(627)	-	(51,114)
Repayment of debt principal	(47,120)	(15,285)	-	(62,405)	(9,850)	(1,815)	-	(74,070)
Capital contributions	-	-	-	-	7,306	-	-	7,306
Other capital financing activities	62	-	-	62	-	-	-	62
Net cash used in capital and related financing activities	(107,890)	(17,314)	-	(125,204)	(97,770)	(5,180)	-	(228,154)
Investing activities								
Proceeds from sale and maturity of investments	(6)	586	-	580	1,680	-	-	2,260
Purchase of investments	(54,037)	(586)	-	(54,623)	(21,111)	-	-	(75,734)
Distributions from The Energy Authority	2,105	-	-	2,105	-	-	-	2,105
Investment income	1,300	-	-	1,300	601	18	-	1,919
Net cash provided by (used in) investing activities	(50,638)	-	-	(50,638)	(18,830)	18	-	(69,450)
Net change in cash and cash equivalents	(43,641)	(15,060)	-	(58,701)	(78,080)	(4,235)	-	(141,016)
Cash and cash equivalents at beginning of year	327,733	24,864	-	352,597	163,282	4,811	-	520,690
Cash and cash equivalents at end of period	$ 284,092	$ 9,804	$ -	$ 293,896	$ 85,202	$ 576	$ -	$ 379,674
Reconciliation of operating income to net cash provided by operating activities								
Operating income	$ 31,849	$ 1,754	$ -	$ 33,603	$ 15,610	$ 603	$ -	$ 49,816
Adjustments:								
Depreciation and amortization	35,466	68	-	35,534	30,884	458	-	66,876
Recognition of deferred costs and revenues, net	4,380	2,543	-	6,923	2,518	-	-	9,441
Other nonoperating income (loss), net	(989)	-	-	(989)	(266)	-	-	(1,255)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	92,838	-	-	92,838	1,747	(110)	-	94,475
Inventories	421	-	-	421	(12,228)	-	-	(11,807)
Other assets	6,062	1	-	6,063	2,181	(14)	-	8,230
Accounts and accrued expenses payable	(41,533)	36	-	(41,497)	3,747	(20)	-	(37,770)
Current liabilities payable from restricted assets	-	(2,148)	-	(2,148)	-	-	-	(2,148)
Other noncurrent liabilities and deferred inflows	2,229	-	-	2,229	(1,206)	10	-	1,033
Net cash provided by operating activities	$ 130,723	$ 2,254	$ -	$ 132,977	$ 42,987	$ 927	$ -	$ 176,891
Noncash activity								
Contribution of capital assets from developers	$ 254	$ -	$ -	$ 254	$ 6,627	$ -	$ -	$ 6,881

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Debt Service Coverage
November 2023
(unaudited)

	Month November 2023	Month November 2022	Year-to-Date November 2023	Year-to-Date November 2022
Electric System				
Senior debt service coverage, (annual minimum 1.20x)	4.23 x	9.80 x	6.20 x	12.59 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	2.61 x	5.42 x	3.83 x	6.99 x
Bulk Power Supply System				
Debt service coverage, (annual minimum 1.15x)	2.77 x	3.55 x	2.06 x	2.68 x
St. Johns River Power Park, Second Resolution				
Debt service coverage, (annual minimum 1.15x)	1.13 x	1.13 x	1.13 x	1.12 x
Water and Sewer System				
Senior debt service coverage, (annual minimum 1.25x)	3.24 x	3.33 x	3.78 x	4.15 x
Senior and subordinated debt service coverage excluding capacity fees [1]	2.13 x	2.55 x	2.52 x	3.04 x
Senior and subordinated debt service coverage including capacity fees [1]	2.76 x	2.80 x	3.22 x	3.48 x
District Energy System				
Debt service coverage	2.85 x	1.98 x	2.91 x	2.14 x

[1] 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
Electric System
Operating Statistics
November 2023 and 2022 (unaudited)

	Month			Year-to-Date		
	2023	**2022**	**Variance**	**2023**	**2022**	**Variance**
Electric revenues sales (000s omitted):						
Residential	$ 44,899	$ 48,968	-8.31%	$ 101,693	$ 108,033	-5.87%
Commercial	31,681	36,999	-14.37%	67,337	77,442	-13.05%
Industrial	16,273	19,601	-16.98%	34,481	42,382	-18.64%
Public street lighting	1,223	1,211	0.99%	2,465	2,618	-5.84%
Electric revenues - territorial	94,076	106,779	-11.90%	205,976	230,475	-10.63%
Sales for resale - off system	695	146	376.03%	760	677	12.26%
Electric revenues	94,771	106,925	-11.37%	206,736	231,152	-10.56%
Regulatory	228	283	-19.43%	345	(265)	-230.19%
Allowance for doubtful accounts	(244)	(37)	559.46%	(540)	(37)	1359.46%
Net electric revenues	94,755	107,171	-11.59%	206,541	230,850	-10.53%
MWh sales						
Residential	343,365	364,802	-5.88%	785,833	765,589	2.64%
Commercial	297,752	308,007	-3.33%	628,476	617,867	1.72%
Industrial	201,403	217,208	-7.28%	416,951	431,133	-3.29%
Public street lighting	4,436	4,322	2.64%	9,109	8,911	2.22%
Total MWh sales - territorial	846,956	894,339	-5.30%	1,840,369	1,823,500	0.93%
Sales for resale - off system	23,303	3,268	613.07%	24,946	12,380	101.50%
Total MWh sales	870,259	897,607	-3.05%	1,865,315	1,835,880	1.60%
Average number of accounts						
Residential	462,001	451,101	2.42%	461,599	450,775	2.40%
Commercial	56,202	55,343	1.55%	56,172	55,332	1.52%
Industrial	200	199	0.50%	200	199	0.50%
Public street lighting	4,043	3,994	1.23%	4,041	3,991	1.25%
Total average accounts	522,446	510,637	2.31%	522,012	510,297	2.30%
Residential averages						
Revenue per account - $	97.18	108.55	-10.48%	220.31	239.66	-8.08%
kWh per account	743.21	809	-8.10%	1,702	1,698	0.24%
Revenue per kWh - ¢	130.76	13.42	874.14%	12.94	14.11	-8.29%
Degree days						
Heating degree days	132	86	46	153	121	32
Cooling degree days	40	118	(78)	238	269	(31)
Total degree days	172	204	(32)	391	390	1
Degree days - 30 year average		205			447	

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Water and Sewer System
Operating Statistics
November 2023 and 2022 (unaudited)

	Month								
	Water			Sewer			Reuse		
	2023	2022	Variance	2023	2022	Variance	2023	2022	Variance
Revenues (000s omitted):									
Residential	$ 8,208	$ 8,038	2.11%	$ 12,257	$ 11,777	4.08%	$ 1,486	$ 1,430	3.92%
Commercial and industrial	3,988	3,840	3.85%	8,862	9,049	-2.07%	560	552	1.45%
Irrigation	2,786	2,757	1.05%	N/A	N/A	N/A	15	18	-16.67%
Gross revenues	14,982	14,635	2.37%	21,119	20,826	1.41%	2,061	2,000	3.05%
Rate stabilization	-	1,218	100.00%	-	1,734	100.00%	-	166	100.00%
Allowance for doubtful accounts	(33)	(14)	135.71%	(46)	(22)	109.09%	(5)	(2)	150.00%
Net revenues	$ 14,949	$ 15,839	-5.62%	$ 21,073	$ 22,538	-6.50%	$ 2,056	$ 2,164	-4.99%
Kgal sales (000s omitted)									
Residential	1,444,004	1,404,492	2.81%	1,277,956	1,214,756	5.20%	253,213	219,653	15.28%
Commercial and industrial	1,130,437	1,088,192	3.88%	955,625	979,968	-2.48%	114,918	115,433	-0.45%
Irrigation	462,066	459,482	0.56%	N/A	N/A	N/A	28,931	46,039	-37.16%
Total kgals sales	3,036,507	2,952,166	2.86%	2,233,581	2,194,724	1.77%	397,062	381,125	4.18%
Average number of accounts:									
Residential	330,176	323,649	2.02%	296,622	289,927	2.31%	26,381	23,772	10.98%
Commercial and industrial	27,456	27,160	1.09%	19,500	19,312	0.97%	944	868	8.76%
Irrigation	38,609	38,385	0.58%	N/A	N/A	N/A	43	43	0.00%
Total average accounts	396,241	389,194	1.81%	316,122	309,239	2.23%	27,368	24,683	10.88%
Residential averages:									
Revenue per account - $	24.86	24.84	0.08%	41.32	40.62	1.72%	56.33	60.15	-6.35%
Kgals per account	4.37	4.34	0.69%	4.31	4.19	2.86%	9.60	9.24	3.90%
Revenue per kgals - $	5.68	5.72	-0.70%	9.59	9.69	-1.03%	5.87	6.51	-9.83%

	Year-to-Date								
	Water			Sewer			Reuse		
	2023	2022	Variance	2023	2022	Variance	2023	2022	Variance
Revenues (000s omitted):									
Residential	$ 18,590	$ 17,809	4.39%	$ 27,549	$ 26,582	3.64%	$ 3,201	$ 3,162	1.23%
Commercial and industrial	8,506	8,361	1.73%	19,328	19,289	0.20%	1,398	1,244	12.38%
Irrigation	5,987	5,839	2.53%	N/A	N/A	N/A	18	37	-51.35%
Gross revenues	33,083	32,009	3.36%	46,877	45,871	2.19%	4,617	4,443	3.92%
Rate stabilization	-	528	100.00%	-	738	100.00%	-	69	100.00%
Allowance for doubtful accounts	(69)	(30)	130.00%	(98)	(44)	122.73%	(10)	(4)	150.00%
Net revenues	$ 33,014	$ 32,507	1.56%	$ 46,779	$ 46,565	0.46%	$ 4,607	$ 4,508	2.20%
Kgal sales (000s omitted)									
Residential	3,225,758	3,158,652	2.12%	2,854,453	2,767,089	3.16%	559,328	499,177	12.05%
Commercial and industrial	2,358,549	2,327,438	1.34%	2,069,877	2,064,568	0.26%	298,367	261,741	13.99%
Irrigation	980,514	959,944	2.14%	N/A	N/A	N/A	57,920	89,556	-35.33%
Total kgals sales	6,564,821	6,446,034	1.84%	4,924,330	4,831,657	1.92%	915,615	850,474	7.66%
Average number of accounts:									
Residential	329,976	323,427	2.02%	296,415	289,682	2.32%	26,281	23,612	11.30%
Commercial and industrial	27,449	27,173	1.02%	19,501	19,319	0.94%	942	866	8.78%
Irrigation	38,609	38,397	0.55%	N/A	N/A	N/A	43	43	0.00%
Total average accounts	396,034	388,997	1.81%	315,916	309,001	2.24%	27,266	24,521	11.19%
Residential averages:									
Revenue per account - $	56.34	55.06	2.32%	92.94	91.76	1.29%	121.80	133.91	-9.04%
Kgals per account	9.78	9.77	0.10%	9.63	9.55	0.84%	21.28	21.14	0.66%
Revenue per kgals - $	5.76	5.64	2.13%	9.65	9.61	0.42%	5.72	6.33	-9.64%

	Month				Year-to-Date			
Rain statistics	2023	2022	Variance	30 Year Avg	2023	2022	Variance	30 Year Avg
Rainfall	3.95	3.02	0.93	2.00	6.60	4.62	1.98	6.03
Rain Days	8	5	3	7	12	9	3	15

Appendix

JEA
Schedule of Cash and Investments
(in thousands - unaudited) November 2023

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	$ 37,629	$ 2,940	$ 40,569	$ 11,056	$ 2,072	$ 53,697
Rate stabilization:						
Environmental	14,590	-	14,590	-	-	14,590
Purchased Power	246,000	-	246,000	-	-	246,000
DSM/Conservation	5,653	-	5,653	-	-	5,653
Total rate stabilization funds	266,243	-	266,243	-	-	266,243
Customer deposits	47,600	-	47,600	16,141	-	63,741
General reserve	-	1,499	1,499	-	-	1,499
Self insurance reserve funds:						
Self funded health plan	20,019	-	20,019	-	-	20,019
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	30,019	-	30,019	-	-	30,019
Environmental liability reserve	14,680	-	14,680	-	-	14,680
Total unrestricted cash and investments	$ 396,171	$ 4,439	$ 400,610	$ 27,197	$ 2,072	$ 429,879
Restricted assets						
Renewal and replacement funds	$ 96,750	$ 4,996	$ 101,746	$ (26,874)	$ 401	$ 75,273
Debt service reserve account	53,352	2,801	56,153	56,079	-	112,232
Debt service funds	13,910	3,209	17,119	17,235	562	34,916
Construction funds	-	-	-	10,523	-	10,523
Environmental funds	-	-	-	(2,877)	-	(2,877)
Subtotal	164,012	11,006	175,018	54,086	963	230,067
Unrealized holding gain (loss) on investments	(6,269)	(53)	(6,322)	(2,481)	-	(8,803)
Other funds	-	314	314	-	-	314
Total restricted cash and investments	$ 157,743	$ 11,267	$ 169,010	$ 51,605	$ 963	$ 221,578
Total cash and investments	$ 553,914	$ 15,706	$ 569,620	$ 78,802	$ 3,035	$ 651,457

JEA
Schedule of Cash and Investments
(in thousands) September 2023

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	$ 4,382	$ 2,914	$ 7,296	$ 1,416	$ 1,909	$ 10,621
Rate stabilization:						
Environmental	14,612	-	14,612	-	-	14,612
Purchased Power	246,000	-	246,000	-	-	246,000
DSM/Conservation	5,976	-	5,976	-	-	5,976
Total rate stabilization funds	266,588	-	266,588	-	-	266,588
Customer deposits	46,838	-	46,838	15,386	-	62,224
General reserve	-	904	904	-	-	904
Self insurance reserve funds:						
Self funded health plan	20,134	-	20,134	-	-	20,134
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	30,134	-	30,134	-	-	30,134
Environmental liability reserve	14,713	-	14,713	-	-	14,713
Total unrestricted cash and investments	$ 362,655	$ 3,818	$ 366,473	$ 16,802	$ 1,909	$ 385,184
Restricted assets						
Renewal and replacement funds	$ 135,034	$ 4,581	$ 139,615	$ 946	$ 1,065	$ 141,626
Debt service reserve account	53,352	3,370	56,722	57,587	-	114,309
Debt service funds	42,024	17,585	59,609	75,477	2,505	137,591
Construction funds	-	-	-	242	-	242
Environmental funds	922	-	922	2,039	-	2,961
Subtotal	231,332	25,536	256,868	136,291	3,570	396,729
Unrealized holding gain (loss) on investments	(6,269)	(53)	(6,322)	(2,481)	-	(8,803)
Other funds	-	335	335	-	-	335
Total restricted cash and investments	$ 225,063	$ 25,818	$ 250,881	$ 133,810	$ 3,570	$ 388,261
Total cash and investments	$ 587,718	$ 29,636	$ 617,354	$ 150,612	$ 5,479	$ 773,445

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INVESTMENT PORTFOLIO REPORT
NOVEMBER 2023
(unaudited)

INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL
* Treasuries	$ 19,081,250	4.63%	2.88%
Agencies			
Federal Farm Credit Bank	54,145,919	4.87%	8.18%
Federal Home Loan Bank	181,666,081	3.56%	27.46%
Federal National Mortgage Assoc.	14,163,988	5.69%	2.14%
Total	249,975,987	3.96%	37.79%
Municipal Bonds	51,569,660	3.41%	7.80%
Commercial Paper	84,833,465	5.83%	12.82%
U.S. Treasury Money Market Funds (1)	49,441,972	5.26%	7.47%
Agency Money Market Funds (2)	51,930,000	5.30%	7.85%
PALM Money Market Fund	30,500,000	5.56%	4.61%
Florida Prime Fund	100,500,000	5.64%	15.19%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	17,155,203	4.03%	2.59%
SJRPP	4,934,217	4.03%	0.75%
Water & Sewer, DES	1,604,805	4.03%	0.24%
Total Portfolio	$ 661,526,559	4.71%	100.00%

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

Weighted Avg. Annual Yield Excluding Bank & Money Market Funds: 4.42%

Weighted Avg. Annual Yield Including Bank & Money Market Funds: 4.71%

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 Allspring

(3) Month-end bank balances

JEA

Schedule of Outstanding Indebtedness
November 2023
(unaudited)

	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric Enterprise				
Electric System				
Fixed Rate Senior	3.000-6.056%	2026-2044	423,430,000	-
Fixed Rate Subordinated	3.375-6.406%	2024-2039	414,015,000	7,805,000
Variable Rate Senior	3.581-4.054%	2024-2040	422,960,000	18,265,000
Variable Rate Subordinated	3.150-3.662%	2024-2038	47,340,000	3,865,000
Total Electric System	3.897% (wtd avg)	2024-2044	1,307,745,000	29,935,000
Bulk Power Supply System				
Fixed Rate Senior	5.400-5.920%	2024-2030	22,270,000	2,580,000
St. Johns River Power Park				
Fixed Rate Senior	3.000-5.450%	2024-2028	76,850,000	16,445,000
Total Electric Enterprise	3.868% (wtd avg)	2024-2044	1,406,865,000	48,960,000
Water and Sewer System				
Fixed Rate Senior	3.000-6.310%	2024-2044	826,805,000	43,050,000
Fixed Rate Subordinated	2.750-5.000%	2024-2040	80,675,000	6,455,000
Variable Rate Senior	3.563-3.640%	2024-2042	133,075,000	4,420,000
Variable Rate Subordinated	3.075-3.681%	2024-2038	94,135,000	1,750,000
Other Obligations	5.092%	2027	177,000,000	-
Total Water and Sewer System	3.914% (wtd avg)	2024-2044	1,311,690,000	55,675,000
District Energy System				
Fixed Rate Senior	3.394-4.538%	2024-2034	25,955,000	1,930,000
Other Obligations	6.395%	2027	11,000,000	-
Total District Energy System	4.980% (wtd avg)	2023-2034	36,955,000	1,930,000
Total JEA	3.904% (wtd avg)	2023-2044	2,755,510,000	106,565,000

JEA
Debt Ratio
(unaudited)

	Current YTD
Electric Enterprise	45.0%
Water and Sewer System	37.8%

JEA
Interest Rate Swap Position Report
November 2023
(unaudited)

JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
Electric System									
1	Goldman Sachs	9/18/2003	9/16/2033	$ 84,800,000	3.717	3.702	0.015	n/a	68% 1 mth Libor fallback (SOFR)
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	4.351	3.604	0.747	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	72,750,000	3.661	3.702	(0.041)	n/a	68% 1 mth Libor fallback (SOFR)
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	3.716	3.702	0.014	n/a	68% 1 mth Libor fallback (SOFR)
8	Morgan Stanley	1/31/2007	10/1/2031	59,755,000	3.907	3.604	0.303	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	3.836	3.604	0.232	n/a	SIFMA
			Total	390,735,000					
Water/Sewer System									
9	Merrill Lynch	3/8/2007	10/1/2041	81,255,000	3.895	3.604	0.291	n/a	SIFMA
			Total	81,255,000					
			Grand Total	$ 471,990,000	Wtd Avg Spread		0.242		

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

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Electric System
Production Statistics
November 2023 and 2022 (unaudited)

	Month			Year-to-Date		
	2023	**2022**	**Variance**	**2023**	**2022**	**Variance**
Generated power:						
Steam:						
Fuel oil #6						
kWh generated (1)	-	-		-	(19,096)	-100.00%
Natural gas units #1-3						
Fuel expense - variable	$ 3,089,293	$10,469,532	-70.49%	$ 8,717,193	$ 21,773,237	-59.96%
MMBTUs consumed	924,797	1,812,053	-48.96%	2,705,676	3,407,311	-20.59%
$/ per MMBTU consumed	$ 3.34	$ 5.78	-42.18%	$ 3.22	$ 6.39	-49.58%
kWh generated (1)	71,453,489	158,396,929	-54.89%	225,694,877	292,389,990	-22.81%
Cost per MWh	$ 43.24	$ 66.10	-34.59%	$ 38.62	$ 74.47	-48.13%
Biomass units #1-2						
Fuel expense	$ 56,613.00	$ 40,287.00	40.52%	$ 36,726.00	$ 130,309.00	-71.82%
kWh generated	1,744,499	1,341,197	30.07%	1,745,978	1,341,197	30.18%
Cost per MWh	$ 32.45	$ 30.04	8.04%	$ 21.03	$ 97.16	-78.35%
Coal						
Fuel expense	$ 597,990	$ 1,347,276	-55.61%	$ 597,990	$ 3,796,887	-84.25%
kWh generated	4,604,712	15,321,396	-69.95%	4,608,290	49,201,287	-90.63%
Cost per MWh	$ 129.86	$ 87.93	47.68%	$ 129.76	$ 77.17	68.15%
Pet coke and limestone						
Fuel expense	$ 3,163,877	$ 2,865,910	10.40%	$ 3,206,375	$ 7,361,692	-56.45%
kWh generated	42,305,634	30,796,378	37.37%	39,514,045	87,649,027	-54.92%
Cost per MWh	$ 74.79	$ 93.06	-19.64%	$ 81.15	$ 83.99	-3.39%
Combustion turbine:						
Fuel oil #2						
Fuel expense	$ 127,641	$ 132,355	-3.56%	$ 215,567	$ 202,927	6.23%
Barrels consumed	779	576	35.24%	1,080	926	16.63%
$/ per barrel consumed	$ 163.85	$ 229.78	-28.69%	$ 199.60	$ 219.14	-8.92%
kWh generated	348,657	20,826	1574.14%	455,077	234,314	94.22%
Cost per MWh	$ 366.09	$ 6,355.28	-94.24%	$ 473.69	$ 866.05	-45.30%
Natural gas (includes landfill)						
Fuel expense Kennedy & landfill - variable	$ 119,095	$ 138,104	-13.76%	$ 247,704	$ 679,638	-63.55%
MMBTUs consumed	36,234	25,844	40.20%	76,794	102,701	-25.23%
$/ per MMBTU consumed	$ 3.29	$ 5.34	-38.49%	$ 3.23	$ 6.62	-51.26%
kWh generated (1)	1,962,780	1,933,966	1.49%	6,338,280	8,409,533	-24.63%
Cost per MWh	$ 60.68	$ 71.41	-15.03%	$ 39.08	$ 80.82	-51.64%
Fuel expense BB simple - variable	$ 417,312	$ 617,084	-32.37%	$ 407,788	$ 702,245	-41.93%
MMBTUs consumed	$ 130,832	100,777	29.82%	131,079	113,397	15.59%
$/ per MMBTU consumed	$ 3.19	$ 6.12	-47.91%	$ 3.11	$ 6.19	-49.76%
kWh generated (1)	10,684,490	9,006,300	18.63%	10,648,748	9,965,399	6.86%
Cost per MWh	$ 39.06	$ 68.52	-43.00%	$ 38.29	$ 70.47	-45.66%
Fuel expense BB combined - variable	$ 9,319,510	$18,317,509	-49.12%	$ 18,410,294	$ 39,606,475	-53.52%
MMBTUs consumed	2,857,493	2,933,794	-2.60%	5,841,222	5,908,795	-1.14%
$/ per MMBTU consumed	$ 3.26	$ 6.24	-47.76%	$ 3.15	$ 6.70	-52.98%
kWh generated (1)	409,395,356	424,016,481	-3.45%	845,849,237	851,870,533	-0.71%
Cost per MWh	$ 22.76	$ 43.20	-47.31%	$ 21.77	$ 46.49	-53.19%
Fuel expense GEC simple - variable	$ 843,662	$ 2,386,828	-64.65%	$ 1,737,557	$ 5,319,627	-67.34%
MMBTUs consumed	225,001	392,829	-42.72%	482,939	790,305	-38.89%
$/ per MMBTU consumed	$ 3.75	$ 6.08	-38.29%	$ 3.60	$ 6.73	-46.55%
kWh generated	16,564,177	34,818,742	-52.43%	39,255,255	71,019,958	-44.73%
Cost per MWh	$ 50.93	$ 68.55	-25.70%	$ 44.26	$ 74.90	-40.91%
Natural gas expense - fixed	$ 2,888,841	$ 2,890,960	-0.07%	$ 5,832,920	$ 5,848,989	-0.27%
Total generated power:						
Fuel expense	$20,623,834	$39,205,845	-47.40%	$ 39,410,114	$ 85,422,026	-53.86%
kWh generated	559,063,794	675,652,215	-17.26%	1,174,109,787	1,372,062,142	-14.43%
Cost per MWh	$ 36.89	$ 58.03	-36.43%	$ 33.57	$ 62.26	-46.09%

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

JEA
Electric System
Production Statistics (Continued)
November 2023 and 2022 (unaudited)

	Month			Year-to-Date		
	2023	**2022**	**Variance**	**2023**	**2022**	**Variance**
Cost of fuels						
Natural gas	$ 16,677,713	$ 34,820,017	-52.10%	$ 35,353,456	$ 73,930,211	-52.18%
Petcoke	3,163,877	2,865,910	10.40%	3,206,375	7,361,692	-56.45%
Coal	597,990	1,347,276	-55.61%	597,990	3,796,887	-84.25%
Fuel oil #2	127,641	132,355	-3.56%	215,567	202,927	6.23%
Biomass	56,613	40,287	40.52%	36,726	130,309	-71.82%
Total	$ 20,623,834	$ 39,205,845	-47.40%	$ 39,410,114	$ 85,422,026	-53.86%
Purchased power:						
TEA & other						
Purchases	$ 21,244,172	$ 13,346,577	59.17%	$ 43,522,767	$ 26,388,974	64.93%
kWh purchased	171,203,118	102,311,135	67.34%	365,221,801	234,623,251	55.66%
Cost per MWh	$ 136.30	$ 130.45	4.49%	$ 130.75	$ 112.47	16.25%
FPL						
Purchases	$ 4,050,258	$ 7,098,665	-42.94%	$ 8,619,731	$ 14,995,780	-42.52%
kWh purchased	105,024,000	137,209,000	-23.46%	219,509,000	274,992,000	-20.18%
Cost per MWh	$ 38.57	$ 51.74	-25.46%	$ 39.27	$ 54.53	-27.99%
Plant Scherer						
Purchases	$ 1,080,739	$ 1,499,197	-27.91%	$ 1,593,454	$ 2,158,870	-26.19%
SJRPP						
Purchases	$ 1,759,971	$ 1,776,812	-0.95%	$ 3,523,332	$ 3,553,624	-0.85%
Plant Vogtle						
Purchases	$ 1,061,015	$ -		$ 2,501,649	$ -	
kWh purchased	74,674,000	-		150,948,000	-	
Cost per MWh	$ 14.21			$ 16.57		
Total purchased power:						
Purchases	$ 29,196,155	$ 23,721,251	23.08%	$ 59,760,933	$ 47,097,248	26.89%
kWh purchased	350,901,118	239,520,135	46.50%	735,678,801	509,615,251	44.36%
Cost per MWh	$ 83.20	$ 99.04	-15.99%	$ 81.23	$ 92.42	-12.10%
Subtotal - generated and purchased power:	$ 49,819,989	$ 62,927,096	-20.83%	$ 99,171,047	$ 132,519,274	-25.16%
Fuel interchange sales	(695,593)	(145,595)	377.76%	(760,101)	(676,944)	12.28%
Earnings of The Energy Authority	(541,059)	(2,101,725)	-74.26%	(1,117,456)	(2,718,243)	-58.89%
Realized and Unrealized (Gains) Losses	358,763	(11,764,640)	-103.05%	(756,742)	(18,734,860)	-95.96%
Fuel procurement and handling	993,565	1,161,835	-14.48%	1,912,642	1,885,372	1.45%
Byproduct reuse	278,507	478,140	-41.75%	712,887	1,037,802	-31.31%
Total generated and net purchased power:						
Cost, net	50,214,172	50,555,111	-0.67%	99,162,277	113,312,401	-12.49%
kWh generated and purchased	909,964,912	915,172,350	-0.57%	1,909,788,588	1,881,677,393	1.49%
Cost per MWh	$ 55.18	$ 55.24	-0.11%	$ 51.92	$ 60.22	-13.78%
Reconciliation:						
Generated and purchased power per above	$ 50,214,172	55.18		99,162,277	51.92	
SJRPP debt service	$ (1,561,444)	(1.72)		(3,126,279)	(1.64)	
SJRPP R & R	$ (198,527)	(0.22)		(397,053)	(0.21)	
Scherer power production	$ (583,576)	(0.64)		(1,004,976)	(0.53)	
Scherer R & R	$ (497,163)	(0.55)		(588,479)	(0.31)	
MEAG Debt Service	$ (12,627,878)	(13.88)		(25,258,724)	(13.23)	
MEAG-Prepaid Fuel	$ 49,388	0.05		(250,617)	(0.13)	
FPL Capacity	$ (1,400,000)	(1.54)		(2,800,000)	(1.47)	
TEA Solar Capacity	$ (341,292)	(0.38)		(709,592)	(0.37)	
TEA and Other Capacity	$ (1,355,091)	(1.49)		(2,733,707)	(1.43)	
Rounding	$ 1	0.00		1	0.00	
Energy expense per budget page	$ 31,698,590	$ 34.83		$ 62,292,851	$ 32.62	

JEA Electric System Budget vs. Actual November 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Month: BUDGET 2023-24	Month: ACTUAL 2023-24	Month: Variance %	Prior Year Month: ACTUAL 2022-23	Prior Year Month: Variance %
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	$ 446,124,788	$ 28,900,803	$ 31,501,150	9.00%	$ 44,682,021	-29.50%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	329,050,928	18,239,227	22,254,670		29,081,182	
Other Purchased Power	116,227,831	10,606,769	9,443,920		12,538,831	
Subtotal Energy Expense	445,278,759	28,845,996	31,698,590	-9.89%	41,620,013	23.84%
Transfer to (from) Other Regulatory Funds, Net	-	-	(283,509)		3,045,633	
Fuel Related Uncollectibles	846,029	54,807	86,069		16,375	
Total	446,124,788	28,900,803	31,501,150	-9.00%	44,682,021	29.50%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	821,792,000	58,388,842	57,802,504		56,676,169	
Conservation Charge Revenue	-	-	-		21,429	
Environmental Charge Revenue	-	-	-		541,165	
Investment Income	18,602,575	1,641,641	1,676,006		724,210	
Natural Gas Revenue Pass Through	1,130,738	94,228	67,851		105,952	
Other Revenues	41,207,575	3,433,965	1,943,709		16,198,242	
Total	882,732,888	63,558,676	61,490,070	-3.25%	74,267,167	-17.20%
Nonfuel Related Expenses						
Non-Fuel O&M	290,394,396	19,391,384	23,851,148		22,444,298	
DSM / Conservation O&M	6,818,790	371,972	215,532		345,159	
Environmental O&M	16,684,000	697,694	7,272		19,962	
Rate Stabilization - DSM	(6,203,870)	(516,989)	(215,532)		123,440	
Rate Stabilization - Environmental	(1,323,637)	(110,303)	(11,982)		(406,611)	
Natural Gas Expense Pass Through	1,295,200	72,515	76,200		105,358	
Debt Principal - Electric System	29,935,000	2,494,583	2,494,583		1,398,333	
Debt Interest - Electric System	61,199,660	5,099,972	4,924,871		4,816,641	
R&R - Electric System	68,838,850	5,736,571	5,736,571		6,945,100	
Operating Capital Outlay	72,930,113	-	-		12,500,000	
Operating Capital Outlay - Environmental	-	-	2,435		927,813	
City Contribution Expense	95,209,531	7,934,128	7,934,128		7,957,592	
Taxes & Uncollectibles	1,769,039	147,420	180,677		48,552	
* SJRPP D/S Principal	16,445,000	1,370,417	1,370,417		1,322,083	
* SJRPP D/S Interest	2,808,319	234,027	217,795		267,676	
** Other Non-Fuel Purchased Power	225,932,497	20,077,707	17,269,309		7,632,681	
Total Nonfuel Expenses	882,732,888	63,001,098	64,053,424	-1.67%	66,448,077	3.60%
Non-Fuel Balance	-	557,578	(2,563,354)		7,819,090	
Total Balance	-	557,578	(2,563,354)		7,819,090	
Total Revenues	**1,328,857,676**	**92,459,479**	**92,991,220**	0.58%	**118,949,188**	-21.82%
Total Expenses	**1,328,857,676**	**91,901,901**	**95,554,574**	-3.97%	**111,130,098**	14.02%
KWH Sold - Territorial	**12,200,000,000**	**866,851,634**	**846,955,419**	-2.30%	**894,338,951**	-5.30%
KWH Sold - Off System	**-**	**-**	**23,303,000**		**3,268,000**	
	12,200,000,000	**866,851,634**	**870,258,419**	0.39%	**897,606,951**	-3.05%

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

JEA Electric System Budget vs. Actual November 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Year-to-Date BUDGET 2023-24	Year-to-Date ACTUAL 2023-24	Year-to-Date Variance %	Prior Year-to-Date ACTUAL 2022-23	Prior Year-to-Date Variance %
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	$ 446,124,788	$ 61,076,221	$ 69,624,446	14.00%	$ 99,908,791	-30.31%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	329,050,928	38,185,835	41,278,901		69,610,340	
Other Purchased Power	116,227,831	22,774,561	21,013,950		27,711,790	
Subtotal Energy Expense	445,278,759	60,960,396	62,292,851	-2.19%	97,322,130	35.99%
Transfer to (from) Other Regulatory Funds, Net	-	-	7,139,114		2,570,285	
Fuel Related Uncollectibles	846,029	115,825	192,481		16,376	
Total	446,124,788	61,076,221	69,624,446	-14.00%	99,908,791	30.31%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	821,792,000	128,697,655	125,724,440		117,093,977	
Conservation Charge Revenue	-	-	-		60,797	
Environmental Charge Revenue	-	-	(30)		1,104,704	
Investment Income	18,602,575	3,318,685	2,913,093		1,549,985	
Natural Gas Revenue Pass Through	1,130,738	188,456	107,121		231,480	
Other Revenues	41,207,575	6,867,929	4,002,399		27,649,353	
Total	882,732,888	139,072,725	132,747,023	-4.55%	147,690,296	-10.12%
Nonfuel Related Expenses						
Non-Fuel O&M	290,394,396	42,271,458	43,850,823		41,193,788	
DSM / Conservation O&M	6,818,790	638,944	322,824		372,962	
Environmental O&M	16,684,000	1,117,611	51,199		(6,058)	
Rate Stabilization - DSM	(6,203,870)	(1,033,978)	(322,824)		599,585	
Rate Stabilization - Environmental	(1,323,637)	(220,606)	(22,147)		(334,345)	
Natural Gas Expense Pass Through	1,295,200	145,031	130,533		224,082	
Debt Principal - Electric System	29,935,000	4,989,167	4,989,167		2,796,667	
Debt Interest - Electric System	61,199,660	10,199,943	9,969,558		9,847,316	
R&R - Electric System	68,838,850	11,473,142	11,473,142		13,890,200	
Operating Capital Outlay	72,930,113	-	-		12,500,000	
Operating Capital Outlay - Environmental	-	-	4,840		1,416,334	
City Contribution Expense	95,209,531	15,868,255	15,868,255		15,915,185	
Taxes & Uncollectibles	1,769,039	294,840	415,095		75,535	
Nonfuel Purchased Power:	-	-	-		-	
* SJRPP D/S Principal	16,445,000	2,740,833	2,740,833		2,644,167	
* SJRPP D/S Interest	2,808,319	468,053	434,626		535,351	
** Other Non-Fuel Purchased Power	225,932,497	40,155,417	34,017,983		13,385,433	
Total Nonfuel Expenses	882,732,888	129,108,110	123,923,907	4.02%	115,056,202	-7.71%
Non-Fuel Balance	-	9,964,615	8,823,116		32,634,094	
Total Balance	-	9,964,615	8,823,116		32,634,094	
Total Revenues	**1,328,857,676**	**200,148,946**	**202,371,469**	1.11%	**247,599,087**	-18.27%
Total Expenses	**1,328,857,676**	**190,184,331**	**193,548,353**	-1.77%	**214,964,993**	9.96%
KWH Sold - Territorial	**12,200,000,000**	**1,910,662,461**	**1,840,368,857**	-3.68%	**1,823,499,913**	0.93%
KWH Sold - Off System	**-**	**-**	**24,946,000**		**12,380,000**	
	12,200,000,000	**1,910,662,461**	**1,865,314,857**	-2.37%	**1,835,879,913**	1.60%

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

JEA
Water and Sewer System

Budget vs. Actual November 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Month BUDGET 2023-24	Month ACTUAL 2023-24	Variance %	Prior Year Month ACTUAL 2022-23	Variance %
REVENUES						
Water & Sewer Revenues	$ 491,982,718	$ 36,604,862	$ 37,254,261		$ 36,575,307	
Capacity & Extension Fees	$ 97,624,133	$ 5,812,054	$ 5,394,692		$ 2,090,175	
Investment Income	$ 4,745,432	$ 311,325	$ 214,721		$ 646,361	
Other Income	$ 18,369,380	$ 1,530,782	$ 2,091,622		$ 1,597,742	
Total	612,721,663	44,259,023	44,955,296	1.57%	40,909,585	9.89%
EXPENSES						
O & M Expenses	236,127,787	17,690,708	22,756,403		19,237,430	
Debt Principal - Water & Sewer	55,675,000	4,639,583	4,639,583		4,363,750	
Debt Interest - Water & Sewer	64,024,774	5,335,398	4,935,181		4,180,877	
Rate Stabilization - Environmental	-	-	-		(3,458,029)	
R&R - Water & Sewer	30,459,050	2,538,254	2,538,254		2,504,975	
Operating Capital Outlay	67,153,723	-	-		2,267,369	
Operating Capital Outlay - Capacity/Extension	97,624,133	5,812,054	5,394,692		2,090,175	
Operating Capital Outlay - Environmental	25,015,281	2,084,607	-		2,912,281	
City Contribution Expense	28,439,210	2,369,934	2,369,934		2,244,449	
Uncollectibles & Fees	983,965	81,997	87,736		49,532	
Interlocal Agreements	7,218,740	3,686,654	-		-	
Total Expenses	612,721,663	44,239,189	42,721,783	3.43%	36,392,809	-17.39%
Total Balance	$ -	$ 19,834	$ 2,233,513		$ 4,516,776	
Sales kgals						
Water	40,584,236	3,067,605	3,036,507	-1.01%	2,952,166	2.86%
Sewer	36,507,787	2,725,331	2,630,643	-3.47%	2,575,849	2.13%
Total	77,092,023	5,792,936	5,667,150	-2.17%	5,528,015	2.52%

Budget vs. Actual November 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Year-To-Date BUDGET 2023-24	Year-To-Date ACTUAL 2023-24	Variance %	Prior Year to Date ACTUAL 2022-23	Variance %
REVENUES						
Water & Sewer Revenues	$ 491,982,718	$ 80,163,404	$ 82,668,846		$ 80,501,983	
Capacity & Extension Fees	$ 97,624,133	$ 13,164,671	$ 12,005,906		$ 7,306,450	
Investment Income	$ 4,745,432	$ 603,810	$ 559,284		$ 1,122,566	
Other Income	$ 18,369,380	$ 3,061,563	$ 4,252,092		$ 2,815,377	
Total	612,721,663	96,993,448	99,486,128	2.57%	91,746,376	8.44%
EXPENSES						
O & M Expenses	236,127,787	37,277,350	39,967,327		34,186,114	
Debt Principal - Water & Sewer	55,675,000	9,279,167	9,279,166		8,727,499	
Debt Interest - Water & Sewer	64,024,774	10,670,796	9,798,167		8,465,126	
Rate Stabilization - Environmental	-	-	-		(1,850,056)	
R&R - Water & Sewer	30,459,050	5,076,508	5,076,508		5,009,950	
Operating Capital Outlay	67,153,723	-	-		2,979,970	
Operating Capital Outlay - Capacity/Extension	97,624,133	13,164,671	12,005,906		7,306,450	
Operating Capital Outlay - Environmental	25,015,281	4,169,214	-		3,033,136	
City Contribution Expense	28,439,210	4,739,868	4,739,868		4,488,898	
Uncollectibles & Fees	983,965	163,994	530,023		101,057	
Interlocal Agreements	7,218,740	3,686,654	3,686,654		-	
Total Expenses	612,721,663	88,228,222	85,083,619	3.56%	72,448,144	-17.44%
Total Balance	$ -	$ 8,765,226	$ 14,402,509		$ 19,298,232	
Sales kgals						
Water	40,584,236	6,523,243	6,564,821	0.64%	6,446,034	1.84%
Sewer	36,507,787	5,811,223	5,839,945	0.49%	5,682,131	2.78%
Total	77,092,023	12,334,466	12,404,766	0.57%	12,128,165	2.28%

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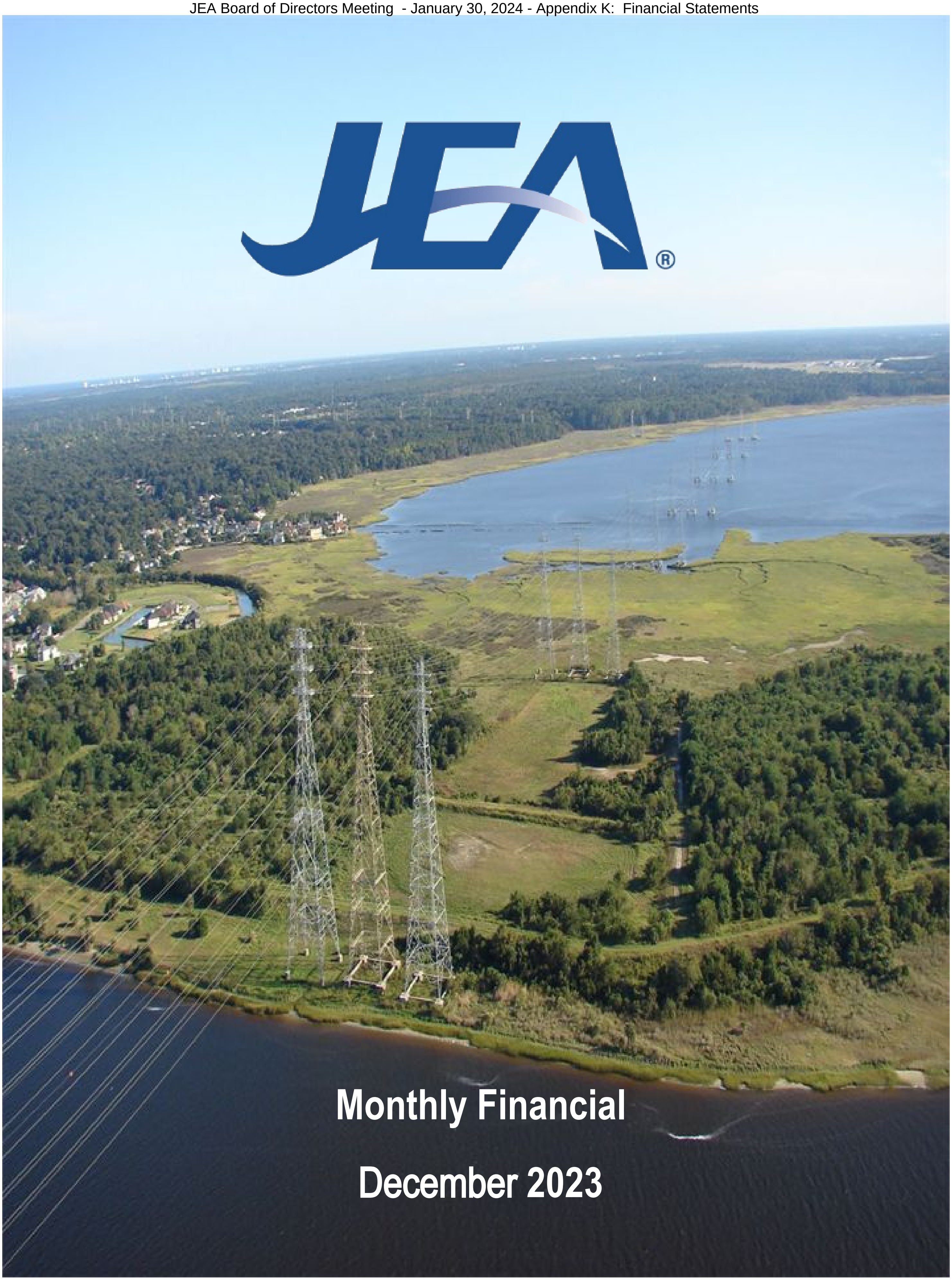
District Energy System

Budget vs. Actual November 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Month BUDGET 2023-24	Month ACTUAL 2023-24	Month Variance %	Prior Year Month ACTUAL 2022-23	Prior Year Month Variance %
REVENUES						
Revenues	$ 12,561,440	$ 883,050	$ 1,111,866		$ 893,258	
Investment Income	$ -	$ -	$ 12,511		$ 8,109	
Total	12,561,440	883,050	1,124,377	27.33%	901,367	24.74%
EXPENSES						
O & M Expenses	5,839,564	477,392	441,516		391,507	
Debt Principal - District Energy System	1,930,000	160,833	160,833		155,833	
Debt Interest - District Energy System	1,954,242	162,854	149,546		107,883	
R&R - District Energy System	643,050	53,587	53,588		37,550	
Operating Capital Outlay	2,194,584	-	-		-	
Total Expenses	12,561,440	854,666	805,483	5.75%	692,773	-16.27%
Total Balance	$ -	$ 28,384	$ 318,894		$ 208,594	

Budget vs. Actual November 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Year-To-Date BUDGET 2023-24	Year-To-Date ACTUAL 2023-24	Year-To-Date Variance %	Prior-Year-to-Date ACTUAL 2022-23	Prior-Year-to-Date Variance %
REVENUES						
Revenues	$ 12,561,440	$ 2,146,983	$ 2,356,216		$2,084,712	
Investment Income	$ -	$ -	$ 32,506		$ 17,604	
Total	12,561,440	2,146,983	2,388,722	11.26%	2,102,316	13.62%
EXPENSES						
O & M Expenses	5,839,564	1,010,710	950,222		1,024,373	
Debt Principal - District Energy System	1,930,000	321,667	321,667		311,667	
Debt Interest - District Energy System	1,954,242	325,707	300,999		214,934	
R&R - District Energy System	643,050	107,176	107,175		75,100	
Operating Capital Outlay	2,194,584	-	-		-	
Total Expenses	12,561,440	1,765,260	1,680,063	4.83%	1,626,074	-3.32%
Total Balance	$ -	$ 381,723	$ 708,659		$ 476,242	



Monthly Financial

December 2023

Monthly Financial Statements

December 2023

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Statements of Net Position
(in thousands)

	December 2023 (unaudited)	September 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 230,325	$ 278,483
Investments	188,830	106,701
Customer accounts receivable, net of allowance ($2,352 and $2,241, respectively)	207,000	252,861
Inventories:		
Materials and supplies	121,184	103,057
Fuel	56,996	56,131
Prepaid assets	24,567	23,847
Other current assets	11,568	22,476
Total current assets	840,470	843,556
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	13,495	100,129
Investments	194,167	288,132
Other restricted assets	924	991
Total restricted assets	208,586	389,252
Costs to be recovered from future revenues	861,776	865,083
Hedging derivative instruments	65,160	93,219
Other assets	36,585	36,070
Total noncurrent assets	1,172,107	1,383,624
Capital assets:		
Land and easements	227,476	223,954
Plant in service	13,354,025	13,064,743
Lease asset	93,313	93,313
Less accumulated depreciation	(8,493,309)	(8,392,624)
Plant in service, net	5,181,505	4,989,386
Construction work in progress	746,626	899,574
Net capital assets	5,928,131	5,888,960
Total assets	7,940,708	8,116,140
Deferred outflows of resources		
Unrealized pension contributions and losses	290,610	290,610
Accumulated decrease in fair value of hedging derivatives	69,555	39,157
Unamortized deferred losses on refundings	71,697	73,433
Unrealized asset retirement obligations	31,748	36,276
Unrealized OPEB contributions and losses	15,943	15,943
Total deferred outflows of resources	479,553	455,419
Total assets and deferred outflows of resources	$ 8,420,261	$ 8,571,559

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Statements of Net Position
(in thousands)

	December 2023 (unaudited)	September 2023
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	$ 77,994	$ 100,645
Customer deposits and prepayments	95,775	85,651
Billings on behalf of state and local governments	22,398	28,535
Compensation and benefits payable	17,453	16,237
City of Jacksonville payable	10,461	10,366
Asset retirement obligations	2,623	2,623
Total current liabilities	226,704	244,057
Current liabilities payable from restricted assets:		
Debt due within one year	106,565	89,375
Interest payable	25,004	48,304
Construction contracts and accounts payable	63,336	137,793
Renewal and replacement reserve	5,199	4,581
Total current liabilities payable from restricted assets	200,104	280,053
Noncurrent liabilities:		
Long-term debt:		
Debt payable, less current portion	2,648,945	2,705,510
Unamortized premium, net	144,306	149,503
Fair value of debt management strategy instruments	39,970	18,368
Total long-term debt	2,833,221	2,873,381
Net pension liability	958,534	958,534
Lease liability	89,463	89,463
Asset retirement obligations	29,125	33,653
Compensation and benefits payable	39,261	40,142
Net OPEB liability	7,971	7,971
Other liabilities	59,093	50,409
Total noncurrent liabilities	4,016,668	4,053,553
Total liabilities	4,443,476	4,577,663
Deferred inflows of resources		
Revenues to be used for future costs	299,254	300,455
Accumulated increase in fair value of hedging derivatives	65,160	93,218
Unrealized OPEB gains	16,343	16,343
Unrealized pension gains	22,391	22,391
Total deferred inflows of resources	403,148	432,407
Net position		
Net investment in capital assets	3,203,035	3,042,666
Restricted for:		
Capital projects	39,891	138,245
Debt service	26,583	90,582
Other purposes	20	594
Unrestricted	304,108	289,402
Total net position	3,573,637	3,561,489
Total liabilities, deferred inflows of resources, and net position	$ 8,420,261	$ 8,571,559

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Statements of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited)

	Month December 2023	Month December 2022	Year-to-Date December 2023	Year-to-Date December 2022
Operating revenues				
Electric - base	$ 68,807	$ 23,404	$ 202,953	$ 152,220
Electric - fuel and purchased power	38,129	53,144	106,801	151,062
Water and sewer	38,086	43,391	122,356	126,907
District energy system	910	867	3,127	2,818
Other operating revenues	2,486	(8,409)	8,360	7,604
Total operating revenues	148,418	112,397	443,597	440,611
Operating expenses				
Operations and maintenance:				
Maintenance and other operating expenses	40,660	37,662	129,626	114,573
Fuel	25,871	47,138	67,150	116,748
Purchased power	28,068	28,025	82,712	69,409
Depreciation	35,161	35,457	103,274	102,333
State utility and franchise taxes	5,576	6,273	18,151	20,449
Recognition of deferred costs and revenues, net	2,471	(10,095)	12,662	(654)
Total operating expenses	137,807	144,460	413,575	422,858
Operating income	10,611	(32,063)	30,022	17,753
Nonoperating revenues (expenses)				
Interest on debt	(10,256)	(9,783)	(28,815)	(26,662)
Earnings from The Energy Authority	224	1,951	1,475	4,905
Allowance for funds used during construction	3,000	1,620	9,356	5,490
Other nonoperating income, net	528	511	1,616	1,628
Investment income	8,132	4,777	11,712	7,491
Other interest, net	(390)	(267)	(757)	(1,536)
Total nonoperating expenses, net	1,238	(1,191)	(5,413)	(8,684)
Income before contributions	11,849	(33,254)	24,609	9,069
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(10,304)	(10,202)	(30,912)	(30,606)
Developers and other	18,745	11,264	46,397	25,452
Reduction of plant cost through contributions	(12,300)	(8,256)	(27,946)	(15,137)
Total contributions, net	(3,859)	(7,194)	(12,461)	(20,291)
Special item	-	11,135	-	11,135
Change in net position	7,990	(29,313)	12,148	(87)
Net position, beginning of period	3,565,647	3,614,118	3,561,489	3,584,892
Net position, end of period	$3,573,637	$3,584,805	$3,573,637	$3,584,805

JEA

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date December 2023	Year-to-Date December 2022
Operating activities		
Receipts from customers	$ 488,214	$ 551,015
Payments to suppliers	(262,617)	(263,757)
Payments for salaries and benefits	(82,702)	(76,205)
Other operating activities	18,019	15,238
Net cash provided by operating activities	160,914	226,291
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(30,810)	(30,505)
Net cash used in noncapital and related financing activities	(30,810)	(30,505)
Capital and related financing activities		
Acquisition and construction of capital assets	(217,821)	(167,804)
Interest paid on debt	(55,415)	(54,189)
Repayment of debt principal	(89,375)	(74,070)
Capital contributions	18,451	10,315
Revolving credit agreement withdrawals	50,000	4,000
Other capital financing activities	4,072	128
Net cash used in capital and related financing activities	(290,088)	(281,620)
Investing activities		
Proceeds from sale and maturity of investments	97,583	50,108
Purchase of investments	(79,420)	(162,682)
Distributions from The Energy Authority	2,136	4,050
Investment income	4,893	3,648
Net cash provided by (used in) investing activities	25,192	(104,876)
Net change in cash and cash equivalents	(134,792)	(190,710)
Cash and cash equivalents at beginning of year	378,612	520,690
Cash and cash equivalents at end of period	$ 243,820	$ 329,980
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 30,022	$ 17,753
Adjustments:		
Depreciation and amortization	103,274	102,333
Recognition of deferred costs and revenues, net	12,662	(654)
Other nonoperating income, net	(747)	9,605
Changes in noncash assets and noncash liabilities:		
Accounts receivable	45,860	76,076
Inventories	(18,992)	(10,382)
Other assets	7,935	14,896
Accounts and accrued expenses payable	(17,557)	(26,070)
Current liabilities payable from restricted assets	651	(2,574)
Other noncurrent liabilities and deferred inflows	(2,194)	45,308
Net cash provided by operating activities	$ 160,914	$ 226,291
Noncash activity		
Contribution of capital assets from developers	$ 27,946	$ 15,137
Unrealized investment fair market value changes, net	$ 6,325	$ 3,060

JEA
Combining Statement of Net Position
(in thousands - unaudited) December 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	$ 214,275	$ 3,214	$ -	$ 217,489	11,221	$ 1,615	$ 230,325
Investments	177,112	1,337	-	178,449	10,381	-	188,830
Customer accounts receivable, net of allowance ($2,352)	154,386	-	-	154,386	52,357	257	207,000
Inventories:							
Materials and supplies	2,304	-	-	2,304	118,880	-	121,184
Fuel	56,996	-	-	56,996	-	-	56,996
Prepaid assets	22,186	39	-	22,225	2,311	31	24,567
Other current assets	9,257	104	(398)	8,963	2,605	-	11,568
Total current assets	636,516	4,694	(398)	640,812	197,755	1,903	840,470
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	11,594	-	11,594	132	1,769	13,495
Investments	156,483	1,632	-	158,115	36,052	-	194,167
Other restricted assets	920	4	-	924	-	-	924
Total restricted assets	157,403	13,230	-	170,633	36,184	1,769	208,586
Costs to be recovered from future revenues	454,196	66,612	-	520,808	340,633	335	861,776
Hedging derivative instruments	65,160	-	-	65,160	-	-	65,160
Other assets	36,563	3,812	(3,812)	36,563	22	-	36,585
Total noncurrent assets	713,322	83,654	(3,812)	793,164	376,839	2,104	1,172,107
Capital assets:							
Land and easements	132,816	6,660	-	139,476	84,949	3,051	227,476
Plant in service	6,458,627	1,316,043	-	7,774,670	5,502,720	76,635	13,354,025
Lease asset	93,313	-	-	93,313	-	-	93,313
Less accumulated depreciation	(4,232,999)	(1,314,711)	-	(5,547,710)	(2,907,523)	(38,076)	(8,493,309)
Plant in service, net	2,451,757	7,992	-	2,459,749	2,680,146	41,610	5,181,505
Construction work in progress	133,513	-	-	133,513	611,666	1,447	746,626
Net capital assets	2,585,270	7,992	-	2,593,262	3,291,812	43,057	5,928,131
Total assets	3,935,108	96,340	(4,210)	4,027,238	3,866,406	47,064	7,940,708
Deferred outflows of resources							
Unrealized pension contributions and losses	149,475	32,894	-	182,369	108,241	-	290,610
Accumulated decrease in fair value of hedging derivatives	61,529	-	-	61,529	8,026	-	69,555
Unamortized deferred losses on refundings	39,991	939	-	40,930	30,637	130	71,697
Unrealized asset retirement obligations	31,748	-	-	31,748	-	-	31,748
Unrealized OPEB contributions and losses	9,247	-	-	9,247	6,696	-	15,943
Total deferred outflows of resources	291,990	33,833	-	325,823	153,600	130	479,553
Total assets and deferred outflows of resources	$ 4,227,098	$ 130,173	$ (4,210)	$ 4,353,061	$ 4,020,006	$ 47,194	$ 8,420,261

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Combining Statement of Net Position
(in thousands - unaudited) December 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	$ 58,801	$ 94	$ (49)	$ 58,846	$ 19,085	$ 63	$ 77,994
Customer deposits and prepayments	68,881	-	-	68,881	26,894	-	95,775
Billings on behalf of state and local governments	18,756	-	-	18,756	3,642	-	22,398
Compensation and benefits payable	12,445	-	-	12,445	4,966	42	17,453
City of Jacksonville payable	8,074	-	-	8,074	2,387	-	10,461
Asset retirement obligations	2,623	-	-	2,623	-	-	2,623
Total current liabilities	169,580	94	(49)	169,625	56,974	105	226,704
Current liabilities payable from restricted assets:							
Debt due within one year	32,515	16,445	-	48,960	55,675	1,930	106,565
Interest payable	12,031	702	-	12,733	11,937	334	25,004
Construction contracts and accounts payable	7,223	376	(349)	7,250	55,815	271	63,336
Renewal and replacement reserve	-	5,199	-	5,199	-	-	5,199
Total current liabilities payable from restricted assets	51,769	22,722	(349)	74,142	123,427	2,535	200,104
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,297,500	60,405	-	1,357,905	1,256,015	35,025	2,648,945
Unamortized premium (discount), net	77,456	(57)	-	77,399	66,915	(8)	144,306
Fair value of debt management strategy instruments	31,944	-	-	31,944	8,026	-	39,970
Total long-term debt	1,406,900	60,348	-	1,467,248	1,330,956	35,017	2,833,221
Net pension liability	553,168	4,796	-	557,964	400,570	-	958,534
Lease liability	89,463	-	-	89,463	-	-	89,463
Asset retirement obligations	29,125	-	-	29,125	-	-	29,125
Compensation and benefits payable	28,175	-	-	28,175	11,024	62	39,261
Net OPEB liability	4,623	-	-	4,623	3,348	-	7,971
Other liabilities	59,093	3,812	(3,812)	59,093	-	-	59,093
Total noncurrent liabilities	2,170,547	68,956	(3,812)	2,235,691	1,745,898	35,079	4,016,668
Total liabilities	2,391,896	91,772	(4,210)	2,479,458	1,926,299	37,719	4,443,476
Deferred inflows of resources							
Revenues to be used for future costs	285,521	13,733	-	299,254	-	-	299,254
Accumulated increase in fair value of hedging derivatives	65,160	-	-	65,160	-	-	65,160
Unrealized OPEB gains	9,479	-	-	9,479	6,864	-	16,343
Unrealized pension gains	4,655	14,365	-	19,020	3,371	-	22,391
Total deferred inflows of resources	364,815	28,098	-	392,913	10,235	-	403,148
Net position							
Net investment in (divestment of) capital assets	1,210,003	1,204	-	1,211,207	1,985,524	6,304	3,203,035
Restricted for:							
Capital projects	86,100	-	-	86,100	(47,162)	953	39,891
Debt service	8,084	4,114	-	12,198	13,903	482	26,583
Other purposes	(2,142)	386	349	(1,407)	1,427	-	20
Unrestricted	168,342	4,599	(349)	172,592	129,780	1,736	304,108
Total net position	1,470,387	10,303	-	1,480,690	2,083,472	9,475	3,573,637
Total liabilities, deferred inflows of resources, and net position	$ 4,227,098	$ 130,173	$ (4,210)	$ 4,353,061	$ 4,020,006	$ 47,194	$ 8,420,261

JEA
Combining Statement of Net Position
(in thousands) September 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	$ 256,800	$ 2,972	$ -	$ 259,772	$ 16,802	$ 1,909	$ 278,483
Investments	105,855	846	-	106,701	-	-	106,701
Customer accounts receivable, net of allowance ($2,241)	194,282	-	-	194,282	58,458	121	252,861
Inventories:							
Materials and supplies	2,292	-	-	2,292	100,765	-	103,057
Fuel	56,131	-	-	56,131	-	-	56,131
Prepaid assets	23,348	6	-	23,354	487	6	23,847
Other current assets	10,472	187	(425)	10,234	12,242	-	22,476
Total current assets	649,180	4,011	(425)	652,766	188,754	2,036	843,556
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	22,659	-	22,659	73,900	3,570	100,129
Investments	225,063	3,159	-	228,222	59,910	-	288,132
Other restricted assets	958	33	-	991	-	-	991
Total restricted assets	226,021	25,851	-	251,872	133,810	3,570	389,252
Costs to be recovered from future revenues	460,923	70,580	-	531,503	333,259	321	865,083
Hedging derivative instruments	93,219	-	-	93,219	-	-	93,219
Other assets	36,045	3,812	(3,812)	36,045	25	-	36,070
Total noncurrent assets	816,208	100,243	(3,812)	912,639	467,094	3,891	1,383,624
Capital assets:							
Land and easements	132,817	6,660	-	139,477	81,426	3,051	223,954
Plant in service	6,330,880	1,316,043	-	7,646,923	5,341,288	76,532	13,064,743
Lease Asset	93,313	-	-	93,313	-	-	93,313
Less accumulated depreciation	(4,177,236)	(1,314,608)	-	(5,491,844)	(2,863,482)	(37,298)	(8,392,624)
Plant in service, net	2,379,774	8,095	-	2,387,869	2,559,232	42,285	4,989,386
Construction work in progress	204,605	-	-	204,605	693,969	1,000	899,574
Net capital assets	2,584,379	8,095	-	2,592,474	3,253,201	43,285	5,888,960
Total assets	4,049,767	112,349	(4,237)	4,157,879	3,909,049	49,212	8,116,140
Deferred outflows of resources							
Unrealized pension contributions and losses	149,475	32,894	-	182,369	108,241	-	290,610
Accumulated decrease in fair value of hedging derivatives	36,525	-	-	36,525	2,632	-	39,157
Unamortized deferred losses on refundings	41,135	997	-	42,132	31,168	133	73,433
Unrealized asset retirement obligations	36,276	-	-	36,276	-	-	36,276
Unrealized OPEB contributions and losses	9,247	-	-	9,247	6,696	-	15,943
Total deferred outflows of resources	272,658	33,891	-	306,549	148,737	133	455,419
Total assets and deferred outflows of resources	$ 4,322,425	$ 146,240	$ (4,237)	$ 4,464,428	$ 4,057,786	$ 49,345	$ 8,571,559

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Combining Statement of Net Position
(in thousands) September 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	$ 82,995	$ 114	$ (114)	$ 82,995	$ 17,211	$ 439	$ 100,645
Customer deposits and prepayments	58,791	-	-	58,791	26,860	-	85,651
Billings on behalf of state and local governments	24,496	-	-	24,496	4,039	-	28,535
Compensation and benefits payable	12,006	-	-	12,006	4,199	32	16,237
City of Jacksonville payable	8,096	-	-	8,096	2,270	-	10,366
Asset retirement obligations	2,623	-	-	2,623	-	-	2,623
Total current liabilities	189,007	114	(114)	189,007	54,579	471	244,057
Current liabilities payable from restricted assets:							
Debt due within one year	19,275	15,865	-	35,140	52,365	1,870	89,375
Interest payable	22,820	1,720	-	24,540	23,129	635	48,304
Construction contracts and accounts payable	27,345	343	(311)	27,377	109,721	695	137,793
Renewal and replacement reserve	-	4,581	-	4,581	-	-	4,581
Total current liabilities payable from restricted assets	69,440	22,509	(311)	91,638	185,215	3,200	280,053
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,330,015	76,850	-	1,406,865	1,261,690	36,955	2,705,510
Unamortized premium (discount), net	79,917	(41)	-	79,876	69,637	(10)	149,503
Fair value of debt management strategy instruments	15,736	-	-	15,736	2,632	-	18,368
Total long-term debt	1,425,668	76,809	-	1,502,477	1,333,959	36,945	2,873,381
Net pension liability	553,168	4,796	-	557,964	400,570	-	958,534
Lease Liability	89,463	-	-	89,463	-	-	89,463
Asset retirement obligations	33,653	-	-	33,653	-	-	33,653
Compensation and benefits payable	28,619	-	-	28,619	11,454	69	40,142
Net OPEB liability	4,623	-	-	4,623	3,348	-	7,971
Other liabilities	50,409	3,812	(3,812)	50,409	-	-	50,409
Total noncurrent liabilities	2,185,603	85,417	(3,812)	2,267,208	1,749,331	37,014	4,053,553
Total liabilities	2,444,050	108,040	(4,237)	2,547,853	1,989,125	40,685	4,577,663
Deferred inflows of resources							
Revenues to be used for future costs	286,722	13,733	-	300,455	-	-	300,455
Accumulated increase in fair value of hedging derivatives	93,218	-	-	93,218	-	-	93,218
Unrealized OPEB gains	9,479	-	-	9,479	6,864	-	16,343
Unrealized pension gains	4,655	14,365	-	19,020	3,371	-	22,391
Total deferred inflows of resources	394,074	28,098	-	422,172	10,235	-	432,407
Net position							
Net investment in (divestment of) capital assets	1,167,090	(9,943)	-	1,157,147	1,881,290	4,229	3,042,666
Restricted for:							
Capital projects	135,992	-	-	135,992	1,188	1,065	138,245
Debt service	19,204	15,865	-	35,069	53,643	1,870	90,582
Other purposes	-	283	311	594	-	-	594
Unrestricted	162,015	3,897	(311)	165,601	122,305	1,496	289,402
Total net position	1,484,301	10,102	-	1,494,403	2,058,426	8,660	3,561,489
Total liabilities, deferred inflows of resources, and net position	$ 4,322,425	$ 146,240	$ (4,237)	$ 4,464,428	$ 4,057,786	$ 49,345	$ 8,571,559

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended December 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	$ 69,876	$ -	$ -	$ 69,876	$ -	$ -	$ (1,069)	$ 68,807
Electric - fuel and purchased power	38,825	1,765	(1,765)	38,825	-	-	(696)	38,129
Water and sewer	-	-	-	-	38,130	-	(44)	38,086
District energy system	-	-	-	-	-	962	(52)	910
Other operating revenues	1,396	-	-	1,396	1,754	-	(664)	2,486
Total operating revenues	110,097	1,765	(1,765)	110,097	39,884	962	(2,525)	148,418
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	22,930	203	-	23,133	19,650	402	(2,525)	40,660
Fuel	25,871	-	-	25,871	-	-	-	25,871
Purchased power	29,833	-	(1,765)	28,068	-	-	-	28,068
Depreciation	19,320	34	-	19,354	15,548	259	-	35,161
State utility and franchise taxes	4,699	-	-	4,699	877	-	-	5,576
Recognition of deferred costs and revenues, net	1,126	1,313	-	2,439	31	1	-	2,471
Total operating expenses	103,779	1,550	(1,765)	103,564	36,106	662	(2,525)	137,807
Operating income	6,318	215	-	6,533	3,778	300	-	10,611
Nonoperating revenues (expenses)								
Interest on debt	(5,249)	(258)	-	(5,507)	(4,596)	(153)	-	(10,256)
Earnings from The Energy Authority	224	-	-	224	-	-	-	224
Allowance for funds used during construction	617	-	-	617	2,378	5	-	3,000
Other nonoperating income, net	309	17	-	326	202	-	-	528
Investment income	5,869	237	-	6,106	2,015	11	-	8,132
Other interest, net	(378)	-	-	(378)	(12)	-	-	(390)
Total nonoperating expenses, net	1,392	(4)	-	1,388	(13)	(137)	-	1,238
Income before contributions	7,710	211	-	7,921	3,765	163	-	11,849
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,934)	-	-	(7,934)	(2,370)	-	-	(10,304)
Developers and other	384	-	-	384	18,361	-	-	18,745
Reduction of plant cost through contributions	(384)	-	-	(384)	(11,916)	-	-	(12,300)
Total contributions, net	(7,934)	-	-	(7,934)	4,075	-	-	(3,859)
Change in net position	(224)	211	-	(13)	7,840	163	-	7,990
Net position, beginning of period	1,470,611	10,092	-	1,480,703	2,075,632	9,312	-	3,565,647
Net position, end of period	$ 1,470,387	$ 10,303	$ -	$ 1,480,690	$ 2,083,472	$ 9,475	$ -	$ 3,573,637

JEA

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended December 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	$ 24,113	$ -	$ -	$ 24,113	$ -	$ -	$ (709)	$ 23,404
Electric - fuel and purchased power	54,028	1,777	(1,777)	54,028	-	-	(884)	53,144
Water and sewer	-	-	-	-	43,446	-	(55)	43,391
District energy system	-	-	-	-	-	922	(55)	867
Other operating revenues	(9,133)	-	-	(9,133)	1,146	-	(422)	(8,409)
Total operating revenues	69,008	1,777	(1,777)	69,008	44,592	922	(2,125)	112,397
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	22,048	(142)	-	21,906	17,484	397	(2,125)	37,662
Fuel	47,138	-	-	47,138	-	-	-	47,138
Purchased power	29,802	-	(1,777)	28,025	-	-	-	28,025
Depreciation	18,074	34	-	18,108	17,118	231	-	35,457
State utility and franchise taxes	5,334	-	-	5,334	939	-	-	6,273
Recognition of deferred costs and revenues, net	(12,888)	1,272	-	(11,616)	1,521	-	-	(10,095)
Total operating expenses	109,508	1,164	(1,777)	108,895	37,062	628	(2,125)	144,460
Operating income	(40,500)	613	-	(39,887)	7,530	294	-	(32,063)
Nonoperating revenues (expenses)								
Interest on debt	(5,450)	(303)	-	(5,753)	(3,913)	(117)	-	(9,783)
Earnings from The Energy Authority	1,951	-	-	1,951	-	-	-	1,951
Allowance for funds used during construction	363	-	-	363	1,236	21	-	1,620
Other nonoperating income, net	290	19	-	309	202	-	-	511
Investment income	2,516	147	-	2,663	2,112	2	-	4,777
Other interest, net	(270)	-	-	(270)	3	-	-	(267)
Total nonoperating expenses, net	(600)	(137)	-	(737)	(360)	(94)	-	(1,191)
Income before contributions	(41,100)	476	-	(40,624)	7,170	200	-	(33,254)
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,958)	-	-	(7,958)	(2,244)	-	-	(10,202)
Developers and other	846	-	-	846	10,418	-	-	11,264
Reduction of plant cost through contributions	(846)	-	-	(846)	(7,410)	-	-	(8,256)
Total contributions, net	(7,958)	-	-	(7,958)	764	-	-	(7,194)
Special item	11,135	-	-	11,135	-	-	-	11,135
Change in net position	(37,923)	476	-	(37,447)	7,934	200	-	(29,313)
Net position, beginning of period	1,624,790	9,550	-	1,634,340	1,973,079	6,699	-	3,614,118
Net position, end of period	$ 1,586,867	$ 10,026	$ -	$ 1,596,893	$ 1,981,013	$ 6,899	$ -	$ 3,584,805

JEA

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the 3 months ended December 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	$ 206,225	$ -	$ -	$ 206,225	$ -	$ -	$ (3,272)	$ 202,953
Electric - fuel and purchased power	109,017	5,288	(5,288)	109,017	-	-	(2,216)	106,801
Water and sewer	-	-	-	-	122,530	-	(174)	122,356
District energy system	-	-	-	-	-	3,318	(191)	3,127
Other operating revenues	4,687	-	-	4,687	5,590	-	(1,917)	8,360
Total operating revenues	319,929	5,288	(5,288)	319,929	128,120	3,318	(7,770)	443,597
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	72,211	628	-	72,839	63,231	1,326	(7,770)	129,626
Fuel	67,150	-	-	67,150	-	-	-	67,150
Purchased power	88,000	-	(5,288)	82,712	-	-	-	82,712
Depreciation	56,439	102	-	56,541	45,955	778	-	103,274
State utility and franchise taxes	15,366	-	-	15,366	2,785	-	-	18,151
Recognition of deferred costs and revenues, net	8,694	3,936	-	12,630	31	1	-	12,662
Total operating expenses	307,860	4,666	(5,288)	307,238	112,002	2,105	(7,770)	413,575
Operating income	12,069	622	-	12,691	16,118	1,213	-	30,022
Nonoperating revenues (expenses)								
Interest on debt	(14,617)	(776)	-	(15,393)	(12,965)	(457)	-	(28,815)
Earnings from The Energy Authority	1,475	-	-	1,475	-	-	-	1,475
Allowance for funds used during construction	1,933	-	-	1,933	7,408	15	-	9,356
Other nonoperating income, net	948	50	-	998	618	-	-	1,616
Investment income	8,788	305	-	9,093	2,575	44	-	11,712
Other interest, net	(708)	-	-	(708)	(49)	-	-	(757)
Total nonoperating expenses, net	(2,181)	(421)	-	(2,602)	(2,413)	(398)	-	(5,413)
Income before contributions	9,888	201	-	10,089	13,705	815	-	24,609
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(23,802)	-	-	(23,802)	(7,110)	-	-	(30,912)
Developers and other	1,759	-	-	1,759	44,638	-	-	46,397
Reduction of plant cost through contributions	(1,759)	-	-	(1,759)	(26,187)	-	-	(27,946)
Total contributions, net	(23,802)	-	-	(23,802)	11,341	-	-	(12,461)
Special item	-	-	-	-	-	-	-	-
Change in net position	(13,914)	201	-	(13,713)	25,046	815	-	12,148
Net position, beginning of year	1,484,301	10,102	-	1,494,403	2,058,426	8,660	-	3,561,489
Net position, end of period	$ 1,470,387	$ 10,303	$ -	$ 1,480,690	$ 2,083,472	$ 9,475	$ -	$ 3,573,637

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the 3 months ended December 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	$ 154,394	$ -	$ -	$ 154,394	$ -	$ -	$ (2,174)	$ 152,220
Electric - fuel and purchased power	154,597	5,331	(5,331)	154,597	-	-	(3,535)	151,062
Water and sewer	-	-	-	-	127,026	-	(119)	126,907
District energy system	-	-	-	-	-	3,007	(189)	2,818
Other operating revenues	5,276	-	-	5,276	3,560	-	(1,232)	7,604
Total operating revenues	314,267	5,331	(5,331)	314,267	130,586	3,007	(7,249)	440,611
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	68,709	(953)	-	67,756	52,645	1,421	(7,249)	114,573
Fuel	116,748	-	-	116,748	-	-	-	116,748
Purchased power	74,740	-	(5,331)	69,409	-	-	-	69,409
Depreciation	53,540	102	-	53,642	48,002	689	-	102,333
State utility and franchise taxes	17,689	-	-	17,689	2,760	-	-	20,449
Recognition of deferred costs and revenues, net	(8,508)	3,815	-	(4,693)	4,039	-	-	(654)
Total operating expenses	322,918	2,964	(5,331)	320,551	107,446	2,110	(7,249)	422,858
Operating income	(8,651)	2,367	-	(6,284)	23,140	897	-	17,753
Nonoperating revenues (expenses)								
Interest on debt	(14,695)	(909)	-	(15,604)	(10,723)	(335)	-	(26,662)
Earnings from The Energy Authority	4,905	-	-	4,905	-	-	-	4,905
Allowance for funds used during construction	1,488	-	-	1,488	3,957	45	-	5,490
Other nonoperating income, net	963	57	-	1,020	608	-	-	1,628
Investment income	4,066	170	-	4,236	3,235	20	-	7,491
Other interest, net	(1,273)	-	-	(1,273)	(263)	-	-	(1,536)
Total nonoperating expenses, net	(4,546)	(682)	-	(5,228)	(3,186)	(270)	-	(8,684)
Income before contributions	(13,197)	1,685	-	(11,512)	19,954	627	-	9,069
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(23,873)	-	-	(23,873)	(6,733)	-	-	(30,606)
Developers and other	1,100	-	-	1,100	24,352	-	-	25,452
Reduction of plant cost through contributions	(1,100)	-	-	(1,100)	(14,037)	-	-	(15,137)
Total contributions, net	(23,873)	-	-	(23,873)	3,582	-	-	(20,291)
Special item	11,135	-	-	11,135	-	-	-	11,135
Change in net position	(25,935)	1,685	-	(24,250)	23,536	627	-	(87)
Net position, beginning of year	1,612,802	8,341	-	1,621,143	1,957,477	6,272	-	3,584,892
Net position, end of period	$ 1,586,867	$ 10,026	$ -	$ 1,596,893	$ 1,981,013	$ 6,899	$ -	$ 3,584,805

JEA

Combining Statement of Cash Flows

(in thousands - unaudited) for the 3 months ended December 2023

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	$ 362,243	$ 5,288	$ (5,260)	$ 362,271	$ 128,616	$ 3,180	$ (5,853)	$ 488,214
Payments to suppliers	(214,031)	35	5,260	(208,736)	(60,137)	(1,514)	7,770	(262,617)
Payments for salaries and benefits	(58,480)	-	-	(58,480)	(24,013)	(209)	-	(82,702)
Other operating activities	5,334	(53)	-	5,281	14,655	-	(1,917)	18,019
Net cash provided by operating activities	95,066	5,270	-	100,336	59,121	1,457	-	160,914
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(23,826)	-	-	(23,826)	(6,984)	-	-	(30,810)
Net cash used in noncapital and related financing activities	(23,826)	-	-	(23,826)	(6,984)	-	-	(30,810)
Capital and related financing activities								
Acquisition and construction of capital assets	(78,331)	-	-	(78,331)	(138,518)	(972)	-	(217,821)
Interest paid on debt	(26,641)	(1,720)	-	(28,361)	(26,300)	(754)	-	(55,415)
Repayment of debt principal	(19,275)	(15,865)	-	(35,140)	(52,365)	(1,870)	-	(89,375)
Capital contributions	-	-	-	-	18,451	-	-	18,451
Revolving credit agreement withdrawals	-	-	-	-	50,000	-	-	50,000
Other capital financing activities	2,729	115	-	2,844	1,228	-	-	4,072
Net cash used in capital and related financing activities	(121,518)	(17,470)	-	(138,988)	(147,504)	(3,596)	-	(290,088)
Investing activities								
Proceeds from sale and maturity of investments	77,045	1,841	-	78,886	18,697	-	-	97,583
Purchase of investments	(75,594)	(599)	-	(76,193)	(3,227)	-	-	(79,420)
Distributions from The Energy Authority	2,136	-	-	2,136	-	-	-	2,136
Investment income	4,166	135	-	4,301	548	44	-	4,893
Net cash provided by investing activities	7,753	1,377	-	9,130	16,018	44	-	25,192
Net change in cash and cash equivalents	(42,525)	(10,823)	-	(53,348)	(79,349)	(2,095)	-	(134,792)
Cash and cash equivalents at beginning of year	256,800	25,631	-	282,431	90,702	5,479	-	378,612
Cash and cash equivalents at end of period	$ 214,275	$ 14,808	$ -	$ 229,083	$ 11,353	$ 3,384	$ -	$ 243,820
Reconciliation of operating income to net cash provided by operating activities								
Operating income	$ 12,069	$ 622	$ -	$ 12,691	$ 16,118	$ 1,213	$ -	$ 30,022
Adjustments:								
Depreciation and amortization	56,439	102	-	56,541	45,955	778	-	103,274
Recognition of deferred costs and revenues, net	8,694	3,936	-	12,630	31	1	-	12,662
Other nonoperating income, net	(698)	-	-	(698)	(49)	-	-	(747)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	39,896	-	-	39,896	6,101	(137)	-	45,860
Inventories	(877)	-	-	(877)	(18,115)	-	-	(18,992)
Other assets	740	(21)	-	719	7,240	(24)	-	7,935
Accounts and accrued expenses payable	(19,441)	(20)	-	(19,461)	2,270	(366)	-	(17,557)
Current liabilities payable from restricted assets	-	651	-	651	-	-	-	651
Other noncurrent liabilities and deferred inflows	(1,756)	-	-	(1,756)	(430)	(8)	-	(2,194)
Net cash provided by operating activities	$ 95,066	$ 5,270	$ -	$ 100,336	$ 59,121	$ 1,457	$ -	$ 160,914
Noncash activity								
Contribution of capital assets from developers	$ 1,759	$ -	$ -	$ 1,759	$ 26,187	$ -	$ -	$ 27,946
Unrealized investment fair market value changes, net	$ 4,127	$ 206	$ -	$ 4,333	$ 1,992	$ -	$ -	$ 6,325

JEA

Combining Statement of Cash Flows
(in thousands - unaudited) for the 3 months ended December 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	$ 431,174	$ 5,330	$ (5,422)	$ 431,082	$ 122,865	$ 3,085	$ (6,017)	$ 551,015
Payments to suppliers	(227,143)	(1,715)	5,422	(223,436)	(46,338)	(1,232)	7,249	(263,757)
Payments for salaries and benefits	(54,206)	-	-	(54,206)	(21,785)	(214)	-	(76,205)
Other operating activities	10,442	57	-	10,499	5,971	-	(1,232)	15,238
Net cash provided by operating activities	160,267	3,672	-	163,939	60,713	1,639	-	226,291
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(23,794)	-	-	(23,794)	(6,711)	-	-	(30,505)
Net cash used in noncapital and related financing activities	(23,794)	-	-	(23,794)	(6,711)	-	-	(30,505)
Capital and related financing activities								
Acquisition and construction of capital assets	(52,615)	-	-	(52,615)	(109,779)	(5,410)	-	(167,804)
Interest paid on debt	(27,306)	(2,029)	-	(29,335)	(24,213)	(641)	-	(54,189)
Repayment of debt principal	(47,120)	(15,285)	-	(62,405)	(9,850)	(1,815)	-	(74,070)
Capital contributions	-	-	-	-	10,315	-	-	10,315
Revolving credit agreement withdrawals	-	-	-	-	-	4,000	-	4,000
Other capital financing activities	110	-	-	110	18	-	-	128
Net cash used in capital and related financing activities	(126,931)	(17,314)	-	(144,245)	(133,509)	(3,866)	-	(281,620)
Investing activities								
Proceeds from sale and maturity of investments	24,734	586	-	25,320	24,788	-	-	50,108
Purchase of investments	(115,463)	(585)	-	(116,048)	(46,634)	-	-	(162,682)
Distributions from The Energy Authority	4,050	-	-	4,050	-	-	-	4,050
Investment income	2,231	45	-	2,276	1,352	20	-	3,648
Net cash provided by (used in) investing activities	(84,448)	46	-	(84,402)	(20,494)	20	-	(104,876)
Net change in cash and cash equivalents	(74,906)	(13,596)	-	(88,502)	(100,001)	(2,207)	-	(190,710)
Cash and cash equivalents at beginning of year	327,733	24,864	-	352,597	163,282	4,811	-	520,690
Cash and cash equivalents at end of period	$ 252,827	$ 11,268	$ -	$ 264,095	$ 63,281	$ 2,604	$ -	$ 329,980
Reconciliation of operating income to net cash provided by operating activities								
Operating income	$ (8,651)	$ 2,367	$ -	$ (6,284)	$ 23,140	$ 897	$ -	$ 17,753
Adjustments:								
Depreciation and amortization	53,540	102	-	53,642	48,002	689	-	102,333
Recognition of deferred costs and revenues, net	(8,508)	3,815	-	(4,693)	4,039	-	-	(654)
Other nonoperating income (loss), net	9,868	-	-	9,868	(263)	-	-	9,605
Changes in noncash assets and noncash liabilities:								
Accounts receivable	75,389	-	-	75,389	608	79	-	76,076
Inventories	5,477	-	-	5,477	(15,859)	-	-	(10,382)
Other assets	13,284	(42)	-	13,242	1,666	(12)	-	14,896
Accounts and accrued expenses payable	(28,358)	4	-	(28,354)	2,306	(22)	-	(26,070)
Current liabilities payable from restricted assets	-	(2,574)	-	(2,574)	-	-	-	(2,574)
Other noncurrent liabilities and deferred inflows	48,226	-	-	48,226	(2,926)	8	-	45,308
Net cash provided by operating activities	$ 160,267	$ 3,672	$ -	$ 163,939	$ 60,713	$ 1,639	$ -	$ 226,291
Noncash activity								
Contribution of capital assets from developers	$ 1,100	$ -	$ -	$ 1,100	$ 14,037	$ -	$ -	$ 15,137
Unrealized investment fair market value changes, net	$ 1,564	$ 136	$ -	$ 1,700	$ 1,360	$ -	$ -	$ 3,060

JEA

Debt Service Coverage
December 2023
(unaudited)

	Month December 2023	Month December 2022	Year-to-Date December 2023	Year-to-Date December 2022
Electric System				
Senior debt service coverage, (annual minimum 1.20x)	6.53 x	(6.64) x	6.31 x	5.81 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	4.03 x	(3.79) x	3.90 x	3.25 x
Bulk Power Supply System				
Debt service coverage, (annual minimum 1.15x)	2.05 x	(0.10) x	2.06 x	1.75 x
St. Johns River Power Park, Second Resolution				
Debt service coverage, (annual minimum 1.15x)	1.19 x	1.20 x	1.15 x	1.15 x
Water and Sewer System				
Senior debt service coverage, (annual minimum 1.25x)	3.52 x	4.26 x	3.69 x	4.19 x
Senior and subordinated debt service coverage excluding capacity fees [1]	2.25 x	3.19 x	2.43 x	3.09 x
Senior and subordinated debt service coverage including capacity fees [1]	3.00 x	3.55 x	3.14 x	3.50 x
District Energy System				
Debt service coverage	2.27 x	2.10 x	2.70 x	2.13 x

(1) 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
Electric System
Operating Statistics
December 2023 and 2022 (unaudited)

	Month			Year-to-Date		
	2023	**2022**	**Variance**	**2023**	**2022**	**Variance**
Electric revenues sales (000s omitted):						
Residential	$ 53,838	$ 60,337	-10.77%	$ 155,531	$ 168,370	-7.63%
Commercial	35,069	39,939	-12.19%	102,406	117,381	-12.76%
Industrial	18,251	22,154	-17.62%	52,732	64,536	-18.29%
Public street lighting	1,215	1,271	-4.41%	3,680	3,889	-5.37%
Electric revenues - territorial	108,373	123,701	-12.39%	314,349	354,176	-11.24%
Sales for resale - off system	10	144	-93.06%	770	821	-6.21%
Electric revenues	108,383	123,845	-12.48%	315,119	354,997	-11.23%
Regulatory	561	(45,600)	-101.23%	906	(45,865)	-101.98%
Allowance for doubtful accounts	(243)	(104)	133.65%	(783)	(141)	455.32%
Net electric revenues	108,701	78,141	39.11%	315,242	308,991	2.02%
MWh sales						
Residential	415,903	427,913	-2.81%	1,201,736	1,193,502	0.69%
Commercial	321,974	328,318	-1.93%	950,450	946,185	0.45%
Industrial	215,184	232,593	-7.48%	632,135	663,726	-4.76%
Public street lighting	4,539	4,559	-0.44%	13,648	13,470	1.32%
Total MWh sales - territorial	957,600	993,383	-3.60%	2,797,969	2,816,883	-0.67%
Sales for resale - off system	272	2,663	-89.79%	25,218	15,043	67.64%
Total MWh sales	957,872	996,046	-3.83%	2,823,187	2,831,926	-0.31%
Average number of accounts						
Residential	462,922	452,281	2.35%	462,040	451,277	2.39%
Commercial	56,225	55,387	1.51%	56,189	55,350	1.52%
Industrial	199	200	-0.50%	200	199	0.50%
Public street lighting	4,039	3,994	1.13%	4,040	3,992	1.20%
Total average accounts	523,385	511,862	2.25%	522,469	510,818	2.28%
Residential averages						
Revenue per account - $	116.30	133.41	-12.82%	336.62	373.10	-9.78%
kWh per account	898.43	946	-5.04%	2,601	2,645	-1.66%
Revenue per kWh - ¢	129.45	14.10	818.07%	12.94	14.11	-8.26%
Degree days						
Heating degree days	252	285	(33)	405	406	(1)
Cooling degree days	21	23	(2)	259	292	(33)
Total degree days	273	308	(35)	664	698	(34)
Degree days - 30 year average	311			758		

JEA
Water and Sewer System
Operating Statistics
December 2023 and 2022 (unaudited)

	Month								
	Water			Sewer			Reuse		
	2023	2022	Variance	2023	2022	Variance	2023	2022	Variance
Revenues (000s omitted):									
Residential	$ 8,234	$ 9,087	-9.39%	$ 12,539	$ 13,839	-9.39%	$ 1,195	$ 1,342	-10.95%
Commercial and industrial	3,967	4,311	-7.98%	9,410	10,080	-6.65%	635	558	13.80%
Irrigation	2,217	2,578	-14.00%	N/A	N/A	N/A	14	13	7.69%
Gross revenues	14,418	15,976	-9.75%	21,949	23,919	-8.24%	1,844	1,913	-3.61%
Rate stabilization	-	641	100.00%	-	960	100.00%	-	77	100.00%
Allowance for doubtful accounts	(31)	(16)	93.75%	(47)	(22)	113.64%	(3)	(2)	50.00%
Net revenues	$ 14,387	$ 16,601	-13.34%	$ 21,902	$ 24,857	-11.89%	$ 1,841	$ 1,988	-7.39%
Kgal sales (000s omitted)									
Residential	1,489,548	1,651,796	-9.82%	1,325,874	1,491,139	-11.08%	184,837	192,378	-3.92%
Commercial and industrial	1,156,506	1,278,930	-9.57%	1,038,040	1,104,743	-6.04%	136,546	116,770	16.94%
Irrigation	321,927	399,484	-19.41%	N/A	N/A	N/A	27,702	44,657	-37.97%
Total kgals sales	2,967,981	3,330,210	-10.88%	2,363,914	2,595,882	-8.94%	349,085	353,805	-1.33%
Average number of accounts:									
Residential	330,464	324,090	1.97%	296,925	290,421	2.24%	26,549	24,031	10.48%
Commercial and industrial	27,486	27,147	1.25%	19,516	19,329	0.97%	950	871	9.07%
Irrigation	38,616	38,373	0.63%	N/A	N/A	N/A	43	43	0.00%
Total average accounts	396,566	389,610	1.79%	316,441	309,750	2.16%	27,542	24,945	10.41%
Residential averages:									
Revenue per account - $	24.92	28.04	-11.13%	42.23	47.65	-11.37%	45.01	55.84	-19.39%
Kgals per account	4.51	5.10	-11.57%	4.47	5.13	-12.87%	6.96	8.01	-13.11%
Revenue per kgals - $	5.53	5.50	0.55%	9.46	9.28	1.94%	6.47	6.98	-7.31%

	Year-to-Date								
	Water			Sewer			Reuse		
	2023	2022	Variance	2023	2022	Variance	2023	2022	Variance
Revenues (000s omitted):									
Residential	$ 26,824	$ 26,896	-0.27%	$ 40,088	$ 40,421	-0.82%	$ 4,396	$ 4,504	-2.40%
Commercial and industrial	12,473	12,672	-1.57%	28,738	29,369	-2.15%	2,033	1,802	12.82%
Irrigation	8,204	8,417	-2.53%	N/A	N/A	N/A	32	50	-36.00%
Gross revenues	47,501	47,985	-1.01%	68,826	69,790	-1.38%	6,461	6,356	1.65%
Rate stabilization	-	1,169	100.00%	-	1,698	100.00%	-	146	100.00%
Allowance for doubtful accounts	(100)	(46)	117.39%	(145)	(66)	119.70%	(13)	(6)	116.67%
Net revenues	$ 47,401	$ 49,108	-3.48%	$ 68,681	$ 71,422	-3.84%	$ 6,448	$ 6,496	-0.74%
Kgal sales (000s omitted)									
Residential	4,715,306	4,810,448	-1.98%	4,180,327	4,258,228	-1.83%	744,165	691,555	7.61%
Commercial and industrial	3,515,055	3,606,368	-2.53%	3,107,917	3,169,311	-1.94%	434,913	378,511	14.90%
Irrigation	1,302,441	1,359,428	-4.19%	N/A	N/A	N/A	85,622	134,213	-36.20%
Total kgals sales	9,532,802	9,776,244	-2.49%	7,288,244	7,427,539	-1.88%	1,264,700	1,204,279	5.02%
Average number of accounts:									
Residential	330,138	323,648	2.01%	296,585	289,928	2.30%	26,370	23,752	11.02%
Commercial and industrial	27,461	27,164	1.09%	19,506	19,322	0.95%	944	867	8.88%
Irrigation	38,611	38,389	0.58%	N/A	N/A	N/A	43	43	0.00%
Total average accounts	396,210	389,201	1.80%	316,091	309,250	2.21%	27,357	24,662	10.93%
Residential averages:									
Revenue per account - $	81.25	83.10	-2.23%	135.17	139.42	-3.05%	166.70	189.63	-12.09%
Kgals per account	14.28	14.86	-3.90%	14.09	14.69	-4.08%	28.22	29.12	-3.09%
Revenue per kgals - $	5.69	5.59	1.79%	9.59	9.49	1.05%	5.91	6.51	-9.22%

	Month				Year-to-Date			
Rain statistics	2023	2022	Variance	30 Year Avg	2023	2022	Variance	30 Year Avg
Rainfall	6.81	0.25	6.56	2.78	13.41	4.87	8.54	8.81
Rain Days	10	4	6	8	22	13	9	22

Appendix

JEA
Schedule of Cash and Investments
(in thousands - unaudited) December 2023

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	$ 33,049	$ 2,954	$ 36,003	$ 5,213	$ 1,615	$ 42,831
Rate stabilization:						
Environmental	14,590	-	14,590	-	-	14,590
Purchased Power	246,000	-	246,000	-	-	246,000
DSM/Conservation	5,093	-	5,093	-	-	5,093
Total rate stabilization funds	265,683	-	265,683	-	-	265,683
Customer deposits	48,175	-	48,175	16,389	-	64,564
General reserve	-	1,597	1,597	-	-	1,597
Self insurance reserve funds:						
Self funded health plan	19,839	-	19,839	-	-	19,839
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	29,839	-	29,839	-	-	29,839
Environmental liability reserve	14,641	-	14,641	-	-	14,641
Total unrestricted cash and investments	$ 391,387	$ 4,551	$ 395,938	$ 21,602	$ 1,615	$ 419,155
Restricted assets						
Renewal and replacement funds	$ 85,180	$ 5,199	$ 90,379	$ (47,294)	$ 953	$ 44,038
Debt service reserve account	53,352	2,826	56,178	56,079	-	112,257
Debt service funds	20,093	4,816	24,909	25,840	816	51,565
Construction funds	-	-	-	132	-	132
Environmental funds	-	-	-	1,917	-	1,917
Subtotal	158,625	12,841	171,466	36,674	1,769	209,909
Unrealized holding gain (loss) on investments	(2,142)	75	(2,067)	(490)	-	(2,557)
Other funds	-	310	310	-	-	310
Total restricted cash and investments	$ 156,483	$ 13,226	$ 169,709	$ 36,184	$ 1,769	$ 207,662
Total cash and investments	$ 547,870	$ 17,777	$ 565,647	$ 57,786	$ 3,384	$ 626,817

JEA
Schedule of Cash and Investments
(in thousands) September 2023

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	$ 4,382	$ 2,914	$ 7,296	$ 1,416	$ 1,909	$ 10,621
Rate stabilization:						
Environmental	14,612	-	14,612	-	-	14,612
Purchased Power	246,000	-	246,000	-	-	246,000
DSM/Conservation	5,976	-	5,976	-	-	5,976
Total rate stabilization funds	266,588	-	266,588	-	-	266,588
Customer deposits	46,838	-	46,838	15,386	-	62,224
General reserve	-	904	904	-	-	904
Self insurance reserve funds:						
Self funded health plan	20,134	-	20,134	-	-	20,134
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	30,134	-	30,134	-	-	30,134
Environmental liability reserve	14,713	-	14,713	-	-	14,713
Total unrestricted cash and investments	$ 362,655	$ 3,818	$ 366,473	$ 16,802	$ 1,909	$ 385,184
Restricted assets						
Renewal and replacement funds	$ 135,034	$ 4,581	$ 139,615	$ 946	$ 1,065	$ 141,626
Debt service reserve account	53,352	3,370	56,722	57,587	-	114,309
Debt service funds	42,024	17,585	59,609	75,477	2,505	137,591
Construction funds	-	-	-	242	-	242
Environmental funds	922	-	922	2,039	-	2,961
Subtotal	231,332	25,536	256,868	136,291	3,570	396,729
Unrealized holding gain (loss) on investments	(6,269)	(53)	(6,322)	(2,481)	-	(8,803)
Other funds	-	335	335	-	-	335
Total restricted cash and investments	$ 225,063	$ 25,818	$ 250,881	$ 133,810	$ 3,570	$ 388,261
Total cash and investments	$ 587,718	$ 29,636	$ 617,354	$ 150,612	$ 5,479	$ 773,445

JEA
INVESTMENT PORTFOLIO REPORT
DECEMBER 2023
(unaudited)

INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL
* Treasuries	$ 19,081,250	4.63%	3.05%
Agencies			
Federal Farm Credit Bank	54,145,919	4.87%	8.64%
Federal Home Loan Bank	164,981,461	3.40%	26.33%
Federal National Mortgage Assoc.	14,163,988	5.69%	2.26%
Total	233,291,367	3.88%	37.23%
Municipal Bonds	36,172,686	3.44%	5.77%
Commercial Paper	96,945,904	5.75%	15.47%
U.S. Treasury Money Market Funds (1)	32,733,000	5.25%	5.22%
Agency Money Market Funds (2)	41,750,000	5.29%	6.66%
PALM Money Market Fund	50,500,000	5.47%	8.06%
Florida Prime Fund	100,500,000	5.60%	16.04%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	13,305,320	2.65%	2.12%
SJRPP	1,921,480	2.65%	0.31%
Water & Sewer, DES	390,054	2.65%	0.06%
Total Portfolio	$ 626,591,061	4.71%	100.00%

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

Weighted Avg. Annual Yield Excluding Bank & Money Market Funds: 4.35%

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

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(1) Treasury Funds: Fidelity, Goldman Sachs, State Street

(2) Government Funds: State Street, Wells Fargo Allspring

(3) Month-end bank balances

(3) Month-end bank balances

JEA

Schedule of Outstanding Indebtedness
December 2023
(unaudited)

	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric Enterprise				
Electric System				
Fixed Rate Senior	3.000-6.056%	2026-2044	423,430,000	-
Fixed Rate Subordinated	3.375-6.406%	2024-2039	414,015,000	7,805,000
Variable Rate Senior	3.581-4.045%	2024-2040	422,960,000	18,265,000
Variable Rate Subordinated	3.548-3.625%	2024-2038	47,340,000	3,865,000
Total Electric System	3.906% (wtd avg)	2024-2044	1,307,745,000	29,935,000
Bulk Power Supply System				
Fixed Rate Senior	5.400-5.920%	2024-2030	22,270,000	2,580,000
St. Johns River Power Park				
Fixed Rate Senior	3.000-5.450%	2024-2028	76,850,000	16,445,000
Total Electric Enterprise	3.876% (wtd avg)	2024-2044	1,406,865,000	48,960,000
Water and Sewer System				
Fixed Rate Senior	3.000-6.310%	2024-2044	826,805,000	43,050,000
Fixed Rate Subordinated	2.750-5.000%	2024-2040	80,675,000	6,455,000
Variable Rate Senior	3.594-3.629%	2024-2042	133,075,000	4,420,000
Variable Rate Subordinated	3.458-3.659%	2024-2038	94,135,000	1,750,000
Other Obligations	5.230%	2027	177,000,000	-
Total Water and Sewer System	3.945% (wtd avg)	2024-2044	1,311,690,000	55,675,000
District Energy System				
Fixed Rate Senior	3.394-4.538%	2024-2034	25,955,000	1,930,000
Other Obligations	6.395%	2027	11,000,000	-
Total District Energy System	4.986% (wtd avg)	2024-2034	36,955,000	1,930,000
Total JEA	3.923% (wtd avg)	2024-2044	2,755,510,000	106,565,000

JEA
Debt Ratio
(unaudited)

	Current YTD
Electric Enterprise	44.9%
Water and Sewer System	37.5%

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Interest Rate Swap Position Report
December 2023
(unaudited)

JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
Electric System									
1	Goldman Sachs	9/18/2003	9/16/2033	$ 84,800,000	3.717	3.710	0.007	n/a	68% 1 mth Libor fallback (SOFR)
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	4.351	3.595	0.756	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	72,750,000	3.661	3.710	(0.049)	n/a	68% 1 mth Libor fallback (SOFR)
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	3.716	3.710	0.006	n/a	68% 1 mth Libor fallback (SOFR)
8	Morgan Stanley	1/31/2007	10/1/2031	59,755,000	3.907	3.595	0.312	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	3.836	3.595	0.241	n/a	SIFMA
			Total	390,735,000					
Water/Sewer System									
9	Merrill Lynch	3/8/2007	10/1/2041	81,255,000	3.895	3.595	0.300	n/a	SIFMA
			Total	81,255,000					
			Grand Total	$ 471,990,000	Wtd Avg Spread		0.244		

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

JEA **Page 24**
Electric System
Production Statistics
December 2023 and 2022 (unaudited)

	Month			Year-to-Date		
	2023	**2022**	**Variance**	**2023**	**2022**	**Variance**
Generated power:						
Steam:						
Fuel oil #6						
Fuel expense	$ (46,271)	$ 3,496,180	-101.32%	$ (46,271)	$ 3,496,180	-101.32%
Barrels consumed	(414)	29,036	-101.43%	(414)	29,036	-101.43%
$/ per barrel consumed	$ 111.77	$ 120.41	-7.18%	$ 111.77	$ 120.41	-7.18%
kWh generated (1)	-	15,574,208	-100.00%	-	15,555,112	-100.00%
Cost per MWh	$ -	$ 224.49	-100.00%	$ -	$ 224.76	-100.00%
Natural gas units #1-3						
Fuel expense - variable	$ 1,289,551	$ 3,538,889	-63.56%	$ 10,006,744	$ 25,312,126	-60.47%
MMBTUs consumed	440,313	494,271	-10.92%	3,145,989	3,901,582	-19.37%
$/ per MMBTU consumed	$ 2.93	$ 7.16	-59.10%	$ 3.18	$ 6.49	-50.97%
kWh generated (1)	21,943,678	45,139,822	-51.39%	247,638,556	337,529,812	-26.63%
Cost per MWh	$ 58.77	$ 78.40	-25.04%	$ 40.41	$ 74.99	-46.12%
Biomass units #1-2						
Fuel expense	$ 126,413.00	$ 110,520.00	14.38%	$ 163,139.00	$ 240,829.00	-32.26%
kWh generated	4,885,625	3,963,126	23.28%	6,631,604	5,304,323	25.02%
Cost per MWh	$ 25.87	$ 27.89	-7.22%	$ 24.60	$ 45.40	-45.82%
Coal						
Fuel expense	$ 768,373	$ 4,380,538	-82.46%	$ 1,366,363	$ 8,177,425	-83.29%
kWh generated	6,143,725	62,790,737	-90.22%	10,752,016	111,992,024	-90.40%
Cost per MWh	$ 125.07	$ 69.76	79.27%	$ 127.08	$ 73.02	74.04%
Pet coke and limestone						
Fuel expense	$ 5,770,401	$ 8,803,247	-34.45%	$ 8,976,776	$ 16,164,940	-44.47%
kWh generated	85,126,984	118,586,882	-28.22%	124,641,029	206,235,909	-39.56%
Cost per MWh	$ 67.79	$ 74.23	-8.69%	$ 72.02	$ 78.38	-8.11%
Combustion turbine:						
Fuel oil #2						
Fuel expense	$ 146,974	$ 621,055	-76.33%	$ 362,541	$ 823,982	-56.00%
Barrels consumed	1,017	6,112	-83.36%	2,097	7,037	-70.20%
$/ per barrel consumed	$ 144.52	$ 101.61	42.22%	$ 172.89	$ 117.09	47.65%
kWh generated	302,651	4,478,046	-93.24%	757,728	4,712,360	-83.92%
Cost per MWh	$ 485.62	$ 138.69	250.15%	$ 478.46	$ 174.86	173.63%
Natural gas (includes landfill)						
Fuel expense Kennedy & landfill - variable	$ 671,199	$ 631,421	6.30%	$ 918,903	$ 1,311,059	-29.91%
MMBTUs consumed	227,023	90,015	152.21%	303,817	192,716	57.65%
$/ per MMBTU consumed	$ 2.96	$ 7.01	-57.85%	$ 3.02	$ 6.80	-55.54%
kWh generated (1)	17,122,137	5,222,925	227.83%	23,460,417	13,632,458	72.09%
Cost per MWh	$ 39.20	$ 120.89	-67.57%	$ 39.17	$ 96.17	-59.27%
Fuel expense BB simple - variable	$ 364,830	$ 1,730,081	-78.91%	$ 772,618	$ 2,432,327	-68.24%
MMBTUs consumed	$ 129,456	255,709	-49.37%	260,535	369,106	-29.41%
$/ per MMBTU consumed	$ 2.82	$ 6.77	-58.35%	$ 2.97	$ 6.59	-55.00%
kWh generated (1)	10,196,080	22,929,460	-55.53%	20,844,828	32,894,860	-36.63%
Cost per MWh	$ 35.78	$ 75.45	-52.58%	$ 37.07	$ 73.94	-49.87%
Fuel expense BB combined - variable	$ 8,117,226	$ 20,316,293	-60.05%	$ 26,527,520	$ 59,922,767	-55.73%
MMBTUs consumed	2,750,631	2,913,944	-5.60%	8,591,853	8,822,739	-2.62%
$/ per MMBTU consumed	$ 2.95	$ 6.97	-57.67%	$ 3.09	$ 6.79	-54.54%
kWh generated (1)	399,300,632	426,491,405	-6.38%	1,245,149,869	1,278,361,938	-2.60%
Cost per MWh	$ 20.33	$ 47.64	-57.33%	$ 21.30	$ 46.87	-54.55%
Fuel expense GEC simple - variable	$ 697,154	$ 4,204,519	-83.42%	$ 2,434,711	$ 9,524,145	-74.44%
MMBTUs consumed	200,171	557,142	-64.07%	683,111	1,347,447	-49.30%
$/ per MMBTU consumed	$ 3.48	$ 7.55	-53.85%	$ 3.56	$ 7.07	-49.58%
kWh generated	17,306,893	48,107,126	-64.02%	56,562,148	119,127,084	-52.52%
Cost per MWh	$ 40.28	$ 87.40	-53.91%	$ 43.04	$ 79.95	-46.16%
Natural gas expense - fixed	$ 3,032,076	$ 3,136,040	-3.32%	$ 8,864,996	$ 8,985,029	-1.34%
Total generated power:						
Fuel expense	$ 20,937,926	$ 50,968,783	-58.92%	$ 60,348,040	$ 136,390,809	-55.75%
kWh generated	562,328,405	753,283,737	-25.35%	1,736,438,195	2,125,345,880	-18.30%
Cost per MWh	$ 37.23	$ 67.66	-44.97%	$ 34.75	$ 64.17	-45.84%

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

JEA **Page 25**
Electric System
Production Statistics (Continued)
December 2023 and 2022 (unaudited)

	Month			Year-to-Date		
	2023	**2022**	**Variance**	**2023**	**2022**	**Variance**
Cost of fuels						
Natural gas	$ 14,172,036	$ 33,557,243	-57.77%	$ 49,525,492	$ 107,487,453	-53.92%
Petcoke	5,770,401	8,803,247	-34.45%	8,976,776	16,164,940	-44.47%
Coal	768,373	4,380,538	-82.46%	1,366,363	8,177,425	-83.29%
Fuel oil #2	146,974	621,055	-76.33%	362,541	823,982	-56.00%
Fuel oil #6	(46,271)	3,496,180	-101.32%	(46,271)	3,496,180	-101.32%
Biomass	126,413	110,520	14.38%	163,139	240,829	-32.26%
Total	$ 20,937,926	$ 50,968,783	-58.92%	$ 60,348,040	$ 136,390,809	-55.75%
Purchased power:						
TEA & other						
Purchases	$ 22,462,971	$ 19,407,765	15.74%	$ 65,985,738	$ 45,796,739	44.08%
kWh purchased	210,775,541	138,981,337	51.66%	575,997,341	373,604,588	54.17%
Cost per MWh	$ 112.67	$ 139.64	-19.32%	$ 123.93	$ 122.58	1.10%
FPL						
Purchases	$ 4,423,658	$ 8,616,675	-48.66%	$ 13,043,388	$ 23,612,454	-44.76%
kWh purchased	122,956,000	143,646,000	-14.40%	342,465,000	418,638,000	-18.20%
Cost per MWh	$ 35.98	$ 59.99	-40.02%	$ 38.09	$ 56.40	-32.47%
Plant Scherer						
Purchases	$ 421,052	$ 621,815	-32.29%	$ 2,014,506	$ 2,780,685	-27.55%
SJRPP						
Purchases	$ 1,764,323	$ 1,776,811	-0.70%	$ 5,287,656	$ 5,330,436	-0.80%
Plant Vogtle						
Purchases	$ 1,180,835	$ -		$ 3,682,484	$ -	
kWh purchased	77,327,000	-		228,275,000	-	
Cost per MWh	$ 15.27			$ 16.13		
Total purchased power:						
Purchases	$ 30,252,839	$ 30,423,066	-0.56%	$ 90,013,772	$ 77,520,314	16.12%
kWh purchased	411,058,541	282,627,337	45.44%	1,146,737,341	792,242,588	44.75%
Cost per MWh	$ 73.60	$ 107.64	-31.63%	$ 78.50	$ 97.85	-19.78%
Subtotal - generated and purchased power:	$ 51,190,765	$ 81,391,849	-37.11%	$ 150,361,812	$ 213,911,123	-29.71%
Fuel interchange sales	(10,028)	(138,834)	-92.78%	(770,128)	(815,777)	-5.60%
Earnings of The Energy Authority	(206,661)	(1,950,258)	-89.40%	(1,324,117)	(4,668,502)	-71.64%
Realized and Unrealized (Gains) Losses	3,526,551	(4,959,365)	-171.11%	2,769,809	(23,694,224)	-111.69%
Fuel procurement and handling	1,197,692	780,687	53.42%	3,110,334	2,666,058	16.66%
Byproduct reuse	209,128	347,145	-39.76%	922,015	1,384,947	-33.43%
Total generated and net purchased power:						
Cost, net	55,907,447	75,471,224	-25.92%	155,069,725	188,783,625	-17.86%
kWh generated and purchased	973,386,946	1,035,911,074	-6.04%	2,883,175,536	2,917,588,468	-1.18%
Cost per MWh	$ 57.44	$ 72.85	-21.16%	$ 53.78	$ 64.71	-16.88%
Reconciliation:						
Generated and purchased power per above	$ 55,907,447	57.44		155,069,725	53.78	
SJRPP debt service	$ (1,565,797)	(1.61)		(4,692,076)	(1.63)	
SJRPP R & R	$ (198,527)	(0.20)		(595,580)	(0.21)	
Scherer power production	$ (129,625)	(0.13)		(1,134,600)	(0.39)	
Scherer R & R	$ (291,427)	(0.30)		(879,906)	(0.31)	
MEAG Debt Service	$ (12,633,388)	(12.98)		(37,892,112)	(13.14)	
MEAG-Prepaid Fuel	$ (51,978)	(0.05)		(302,594)	(0.10)	
FPL Capacity	$ (1,400,000)	(1.44)		(4,200,000)	(1.46)	
TEA Solar Capacity	$ (352,669)	(0.36)		(1,062,261)	(0.37)	
TEA and Other Capacity	$ (1,365,779)	(1.40)		(4,099,486)	(1.42)	
Rounding	$ 2	0.00		-	-	
Energy expense per budget page	$ 37,918,259	$ 38.95		$ 100,211,110	$ 34.76	

JEA Electric System Budget vs. Actual December 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Month: BUDGET 2023-24	Month: ACTUAL 2023-24	Month: Variance %	Prior Year Month: ACTUAL 2022-23	Prior Year Month: Variance %
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	$ 446,124,788	$ 36,598,506	$ 38,905,863	6.30%	$ 53,889,305	-27.80%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	329,050,928	27,065,092	25,871,297		47,137,250	
Other Purchased Power	116,227,831	9,464,009	12,046,962		20,547,608	
Subtotal Energy Expense	445,278,759	36,529,101	37,918,259	-3.80%	67,684,858	43.98%
Transfer to (from) Other Regulatory Funds,	-	-	896,429		(13,795,553)	
Fuel Related Uncollectibles	846,029	69,405	91,175		-	
Total	446,124,788	36,598,506	38,905,863	-6.30%	53,889,305	27.80%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	821,792,000	62,938,414	64,787,146		63,876,704	
Conservation Charge Revenue	-	-	-		27,206	
Environmental Charge Revenue	-	-	(1)		601,502	
Investment Income	18,602,575	1,639,427	1,723,870		952,737	
Natural Gas Revenue Pass Through	1,130,738	94,228	77,739		74,004	
Other Revenues	41,207,575	3,433,965	11,723,534		51,984,873	
Total	882,732,888	68,106,034	78,312,288	14.99%	117,517,026	-33.36%
Nonfuel Related Expenses						
Non-Fuel O&M	290,294,396	24,224,512	20,866,395		20,194,412	
DSM / Conservation O&M	6,918,790	559,407	560,531		366,545	
Environmental O&M	16,684,000	1,248,695	38,495		165,129	
Rate Stabilization - DSM	(6,203,870)	(516,989)	(560,531)		157,353	
Rate Stabilization - Environmental	(1,323,637)	(110,303)	(67)		(135,164)	
Natural Gas Expense Pass Through	1,295,200	72,515	91,594		117,177	
Debt Principal - Electric System	29,935,000	2,494,583	2,494,583		1,398,333	
Debt Interest - Electric System	61,199,660	5,099,972	5,538,516		5,750,096	
R&R - Electric System	68,838,850	5,736,571	5,736,571		6,945,100	
Operating Capital Outlay	72,930,113	-	10,000,000		34,995,697	
Operating Capital Outlay - Environmental	-	-	66		711,849	
City Contribution Expense	95,209,531	7,934,128	7,934,128		7,957,592	
Taxes & Uncollectibles	1,769,039	147,420	171,909		132,062	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	16,445,000	1,370,417	1,370,417		1,322,083	
* SJRPP D/S Interest	2,808,319	234,027	217,795		267,676	
** Other Non-Fuel Purchased Power	225,932,497	20,077,707	17,258,800		52,061,463	
Total Nonfuel Expenses	882,732,888	68,572,662	71,719,202	-4.59%	132,407,403	45.83%
Non-Fuel Balance	-	(466,628)	6,593,086		(14,890,377)	
Total Balance	-	(466,628)	6,593,086		(14,890,377)	
Total Revenues	**1,328,857,676**	**104,704,540**	**117,218,151**	11.95%	**171,406,331**	-31.61%
Total Expenses	**1,328,857,676**	**105,171,168**	**110,625,065**	-5.19%	**186,296,708**	40.62%
KWH Sold - Territorial	**12,200,000,000**	**934,392,790**	**957,600,617**	2.48%	**993,383,094**	-3.60%
KWH Sold - Off System	**-**	**-**	**272,000**		**2,663,000**	
	12,200,000,000	**934,392,790**	**957,872,617**	2.51%	**996,046,094**	-3.83%

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

JEA Electric System Budget vs. Actual December 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Year-to-Date BUDGET 2023-24	ACTUAL 2023-24	Variance %	Prior Year-to-Date ACTUAL 2022-23	Page 27 Variance %
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	$ 446,124,788	$ 97,674,727	$ 108,530,309	11.11%	$ 153,798,095	-29.43%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	329,050,928	65,250,927	67,150,198		116,747,590	
Other Purchased Power	116,227,831	32,238,570	33,060,912		48,259,398	
Subtotal Energy Expense	445,278,759	97,489,497	100,211,110	-2.79%	165,006,988	39.27%
Transfer to (from) Other Regulatory Funds, Net	-	-	8,035,543		(11,225,268)	
Fuel Related Uncollectibles	846,029	185,230	283,656		16,375	
Total	446,124,788	97,674,727	108,530,309	-11.11%	153,798,095	29.43%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	821,792,000	191,636,069	190,511,585		180,970,681	
Conservation Charge Revenue	-	-	-		88,002	
Environmental Charge Revenue	-	-	(31)		1,706,206	
Investment Income	18,602,575	4,958,112	4,636,963		2,502,722	
Natural Gas Revenue Pass Through	1,130,738	282,685	184,860		305,484	
Other Revenues	41,207,575	10,301,894	15,725,933		79,634,226	
Total	882,732,888	207,178,760	211,059,310	1.87%	265,207,321	-20.42%
Nonfuel Related Expenses						
Non-Fuel O&M	290,294,396	66,395,970	64,717,217		61,388,201	
DSM / Conservation O&M	6,918,790	1,298,351	883,354		739,506	
Environmental O&M	16,684,000	2,366,306	89,694		159,071	
Rate Stabilization - DSM	(6,203,870)	(1,550,968)	(883,354)		756,938	
Rate Stabilization - Environmental	(1,323,637)	(330,909)	(22,214)		(469,508)	
Natural Gas Expense Pass Through	1,295,200	217,546	222,128		341,259	
Debt Principal - Electric System	29,935,000	7,483,750	7,483,750		4,195,000	
Debt Interest - Electric System	61,199,660	15,299,915	15,508,074		15,597,412	
R&R - Electric System	68,838,850	17,209,712	17,209,712		20,835,300	
Operating Capital Outlay	72,930,113	-	10,000,000		47,495,697	
Operating Capital Outlay - Environmental	-	-	4,907		2,128,183	
City Contribution Expense	95,209,531	23,802,383	23,802,383		23,872,777	
Taxes & Uncollectibles	1,769,039	442,260	587,004		207,597	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	16,445,000	4,111,250	4,111,250		3,966,250	
* SJRPP D/S Interest	2,808,319	702,080	652,421		803,027	
** Other Non-Fuel Purchased Power	225,932,497	60,233,124	51,276,784		65,446,896	
Total Nonfuel Expenses	882,732,888	197,680,770	195,643,110	1.03%	247,463,606	20.94%
Non-Fuel Balance	-	9,497,990	15,416,200		17,743,715	
Total Balance	-	9,497,990	15,416,200		17,743,715	
Total Revenues	**1,328,857,676**	**304,853,487**	**319,589,619**	4.83%	**419,005,416**	-23.73%
Total Expenses	**1,328,857,676**	**295,355,497**	**304,173,419**	-2.99%	**401,261,701**	24.20%
KWH Sold - Territorial	**12,200,000,000**	**2,845,055,251**	**2,797,969,474**	-1.66%	**2,816,883,007**	-0.67%
KWH Sold - Off System	**-**	**-**	**25,218**		**15,043,000**	
	12,200,000,000	**2,845,055,251**	**2,797,994,692**	-1.65%	**2,831,926,007**	-1.20%

* Gross debt service

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

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Water and Sewer System		Month			Prior Year Month	
Budget vs. Actual December 2023 and 2022 (unaudited)	**ANNUAL BUDGET 2023-24**	**BUDGET 2023-24**	**ACTUAL 2023-24**	**Variance %**	**ACTUAL 2022-23**	**Variance %**
REVENUES						
Water & Sewer Revenues	$ 491,982,718	$ 39,644,377	$ 37,334,190		$ 40,869,042	
Capacity & Extension Fees	$ 97,624,133	$ 7,103,780	$ 6,445,343		$ 3,008,485	
Investment Income	$ 4,745,432	$ 328,820	$ 22,905		$ 752,716	
Other Income	$ 18,369,380	$ 1,530,782	$ 7,144,038		$ 1,348,800	
Total	612,721,663	48,607,759	50,946,476	4.81%	45,979,043	10.80%
EXPENSES						
O & M Expenses	236,127,787	17,710,425	18,913,439		17,064,535	
Debt Principal - Water & Sewer	55,675,000	4,639,583	4,639,583		4,363,750	
Debt Interest - Water & Sewer	64,024,774	5,335,398	5,310,226		4,740,540	
Rate Stabilization - Environmental	-	-	-		(2,179,408)	
R&R - Water & Sewer	30,459,050	2,538,254	2,538,254		2,504,975	
Operating Capital Outlay	67,153,723	-	5,187,161		31,267,369	
Operating Capital Outlay - Capacity/Extension	97,624,133	7,103,780	6,445,343		3,008,485	
Operating Capital Outlay - Environmental	25,015,281	2,084,607	-		2,021,765	
City Contribution Expense	28,439,210	2,369,934	2,369,934		2,244,449	
Uncollectibles & Fees	983,965	81,997	87,726		82,710	
Interlocal Agreements	7,218,740	-	-		-	
Total Expenses	612,721,663	41,863,978	45,491,666	-8.67%	65,119,170	30.14%
Total Balance	$ -	$ 6,743,781	$ 5,454,810		$ (19,140,127)	
Sales kgals						
Water	40,584,236	3,136,987	2,967,981	-5.39%	3,330,210	-10.88%
Sewer	36,507,787	2,908,757	2,712,999	-6.73%	2,949,687	-8.02%
Total	77,092,023	6,045,744	5,680,980	-6.03%	6,279,897	-9.54%

		Year-To-Date			Prior Year to Date	
Budget vs. Actual December 2023 and 2022 (unaudited)	**ANNUAL BUDGET 2023-24**	**BUDGET 2023-24**	**ACTUAL 2023-24**	**Variance %**	**ACTUAL 2022-23**	**Variance %**
REVENUES						
Water & Sewer Revenues	$ 491,982,718	$ 119,807,781	$ 120,003,036		$ 121,371,025	
Capacity & Extension Fees	$ 97,624,133	$ 20,268,451	$ 18,451,249		$ 10,314,935	
Investment Income	$ 4,745,432	$ 932,630	$ 582,189		$ 1,875,282	
Other Income	$ 18,369,380	$ 4,592,345	$ 11,396,130		$ 4,164,176	
Total	612,721,663	145,601,207	150,432,604	3.32%	137,725,418	9.23%
EXPENSES						
O & M Expenses	236,127,787	54,987,776	58,880,766		51,250,649	
Debt Principal - Water & Sewer	55,675,000	13,918,750	13,918,749		13,091,249	
Debt Interest - Water & Sewer	64,024,774	16,006,193	15,108,393		13,205,666	
Rate Stabilization - Environmental	-	-	-		(4,029,464)	
R&R - Water & Sewer	30,459,050	7,614,763	7,614,763		7,514,925	
Operating Capital Outlay	67,153,723	-	5,187,161		34,247,339	
Operating Capital Outlay - Capacity/Extension	97,624,133	20,268,451	18,451,249		10,314,935	
Operating Capital Outlay - Environmental	25,015,281	6,253,820	-		5,054,901	
City Contribution Expense	28,439,210	7,109,803	7,109,803		6,733,347	
Uncollectibles & Fees	983,965	245,991	617,750		183,767	
Interlocal Agreements	7,218,740	3,686,654	3,686,654		-	
Total Expenses	612,721,663	130,092,201	130,575,288	-0.37%	137,567,314	5.08%
Total Balance	$ -	$ 15,509,006	$ 19,857,316		$ 158,104	
Sales kgals						
Water	40,584,236	9,660,230	9,532,802	-1.32%	9,776,244	-2.49%
Sewer	36,507,787	8,719,980	8,552,944	-1.92%	8,631,818	-0.91%
Total	77,092,023	18,380,210	18,085,746	-1.60%	18,408,062	-1.75%

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District Energy System

Budget vs. Actual December 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Month BUDGET 2023-24	Month ACTUAL 2023-24	Month Variance %	Prior Year Month ACTUAL 2022-23	Prior Year Month Variance %
REVENUES						
Revenues	$ 12,561,440	$ 993,252	$ 961,696		$ 922,050	
Investment Income	$ -	$ -	$ 11,388		$ 2,502	
Total	12,561,440	993,252	973,084	-2.03%	924,552	5.25%
EXPENSES						
O & M Expenses	5,839,564	462,892	398,223		397,768	
Debt Principal - District Energy System	1,930,000	160,833	160,833		155,833	
Debt Interest - District Energy System	1,954,242	162,854	151,715		115,388	
R&R - District Energy System	643,050	53,587	53,588		37,550	
Operating Capital Outlay	2,194,584	700,000	700,000		600,000	
Total Expenses	12,561,440	1,540,166	1,464,359	4.92%	1,306,539	-12.08%
Total Balance	$ -	$ (546,914)	$ (491,275)		$ (381,987)	

Budget vs. Actual December 2023 and 2022 (unaudited)	ANNUAL BUDGET 2023-24	Year-To-Date BUDGET 2023-24	Year-To-Date ACTUAL 2023-24	Year-To-Date Variance %	Prior-Year-to-Date ACTUAL 2022-23	Prior-Year-to-Date Variance %
REVENUES						
Revenues	$ 12,561,440	$ 3,140,236	$ 3,317,912		$ 3,006,761	
Investment Income	$ -	$ -	$ 43,894		$ 20,106	
Total	12,561,440	3,140,236	3,361,806	7.06%	3,026,867	11.07%
EXPENSES						
O & M Expenses	5,839,564	1,473,602	1,348,445		1,422,141	
Debt Principal - District Energy System	1,930,000	482,500	482,500		467,500	
Debt Interest - District Energy System	1,954,242	488,561	452,714		330,322	
R&R - District Energy System	643,050	160,763	160,763		112,650	
Operating Capital Outlay	2,194,584	700,000	700,000		600,000	
Total Expenses	12,561,440	3,305,426	3,144,422	4.87%	2,932,613	-7.22%
Total Balance	$ -	$ (165,190)	$ 217,384		$ 94,254	