



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

JEA BOARD OF DIRECTORS WORKSHOP

Electric, Water, and Sewer Rate Recommendations

JEA Headquarters | 1st Floor | Room 120-A&B | 225 North Pearl Street, Jacksonville, FL 32202
October 29, 2024 | 9:00 am – 11:00 pm

WELCOME

Meeting Called to Order
Time of Reflection
Adoption of Agenda (Action)

General Joseph DiSalvo, Chair

Safety Briefing

Ted Phillips, Chief Financial Officer

COMMENTS / PRESENTATIONS

Comments from the Public

Public

Council Liaison's Comments

Council Member Michael Boylan

ITEMS FOR BOARD CONSIDERATION

DELIVERING BUSINESS EXCELLENCE

Revenue Requirements & Targets
Electric Rate Recommendations
Water & Sewer Rate Recommendations

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

OTHER BUSINESS AND CLOSING CONSIDERATION

Announcements

- Next Board Meeting - October 29, 2024 - Noon

Adjournment

General Joseph DiSalvo, Chair

INFORMATIONAL MATERIAL

JEA Board Agenda

MEMORANDUM
**JEA Board of Directors Workshop -
Electric, Water, and Sewer Rate Recommendations**

Board Meeting Date: October 29, 2024

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

Victor Blackshear, Director Financial Planning and Rates

Chief:

Ted Phillips, Chief Financial Officer

Strategic Focus
Area:DEVELOPING AN
UNBEATABLE TEAMDELIVERING BUSINESS
EXCELLENCEEARNING CUSTOMER
LOYALTYBackground
Information &
Analysis:

JEA's Pricing Policy's overall philosophy is to provide the advantages of a community-owned utility by delivering high quality, reliable, and exceptional service at fair and competitive rates. In turn, JEA develops a price structure that recovers costs from the appropriate customer classes based on the cost to serve each class utilizing the FY2025 Budget and Three-Year FY2025-2027 Business Plan presented to the Board on June 25, 2024.

JEA recommends rate and structure changes for FY2025 and FY2026 to better align revenue to specific customer class cost recoveries. In FY2025, the mid-year recommendation is to be effective April 1, 2025 to close the revenue gap for the FY25 Board Approved Budget. In FY2026, the full year of rate recommendations to be effective October 1, 2025 is to recover additional cost and reposition the Rate Hearings to occur after the FY2027 budget is presented in Spring of 2026.

Financial
Impact

The Electric System is seeking to recover sufficient revenues to meet the budgeted costs for Fiscal Year 2025 and Fiscal Year 2026 through base rate adjustments. The additional revenues requested from the proposed April 1, 2025 base rate adjustments are approximately \$25.2 million and \$39.7 million for Fiscal Year 2026 from the proposed October 1, 2025 base rate adjustments.

The Water and Sewer System is seeking to recover sufficient revenues to meet the budgeted costs for Fiscal Year 2025 and Fiscal Year 2026 through base rate adjustments. The additional revenues requested from the proposed April 1, 2025, base rate adjustments are approximately \$15.1 million for Fiscal Year 2025 and \$22.8 million for Fiscal Year 2026 from proposed October 1, 2025, base rate adjustments.

Committee/Board Meeting/Workshop & Date Presented:

Finance, Governance, & Audit Committee - August 20, 2024

Appendix: *List appendix items provided*

Board workshop presentation

Board Workshop on Rates Agenda



Water & Sewer System

- ☐ Revenue Requirements
- ☐ Target Rate Revenues
- ☐ Rate Recommendations

Brief Break

Electric System

- ☐ Revenue Requirements
- ☐ Target Rate Revenues
- ☐ Rate Recommendations

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

Our rate design objectives are the continuation JEA's long term rate restructuring plans

Water & Sewer System Rate Workshop



Water & Sewer System: Revenue Requirements Are Growing



JEA's Pricing Policy dictates the rate setting methodology to be Utility Basis to ensure the financial integrity of the utility to maintain key financial metrics.

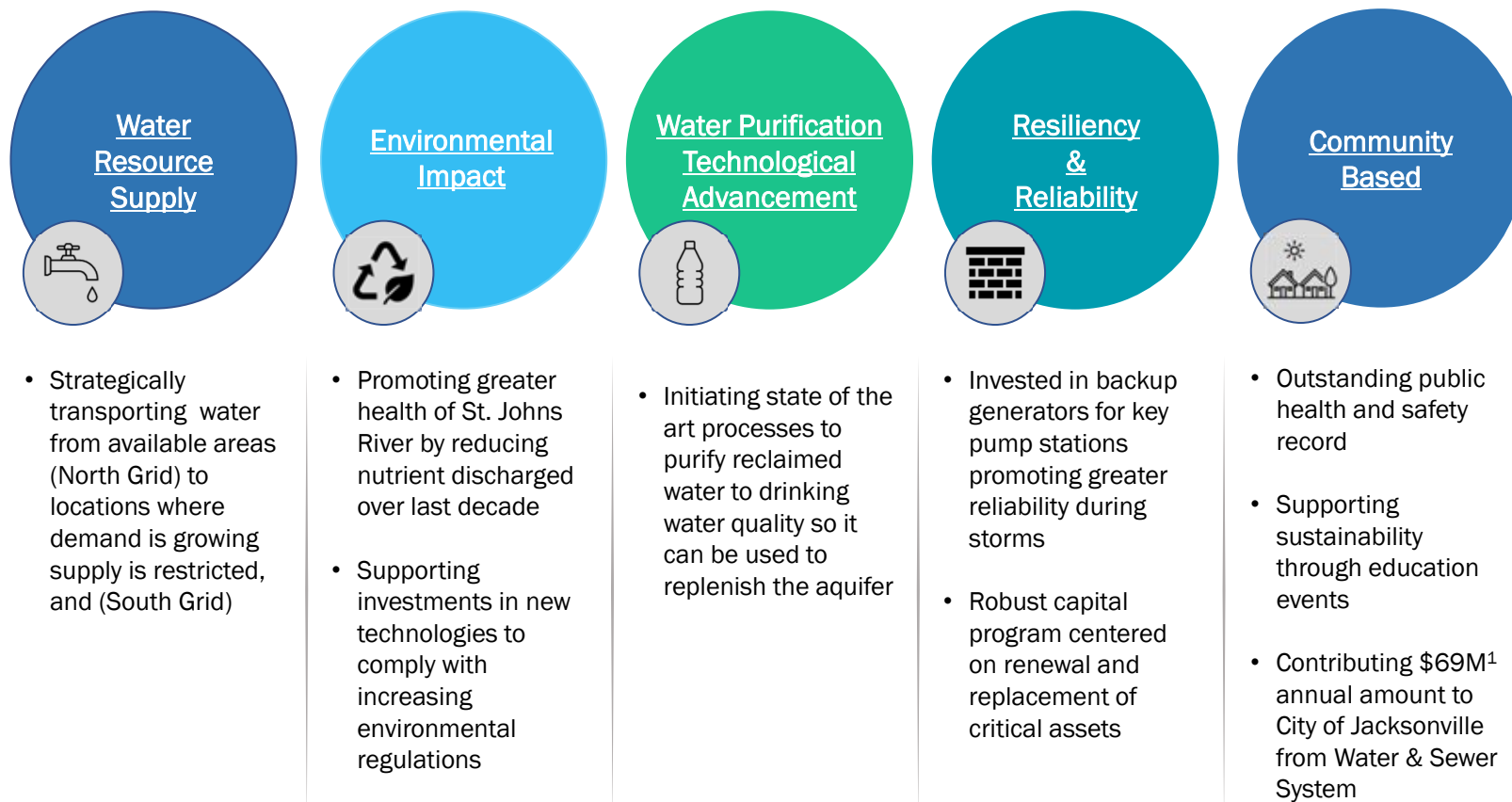
Revenue Requirements (Utility Basis per Pricing Policy)	FY25 Projection (\$ millions)	FY26 Projection (\$ millions)
Operation & Maintenance Expenses	\$263	\$282
Depreciation Expense	\$207	\$225
Contribution To City	\$40	\$39
Other Non-Operating Expenses	\$5	\$5
Return for Reinvestment ¹	\$119	\$134
Gross Revenue Requirement \$M	\$634	\$685
Less Capacity/Extension Revenue	(\$82)	(\$85)
Less Other Revenue Sources ²	(\$30)	(\$30)
Net Revenue Requirement \$M	\$521	\$570

1. Additional funding needed to maintain the system's key financial metrics to ensure JEA's financial integrity.

2. Hauled waste revenue removed from Other Revenue and added to Net Revenue Requirement from Rates

Budgeted Net Revenue Requirements grew \$29M for FY25 and \$49M for FY26

Water & Sewer System: Customer Benefits



¹ JEA projects to transfer \$285M to City of Jacksonville in FY25 in the form of city contribution, public service taxes, and franchise fees from utility customer bills.

There are many drivers for the FY25 & FY26 Revenue Requirements

Water & Sewer System: FY25 Target Revenue



FY25 Revenue Requirements to Projected Revenues with rate class adjustments in April of 2025

	Total System			Residential		Multi-family		Commercial				Irrigation	
FY25 (\$ Millions)	Total System	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer	High Strength	Hauled Waste	Res	Com
Projected Net Revenue Requirements – Cost	\$521.4	\$248.8	\$272.6	\$119.2	\$155.9	\$18.5	\$35.9	\$42.2	\$71.3	\$5.7	\$3.9	\$50.2	\$18.6
Projected Revenue at <u>Current</u> Rates	\$506.3	\$225.9	\$280.3	\$111.5	\$166.0	\$13.2	\$37.3	\$36.3	\$73.3	\$1.7	\$2.0	\$43.2	\$21.8
Projected Under/(Over) Collection (\$)	\$15.2	\$22.8	(\$7.7)	\$7.7	(\$10.1)	\$5.3	(\$1.5)	\$6.0	(\$2.1)	\$4.1	\$1.9	\$7.0	(\$3.2)
Projected Collection to Cost (%)	97%	91%	103%	94%	106%	71%	104%	86%	103%	29%	51%	86%	117%
Proposed % Adjustment Mid-Year	6.0%	14.4%	-0.8%	11.3%	-2.3%	45.1%	-10.2%	27.0%	4.8%	65.0%	29.4%	9.9%	0.0%
Proposed \$ Adjustment Mid-Year	\$15.1	\$16.3	(\$1.2)	\$6.3	(\$1.9)	\$3.0	(\$1.9)	\$4.9	\$1.8	\$0.5	\$0.3	\$2.1	\$0.0
Projected Revenue at <u>New</u> Rates	\$521.4	\$242.2	\$279.1	\$117.8	\$164.1	\$16.2	\$35.4	\$41.2	\$75.1	\$2.2	\$2.3	\$45.3	\$21.8
Adjusted Under/(Over) Collection (\$)	\$0.0	\$6.5	(\$6.5)	\$1.5	(\$8.2)	\$2.4	\$0.4	\$1.1	(\$3.8)	\$3.5	\$1.6	\$4.9	(\$3.2)
Adjusted Collection to Cost (%)	100%	97%	102%	99%	105%	87%	99%	97%	105%	39%	58%	90%	117%

Mid-Year 6% Rate Revenue Adjustment (Annualized 3%) Proposal

Water & Sewer System: FY26 Target Revenue



FY26 Revenue Requirements to Projected Revenues with rate class adjustments in October of 2025

	Total System			Residential		Multi-family		Commercial				Irrigation	
FY26 (\$ Millions)	Total System	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer	High Strength	Hauled Waste	Res	Com
Projected Net Revenue Requirements – Cost	\$570.1	\$268.3	\$301.8	\$127.7	\$176.6	\$18.4	\$38.5	\$43.7	\$77.4	\$5.5	\$3.9	\$56.2	\$22.4
Projected Revenue at <u>FY25</u> Rates	\$547.3	\$263.5	\$283.8	\$126.0	\$167.4	\$19.2	\$33.8	\$46.1	\$77.6	\$2.7	\$2.3	\$49.8	\$22.4
Projected Under/(Over) Collection (\$)	\$22.8	\$4.8	\$18.0	\$1.7	\$9.2	(\$0.8)	\$4.8	(\$2.4)	(\$0.2)	\$2.7	\$1.6	\$6.3	(\$0.0)
Projected Collection to Cost (%)	96%	98%	94%	99%	95%	104%	88%	106%	100%	50%	59%	89%	100%
Proposed % Adjustment Annualized	4.2%	1.8%	6.4%	1.7%	6.9%	0.0%	3.7%	1.2%	3.0%	65.0%	50.0%	1.0%	7.0%
Proposed \$ Adjustment Annualized	\$22.8	\$4.8	\$18.0	\$2.2	\$11.5	\$0.0	\$1.3	\$0.5	\$2.3	\$1.8	\$1.1	\$0.5	\$1.6
Projected Revenue at <u>New</u> Rates	\$570.1	\$268.3	\$301.8	\$128.2	\$178.9	\$19.2	\$35.1	\$46.7	\$79.9	\$4.5	\$3.4	\$50.3	\$23.9
Adjusted Under/(Over) Collection (\$)	(\$0.0)	\$0.0	(\$0.0)	(\$0.5)	(\$2.3)	(\$0.8)	\$3.5	(\$3.0)	(\$2.6)	\$0.9	\$0.5	\$5.8	(\$1.6)
Adjusted Collection to Cost (%)	100%	100%	100%	100%	101%	104%	91%	107%	103%	83%	88%	90%	107%

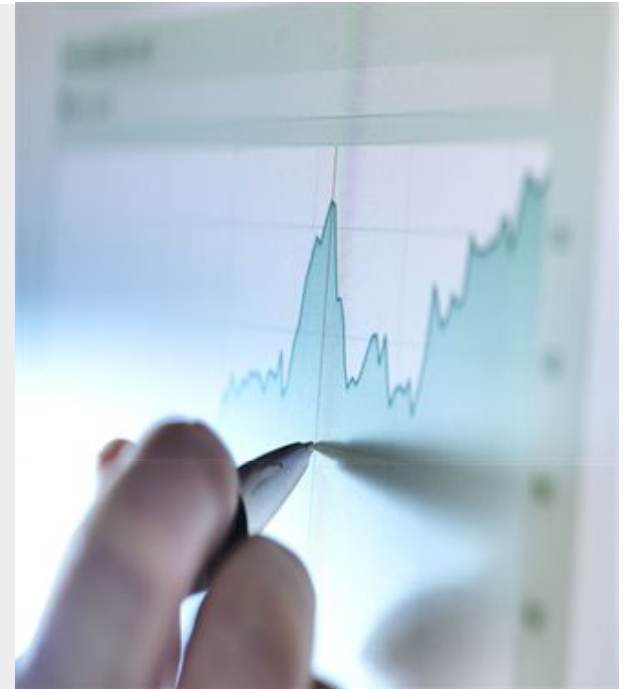
4.2% Rate Revenue Adjustment Proposal

Rate Design and Restructure Recommendation Overview



In addition to rate adjustments to meet revenue requirements, staff recommends the following rate restructures

- Basic Monthly Charge
- Residential Volume Charge Restructure
- Residential Irrigation Volume Charge Restructure
- Multi-family Class Restructure
- Commercial Irrigation Volume Charge Restructure
- Bulk Reclaim Charge Restructure
- Sewer Surcharge
- Hauled Scavenger Waste
- Fire Protection Charge Restructure



Water & Sewer rates have not been adjusted since 2012

Water & Sewer System: Basic Monthly Charge Restructure

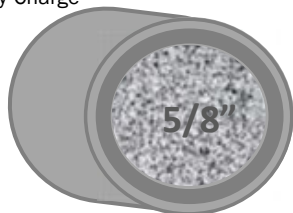


Staff recommendation is to base the Basic Monthly Charge on American Water Works Association scaling factors by meter size to recover 50% of average day costs as well as administrative costs such as customer service, billing and collection, and meter reading equally across all meters.

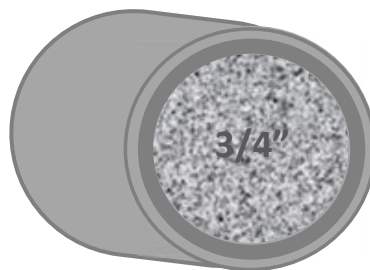
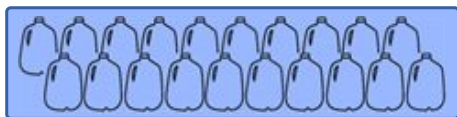
Water BMC* Restructure Examples

Meter Size	Unit Cost – Customer	Unit Cost – Average Day Scaled	Resulting Water BMC
5/8"	\$4.38	\$8.86	\$13.24
3/4"	\$4.38	\$13.29	\$17.67
1"	\$4.38	\$22.15	\$26.53

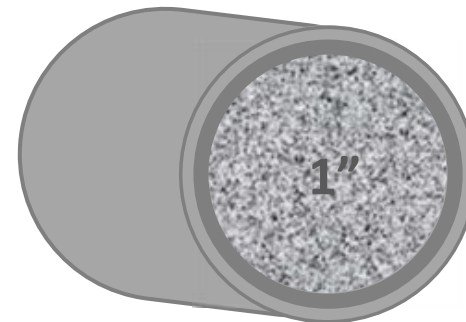
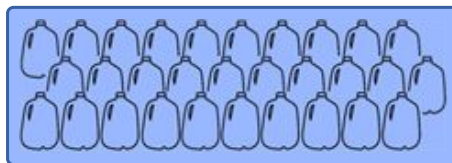
*Basic Monthly Charge



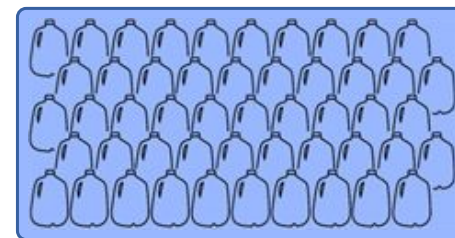
20 Gallons per Minute



30 Gallons per Minute



50 Gallons per Minute



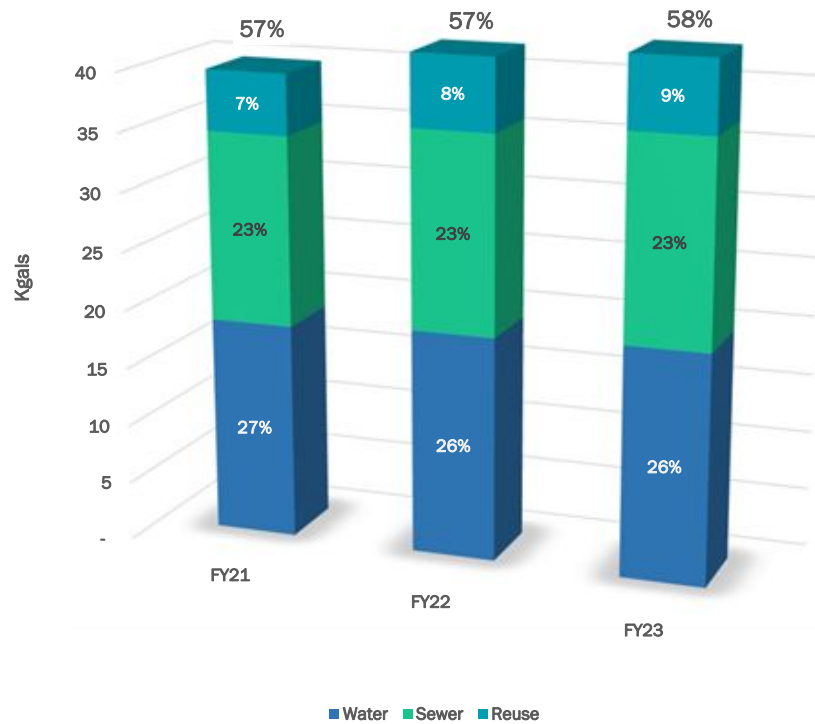
Basic Monthly Charge collects \$4.38/meter + \$8.86 x scaling factor

Residential Customer Overview

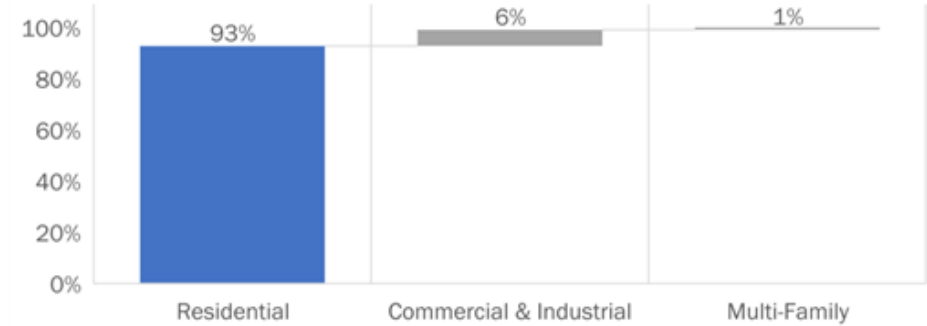
The Residential Class has the most customers of the rate classes



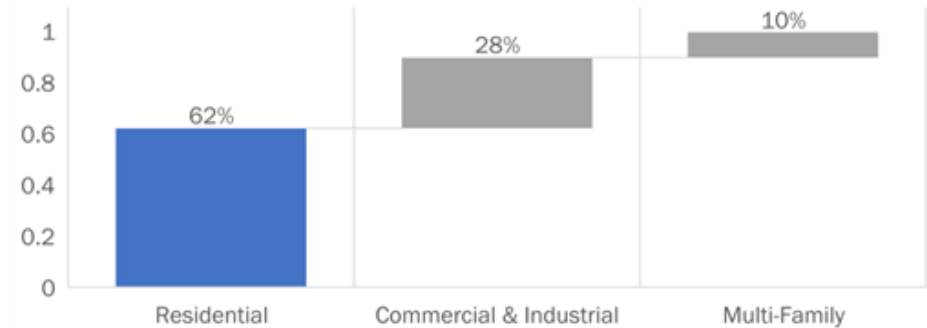
Residential Sales as a Percentage of Total Sales



% of Customers

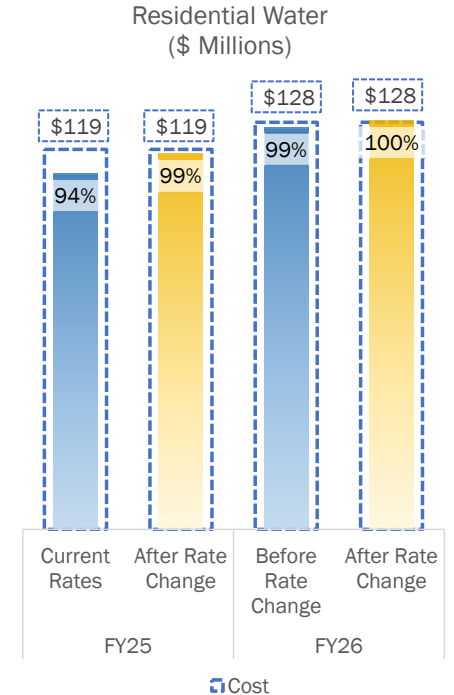
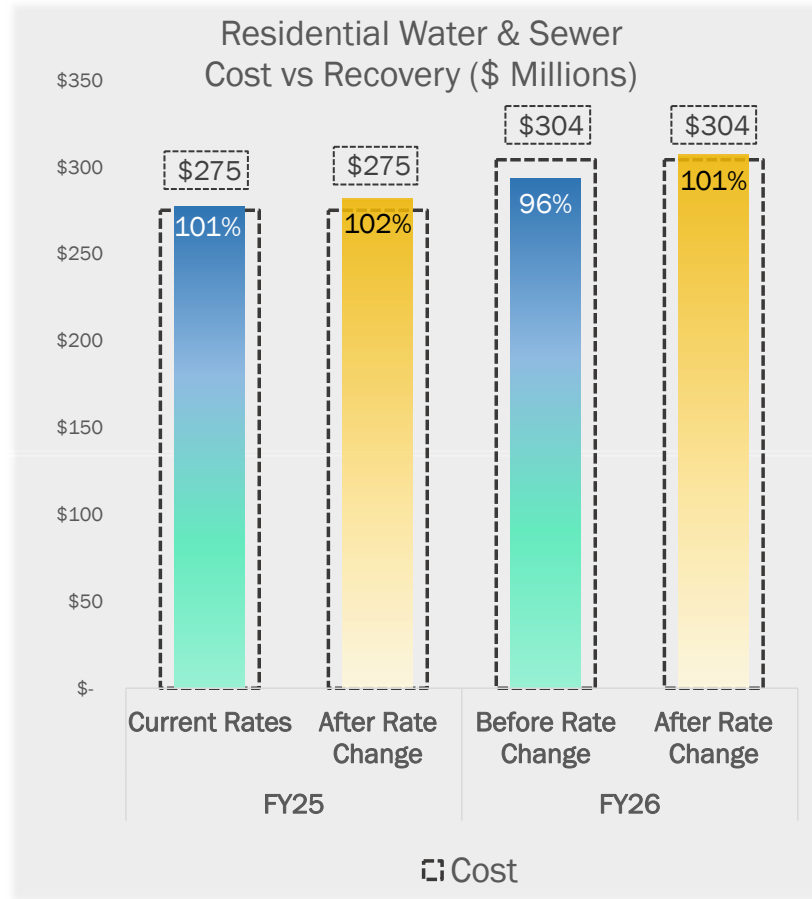
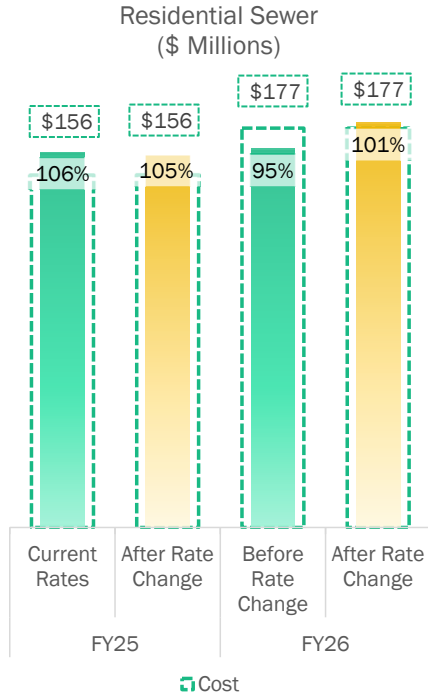


% of Revenues



Residential - 93% of Customers, 62% of Revenues, 58% of Total Unit Sales

Residential Water & Sewer Revenue Requirements



Residential Sewer: FY25 & FY26 Proposed Rates



Proposed Sewer Rates

- Currently the first 6 kgals of residential sewer volumes are priced lower than volumes billed above 6 kgals
- It is common practice to focus on average unit cost to serve across all sewer customer classes and make the volumetric charges uniform. The first-tier lower unit cost for sewer volumes is not supported from cost-of-service principles.
- Recommend removing the 20 kgal sewer billing cap from residential class

Sewer Basic Monthly Charges

Meter Size	Current Rate	New FY25 Rate	\$ Change	New FY26 Rate	\$ Change
5/8"	\$14.10	\$15.86	\$1.76	\$17.03	\$1.16
*3/4"	\$21.15	\$21.61	\$0.46	\$23.37	\$1.76
1"	\$35.25	\$33.10	(\$2.15)	\$36.06	\$2.96
1 1/2"	\$70.50	\$61.83	(\$8.67)	\$67.77	\$5.94
2"	\$112.80	\$96.31	(\$16.49)	\$105.83	\$9.53

*60% of residential sewer customers use this meter size

Monthly Sewer Volume Charges

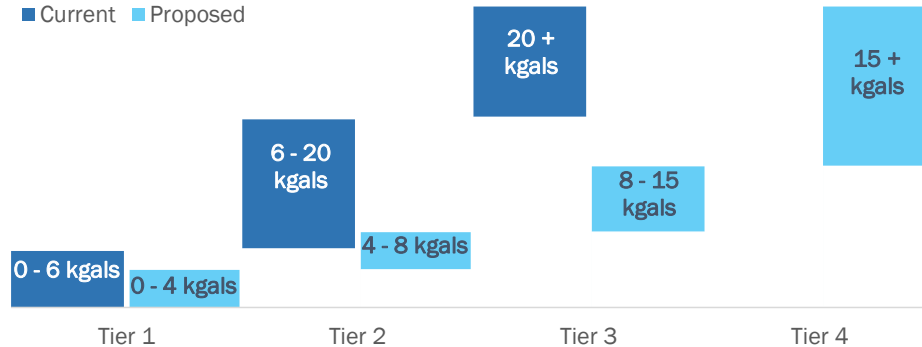
Volume Level	Current Rate	New FY25 Rate	\$ Change	New FY26 Rate	\$ Change
Tier 1*	\$5.31	\$4.88	(\$0.43)	\$5.17	\$0.29
Tier 2*	\$6.39		(\$1.51)		

*Elimination of 20 kgal sewer billing cap

Residential Water: FY25 & FY26 Proposed Rates



■ Current ■ Proposed



Proposed Water Rates

- The first tier was established by using an allowance for typical indoor domestic use of 50.70 gallons per capita per day per data sourced from Residential end uses of water by the Water Research Foundation assuming average 2.5 persons per household.
- The next tier represents an additional allowance for indoor domestic use of larger families.
- The next third tier accommodates for reasonable amounts of discretionary irrigation for typical properties.
- The top tier would be usage over 15,000 gallons.

Water Basic Monthly Charges

Meter Size	Current Rate	New FY25 Rate	\$ Change	New FY26 Rate	\$ Change
5/8"	\$12.60	\$13.24	\$0.64	\$13.60	\$0.36
*3/4"	\$18.90	\$17.67	(\$1.23)	\$18.23	\$0.56
1"	\$31.50	\$26.53	(\$4.97)	\$27.48	\$0.95
1 1/2"	\$63.00	\$48.70	(\$14.30)	\$50.63	\$1.93
2"	\$100.80	\$75.29	(\$25.51)	\$78.40	\$3.11

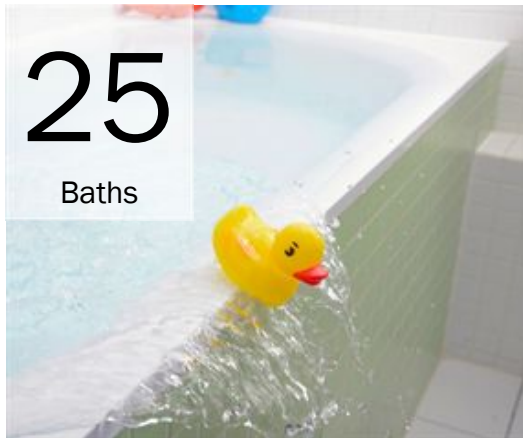
*56% of residential water customers use this meter size

Monthly Water Volume Charges

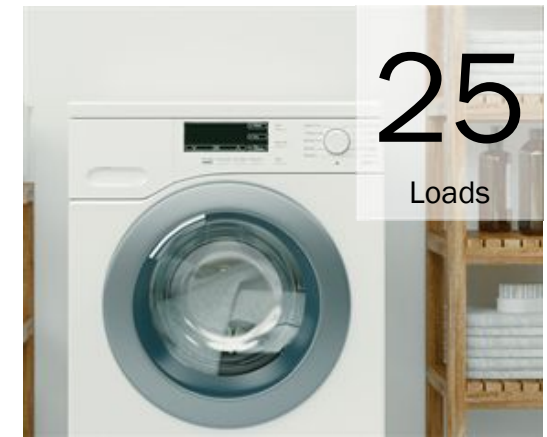
Volume Level	Current Rate	New FY25 Rate	\$ Change	New FY26 Rate	\$ Change
Tier 1*	\$1.30	\$1.34	\$0.04	\$1.34	\$0.00
Tier 2*	\$2.97	\$2.99	\$0.02	\$2.99	\$0.00
Tier 3*	\$5.97	\$5.13	(\$0.84)	\$5.13	\$0.00
Tier 4*		\$6.45	\$0.48	\$6.45	\$0.00

*Changing from 3 tiers to 4 tiers

The Value of JEA's Residential Water Volume Charge

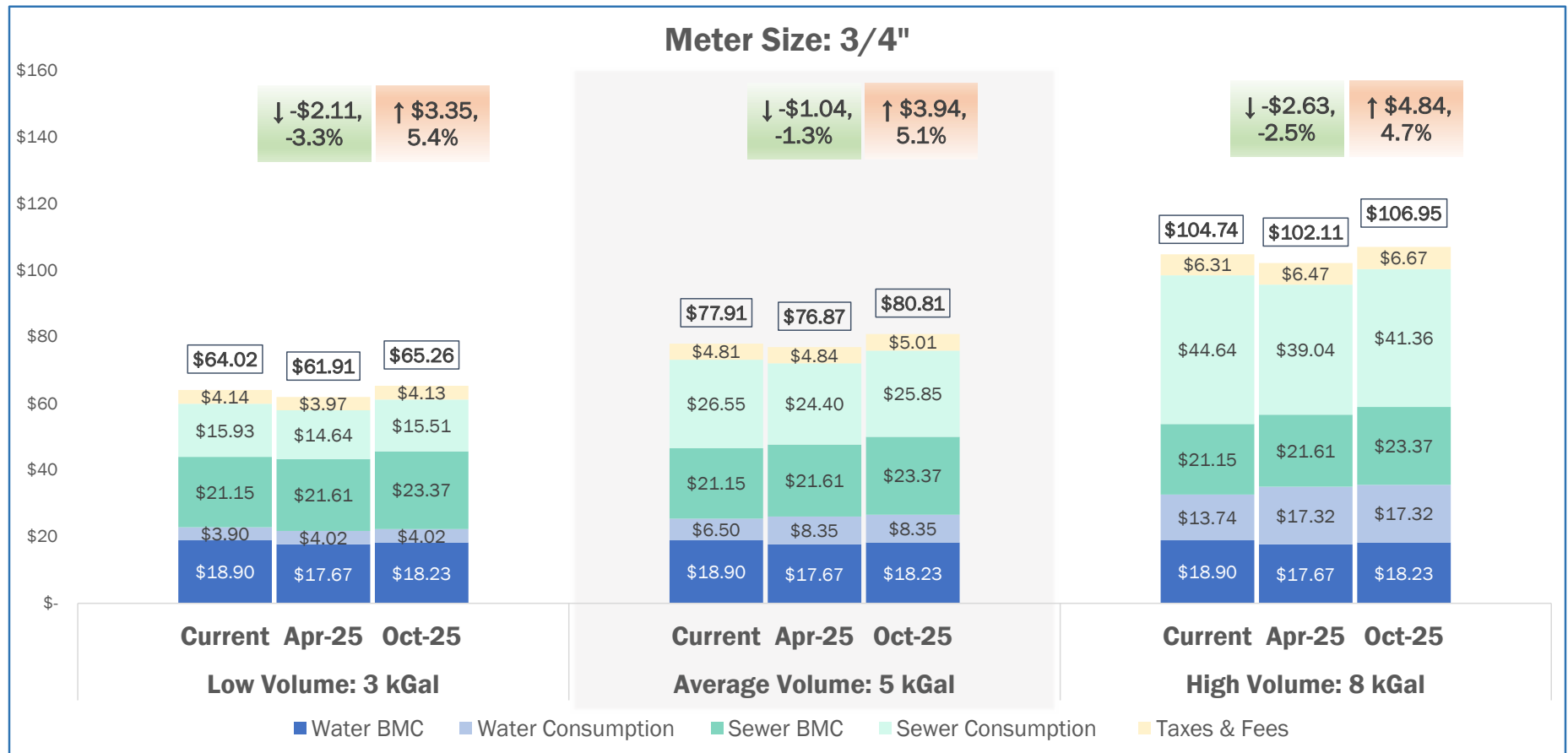


\$1.67 = 1,000 gallons of JEA Water



For less than the price of one bottled water at a convenience store, our customers can do any of these activities

Residential Bill Impacts Example

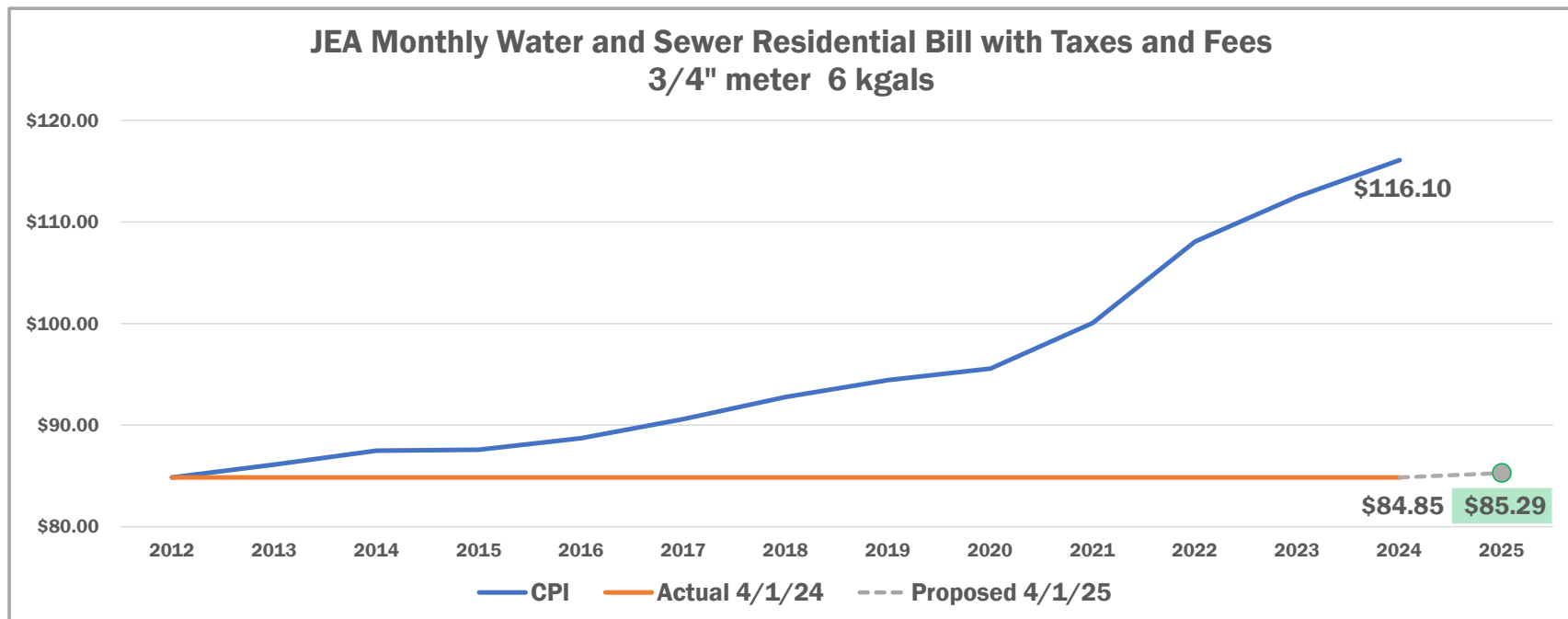


Nearly 336,000 Residential Water Customers & ~302,000 Residential Sewer Customers

JEA's Residential Water & Sewer Rates and Inflation



If JEA had increased residential water and sewer rates consistent with inflation (CPI) since 2012, the typical residential bill would have been 37% higher. The April 1, 2025 rate adjustment for ¾" meter size and 6 kgals of consumption bill will be less than 50 cents higher.

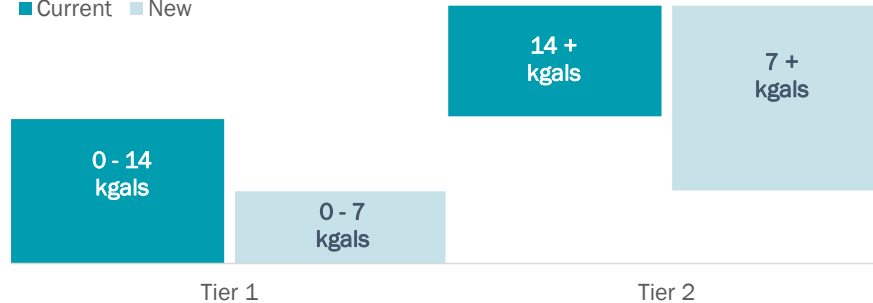


JEA has not raised water and sewer rates since 2012

Residential Irrigation: FY25 & FY26 Proposed Rates



■ Current ■ New



Proposed Residential Irrigation Rates

- Customers with a separate meter for irrigation purposes (including reclaim irrigation) generally exhibit different usage patterns, namely greater peak use behavior, which drives need for larger infrastructure investment.
- The water volumes consumed on the separate irrigation meter are not subject to sewer volume rates.
- The proposed tier structure for irrigation moves the break to 7,000 gallons as this accommodates reasonable amounts of discretionary irrigation for typical properties

Potable Irrigation Basic Monthly Charges

Meter Size	Current Rate	New FY25 Rate	\$ Change	New FY26 Rate	\$ Change
5/8"	\$12.60	\$13.24	\$0.64	\$13.60	\$0.36
* 3/4"	\$18.90	\$17.67	(\$1.23)	\$18.23	\$0.56
1"	\$31.50	\$26.53	(\$4.97)	\$27.48	\$0.95
1 1/2"	\$63.00	\$48.70	(\$14.80)	\$50.63	\$1.93
2"	\$100.80	\$75.29	(\$25.51)	\$78.40	\$3.11

*75% of residential irrigation customers use this meter size

Monthly Potable Irrigation Volume Charges

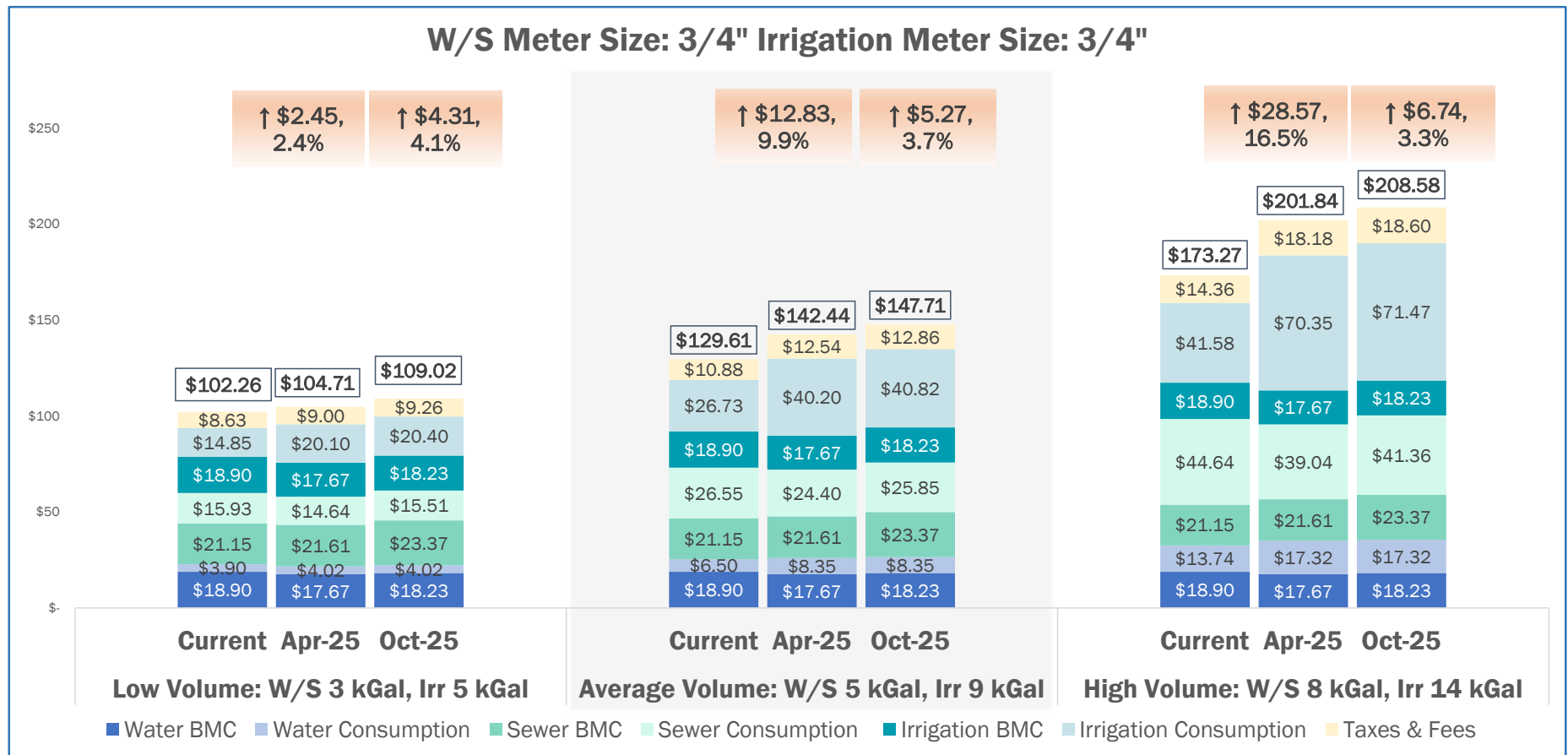
Volume Level	Current Rate	New FY25 Rate	\$ Change	New FY26 Rate	\$ Change
Tier 1	\$2.97	\$4.02	\$1.05	\$4.08	\$0.06
Tier 2	\$5.97	\$6.03	\$0.06	\$6.13	\$0.10

Monthly Retail Reclaim Charges

Reclaim BMC and volume charges remain unchanged

Retail Reclaim charges require further analysis to ensure proper structure and pricing

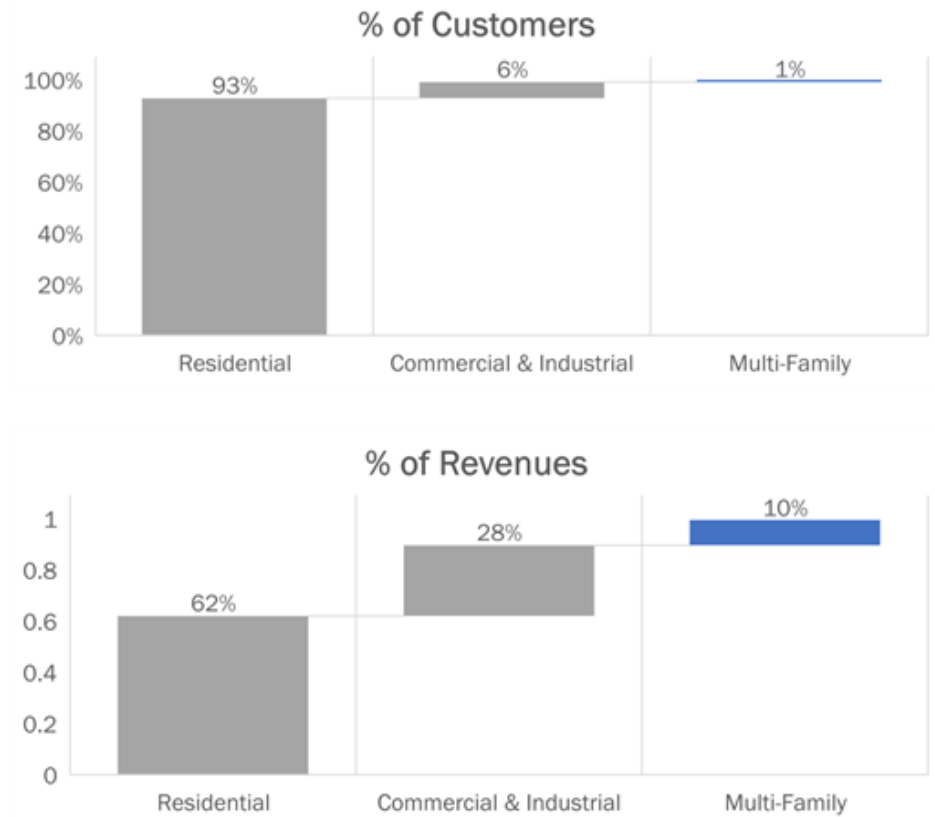
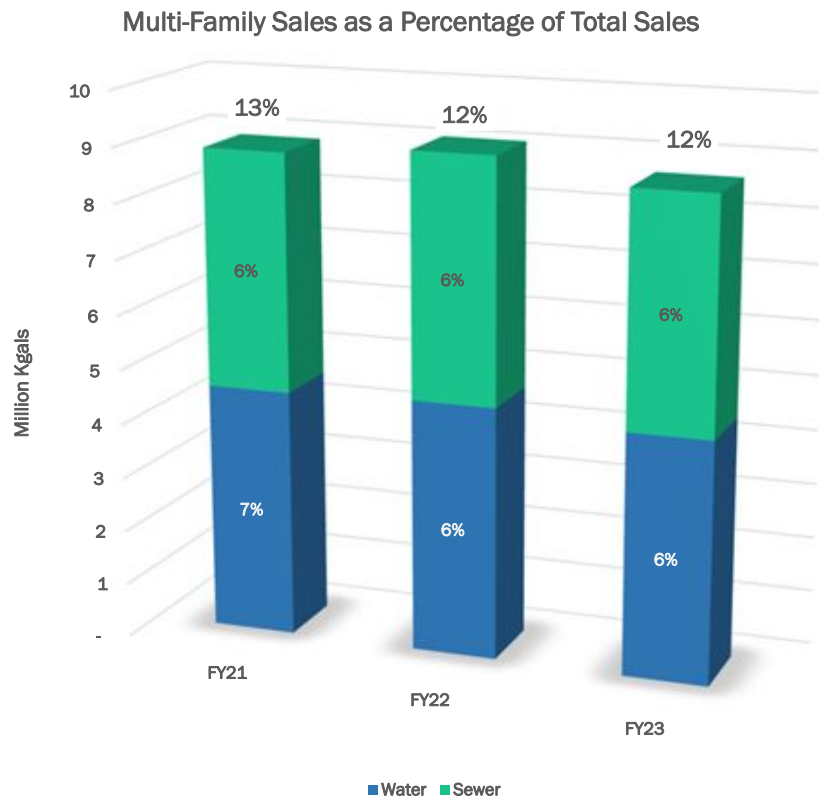
Residential Bill with Potable Irrigation Impacts Example



33,144 Residential Potable Irrigation Customers, Does not include 28,255 Residential Retail Reclaim Irrigation Customers

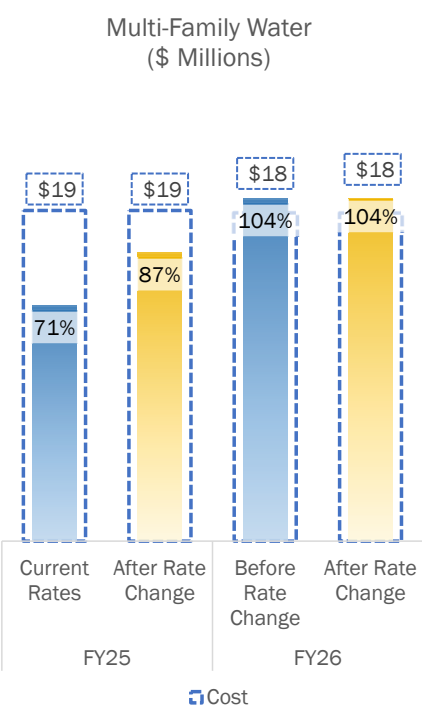
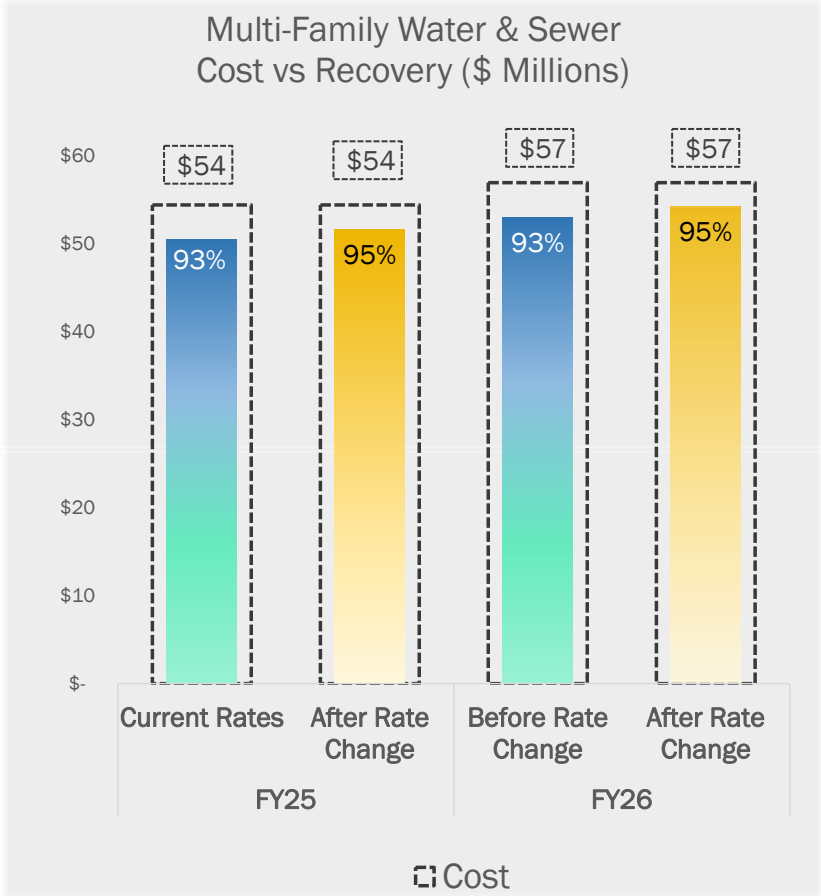
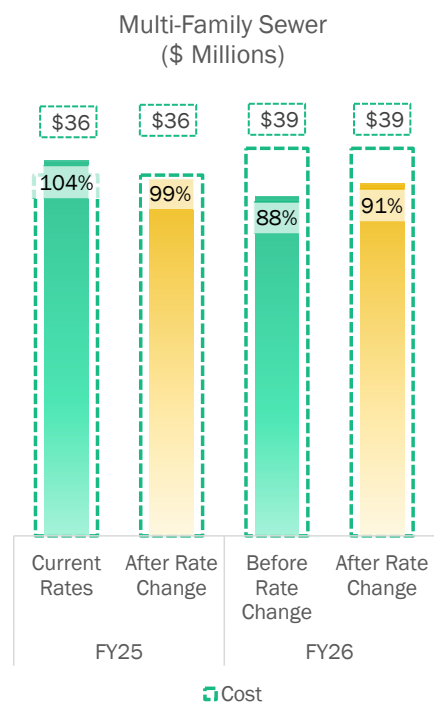
Multi-Family Customer Overview

Multi-Family are designated for when the applicable meter is servicing apartments.



Multi-Family - 1% of Customers, 10% of Revenues, 12% of Total Unit Sales

Multi-Family Water & Sewer Revenue Requirements



Multi-Family Composition Overview



Multi-Family Meter Allocation Breakdown

- Multi-Family water class serves approximately 3,500 customers with varying meter sizes. However, there are many dwelling units behind the metered customer count.
- Approx 73% of Multi-Family customers are 1" or greater and represent 98% of total usage
- Approx 27% of the Multi-Family customers are 5/8" and 3/4" but only represent 2% of total usage – these customers are to be reclassified to residential

Multi-Family Breakdown

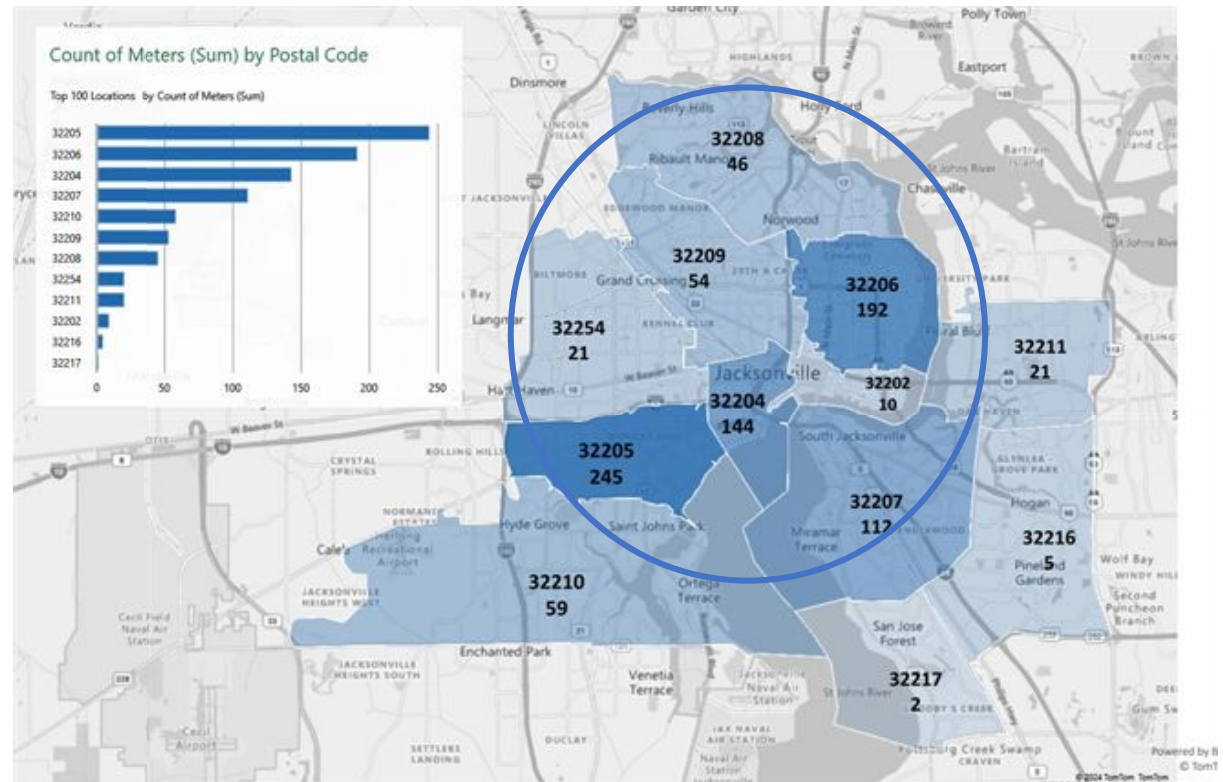
Meter Size	% of Multi-Family by Usage	# of Dwelling Units per Meter	% of Dwelling Units
5/8"	1.5%*	1-4*	91%
3/4"	0.4%*	1-4*	90%
1"	2%	6-100	34%
1 1/2"	6%	6-100	68%
2"	16%	20-500	68%
3"	10%	50-500	89%
4"	8%	50-500	78%
6"	26%	100-500	77%
8"	23%	100-500	89%
10"	7%	100-500	94%

*Reclassification to Residential Rates

Multi-family: FY25 & FY26 Proposed Conversions



- Our research showed that the usage patterns of multi-family customers with 5/8" and 3/4" meter sizes were comparable to the usage patterns of a residential customer.
- Additionally, the number of dwelling units served on these multi-family meter sizes were typically less than four.
- Based on these factors, we recommend reclassifying Multi-Family Accounts with 5/8" and 3/4" meter sizes to Residential Accounts
- The Inner Core (32202, 32204, 32205, 32206, 32207, 32208, 32209, & 32254) makes up 87% of all 5/8" and 3/4" Multi-Family meters



Aligning connections to cost revealed a significant burden on Multi-Family Accounts with smaller meter sizes

5/8" & 3/4" Multi-Family Sewer: FY25 & FY26 Conversion to Residential



Proposed Sewer Rates

- Restructuring 5/8" & 3/4" to residential rates

Rate Re-structure	FY25 Sewer Basic Monthly Charges				FY26 Sewer Basic Monthly Charges			
	Meter Size	Current Rate	New FY25 Rate	\$ Change	Meter Size	FY25 Rate	New FY26 Rate	\$ Change
	*5/8"	\$24.68	\$15.86	(\$8.82)	*5/8"	\$15.86	\$17.03	\$1.16
	*3/4"	\$37.01	\$21.61	(\$15.40)	*3/4"	\$21.61	\$23.37	\$1.76
*26% of multi-family sewer customers use these meter sizes								
	Monthly Sewer Volume Charges				Monthly Sewer Volume Charges			
	Volume Level	Current Rate	New FY25 Rate	\$ Change	Volume Level	FY25 Rate	New FY26 Rate	\$ Change
	Tier 1	\$6.39	\$4.88	(\$1.51)	Tier 1	\$4.88	\$5.17	\$0.29

Reclassification to Residential Rates

5/8" & 3/4" Multi-Family Water: FY25 & FY26 Conversion to Residential



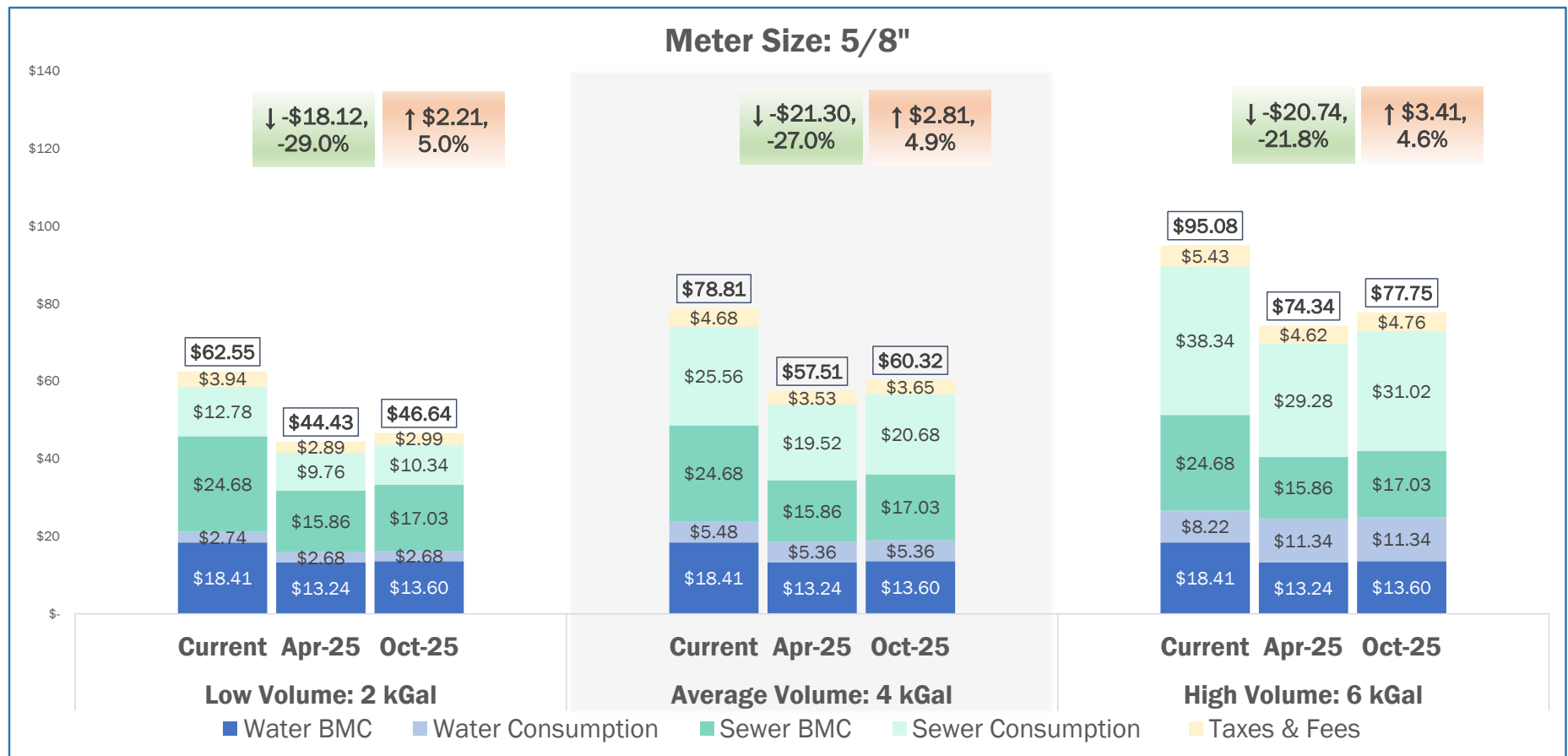
Proposed Water Rates

- Restructuring 5/8" & 3/4" to residential rates

Rate Re-structure	FY25 Water Basic Monthly Charges				FY26 Water Basic Monthly Charges			
	Meter Size	Current Rate	New FY25 Rate	\$ Change	Meter Size	FY25 Rate	New FY26 Rate	\$ Change
	*5/8"	\$18.41	\$13.24	(\$5.17)	*5/8"	\$13.24	\$13.60	\$0.36
	*3/4"	\$27.62	\$17.67	(\$9.95)	*3/4"	\$17.67	\$18.23	\$0.56
	*27% of multi-family water customers use these meter sizes							
	Monthly Water Volume Charges				Monthly Water Volume Charges			
	Volume Level	Current Rate	New FY25 Rate	\$ Change	Volume Level	FY25 Rate	New FY26 Rate	\$ Change
	Tier 1	\$1.37	\$1.34	(\$0.03)	Tier 1	\$1.34	\$1.34	\$0.00
	Tier 2		\$2.99	\$1.62	Tier 2	\$2.99	\$2.99	\$0.00
	Tier 3		\$5.13	\$3.76	Tier 3	\$5.13	\$5.13	\$0.00
	Tier 4		\$6.45	\$5.08	Tier 4	\$6.45	\$6.45	\$0.00

Reclassification to Residential Rates

Small Multi-Family to Residential Bill Impact Example



< 1,000 Water Conversions & < 900 Sewer Conversions

Multi-Family Sewer: FY25 & FY26 Proposed Rates



FY25 Sewer Basic Monthly Charges

Meter Size	Current Rate	New FY25 Rate	\$ Change
1"	\$61.69	\$79.69	\$18.00
* 1 1/2"	\$123.38	\$155.01	\$31.63
2"	\$197.40	\$245.39	\$47.99
3"	\$394.80	\$531.60	\$136.80
4"	\$616.88	\$908.20	\$291.32
6"	\$1,233.75	\$2,037.98	\$804.23
8"	\$1,974.00	\$2,414.57	\$440.57
10"	\$2,837.63	\$6,331.15	\$3,493.52

FY26 Sewer Basic Monthly Charges

Meter Size	FY25 Rate	New FY26 Rate	\$ Change
1"	\$79.69	\$79.69	\$0.00
* 1 1/2"	\$155.01	\$155.01	\$0.00
2"	\$245.39	\$245.39	\$0.00
3"	\$531.60	\$531.60	\$0.00
4"	\$908.20	\$908.20	\$0.00
6"	\$2,037.98	\$2,037.98	\$0.00
8"	\$2,414.57	\$2,414.57	\$0.00
10"	\$6,331.15	\$6,331.15	\$0.00

*33% of remaining multi-family sewer customers use this meter size

Monthly Sewer Volume Charges

Volume Level	Current Rate	New FY25 Rate	\$ Change
Tier 1	\$6.39	\$4.88	(\$1.51)

Monthly Sewer Volume Charges

Volume Level	FY25 Rate	New FY26 Rate	\$ Change
Tier 1	\$4.88	\$5.17	\$0.29

Multi-Family Water: FY25 & FY26 Proposed Rates



FY25 Water Basic Monthly Charges

Meter Size	Current Rate	New FY25 Rate	\$ Change
1"	\$46.03	\$51.93	\$5.90
* 1 1/2"	\$92.05	\$99.48	\$7.43
2"	\$147.28	\$156.55	\$9.27
3"	\$294.56	\$337.26	\$42.70
4"	\$460.25	\$575.04	\$114.79
6"	\$920.50	\$1,288.39	\$367.89
8"	\$1,472.80	\$1,526.17	\$53.37
10"	\$2,117.15	\$3,999.08	\$1,881.93

FY26 Water Basic Monthly Charges

Meter Size	FY25 Rate	New FY26 Rate	\$ Change
1"	\$51.93	\$51.93	\$0.00
* 1 1/2"	\$99.48	\$99.48	\$0.00
2"	\$156.55	\$156.55	\$0.00
3"	\$337.26	\$337.26	\$0.00
4"	\$575.04	\$575.04	\$0.00
6"	\$1,288.39	\$1,288.39	\$0.00
8"	\$1,526.17	\$1,526.17	\$0.00
10"	\$3,999.08	\$3,999.08	\$0.00

*32% of remaining multi-family water customers use this meter size

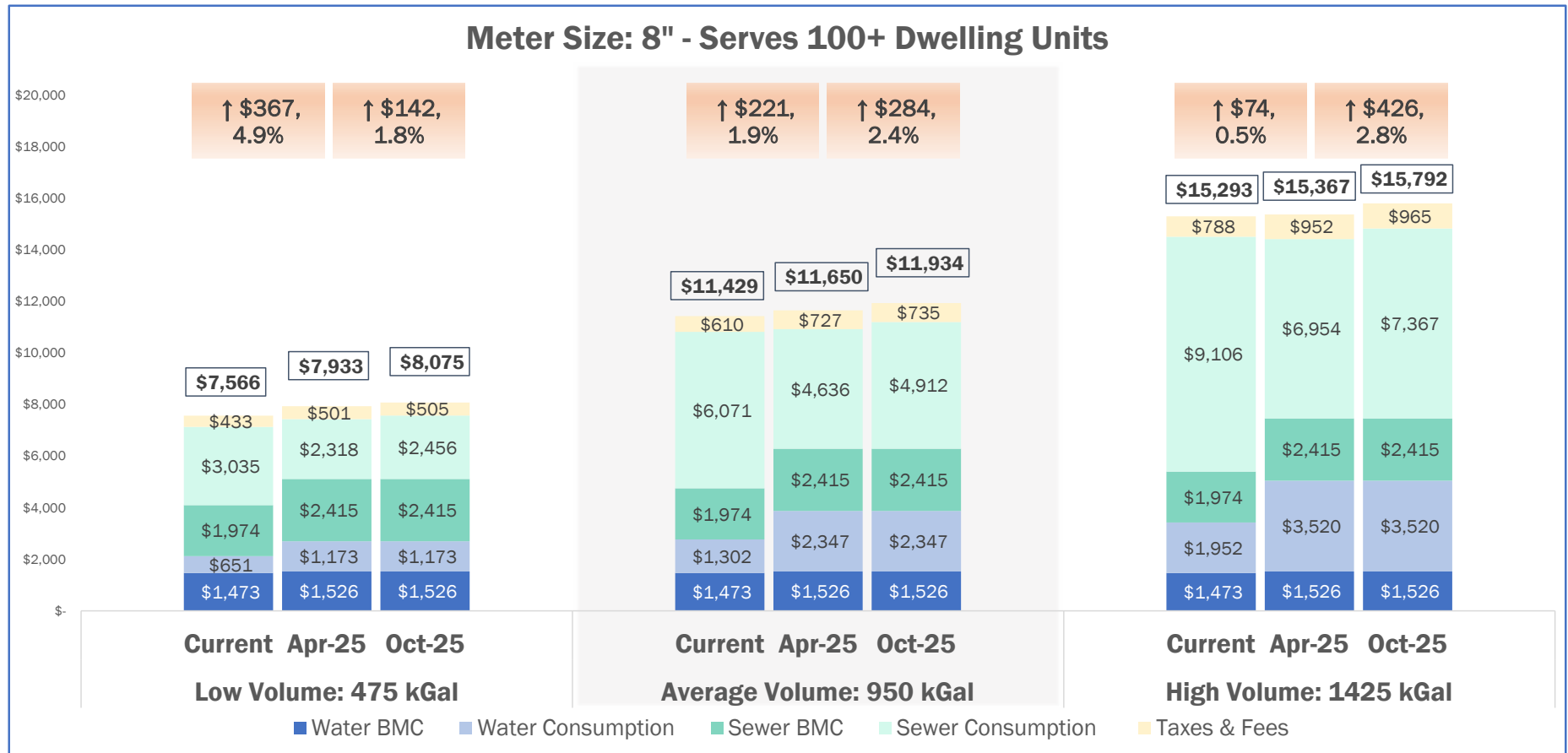
Monthly Water Volume Charges

Volume Level	Current Rate	New FY25 Rate	\$ Change
Tier 1	\$1.37	\$2.47	\$1.10

Monthly Water Volume Charges

Volume Level	FY25 Rate	New FY26 Rate	\$ Change
Tier 1	\$2.47	\$2.47	\$0.00

Multi-Family Bill Impacts Example

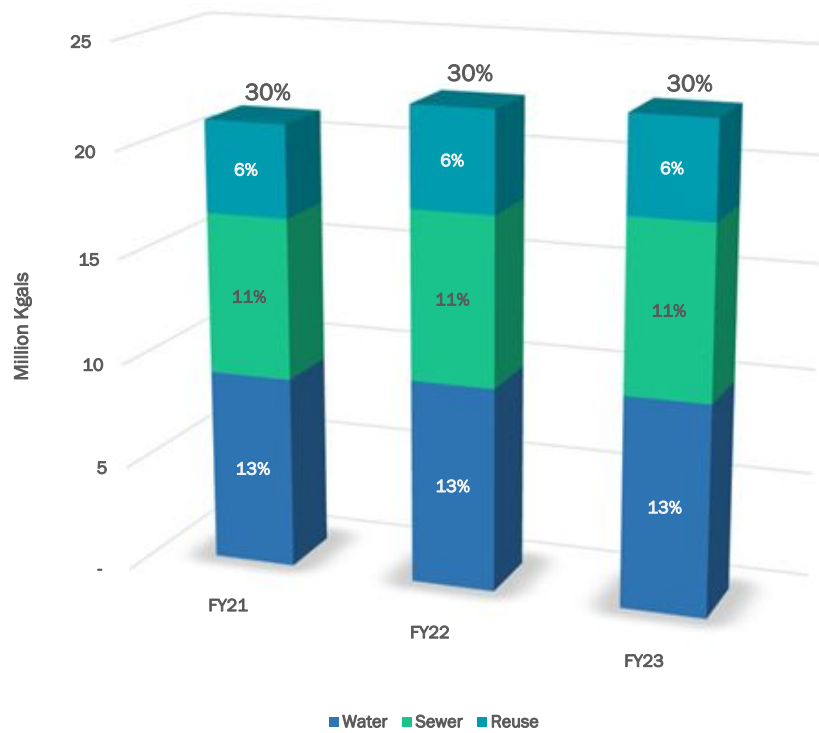


~ 2,500 Multi-Family Customers

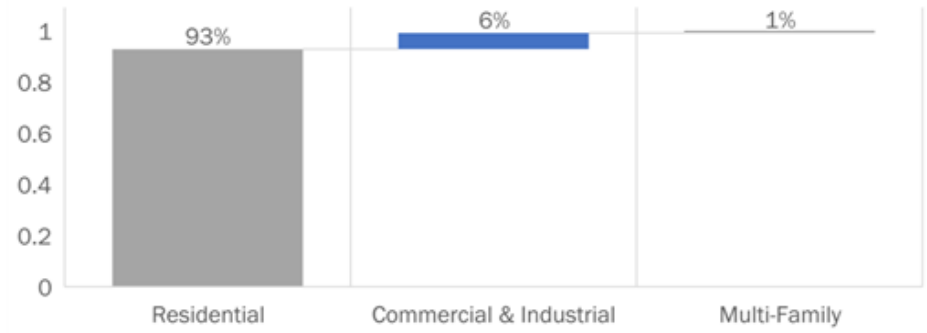
Commercial Customer Overview



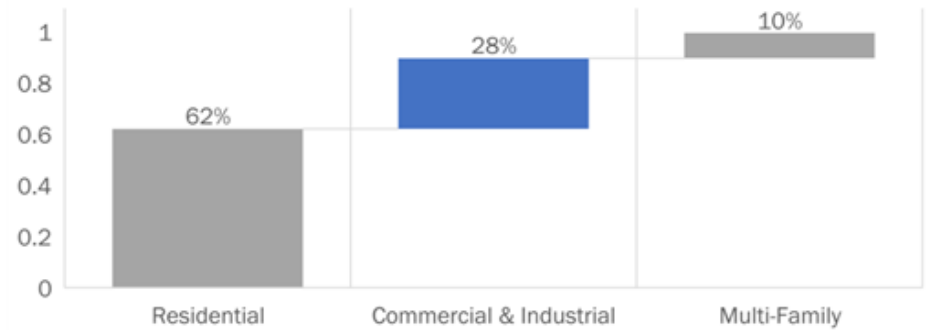
Commercial & Industrial Sales as a Percentage of Total Sales



% of Customers

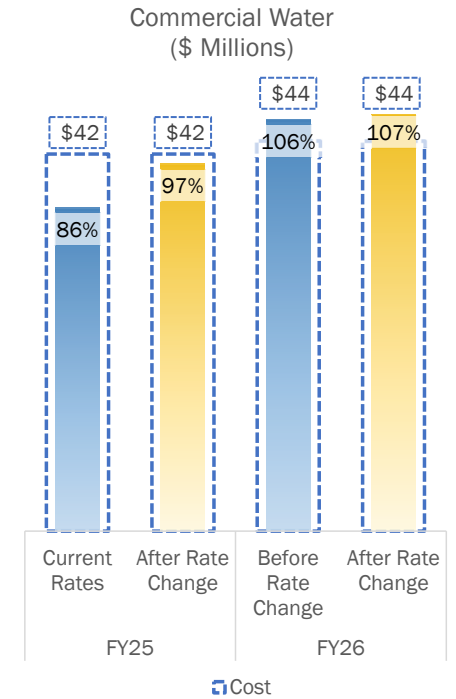
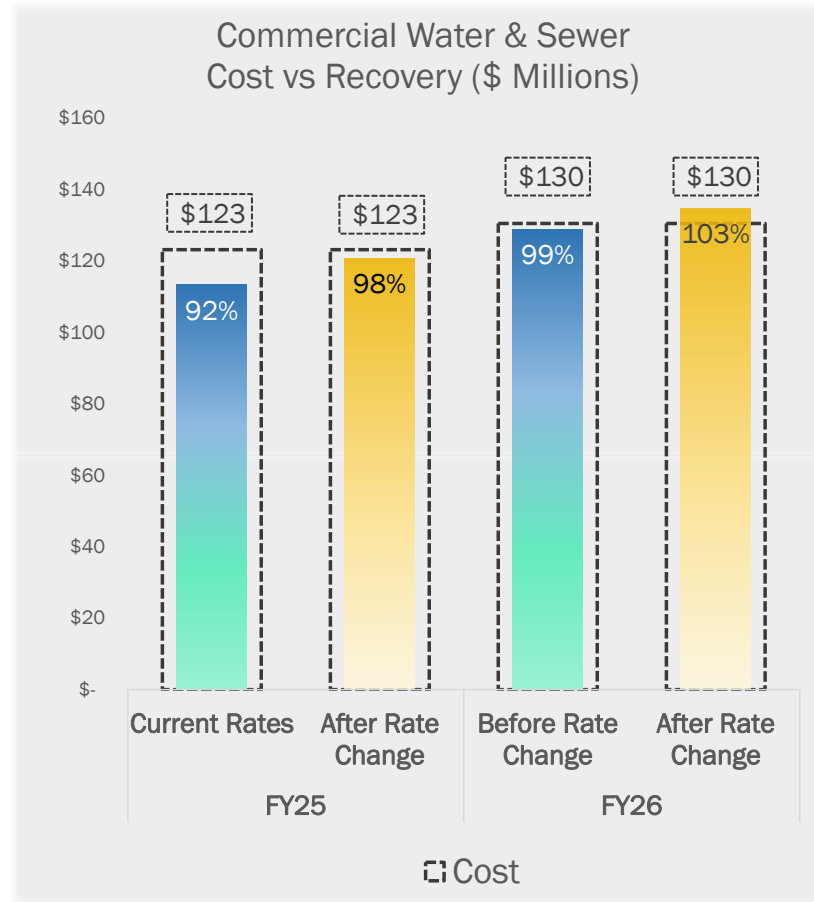
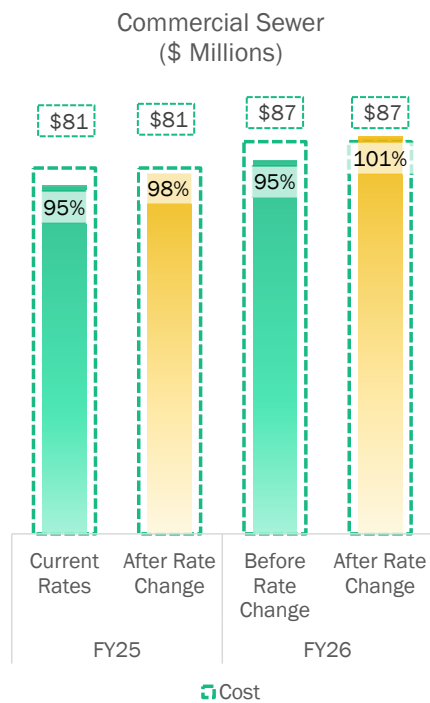


% of Revenues



Commercial & Industrial - 6% of Customers, 28% of Revenues, 30% of Total Unit Sales

Commercial Water & Sewer Revenue Requirements



Commercial Sewer: FY25 & FY26 Proposed Rates



FY25

Sewer Basic Monthly Charges

Meter Size	Current Rate	New FY25 Rate	\$ Change
5/8"	\$21.15	\$37.08	\$15.93
3/4"	\$31.73	\$53.43	\$21.70
* 1"	\$52.88	\$86.14	\$33.26
1 1/2"	\$105.75	\$167.90	\$62.15
2"	\$169.20	\$266.03	\$96.83
3"	\$338.40	\$576.74	\$238.34
4"	\$528.75	\$985.58	\$456.83
6"	\$1,057.50	\$2,212.09	\$1,154.59
8"	\$1,692.00	\$2,620.92	\$928.92
10"	\$2,432.25	\$6,872.82	\$4,440.57
12"	\$4,547.25	\$8,671.70	\$4,124.45
20"	\$9,517.50	\$12,163.62	\$2,646.12

FY26

Sewer Basic Monthly Charges

Meter Size	FY25 Rate	New FY26 Rate	\$ Change
5/8"	\$37.08	\$37.08	\$0.00
3/4"	\$53.43	\$53.43	\$0.00
* 1"	\$86.14	\$86.14	\$0.00
1 1/2"	\$167.90	\$167.90	\$0.00
2"	\$266.03	\$266.03	\$0.00
3"	\$576.74	\$576.74	\$0.00
4"	\$985.58	\$985.58	\$0.00
6"	\$2,212.09	\$2,212.09	\$0.00
8"	\$2,620.92	\$2,620.92	\$0.00
10"	\$6,872.82	\$6,872.82	\$0.00
12"	\$8,671.70	\$8,671.70	\$0.00
20"	\$12,163.62	\$12,163.62	\$0.00

Monthly Sewer Volume Charges

Volume Level	Current Rate	New FY25 Rate	\$ Change
Tier 1	\$6.39	\$4.88	(\$1.51)

*23% of commercial sewer customers use this meter size

Monthly Sewer Volume Charges

Volume Level	FY25 Rate	New FY26 Rate	\$ Change
Tier 1	\$4.88	\$5.17	\$0.29

Commercial Water: FY25 & FY26 Proposed Rates



FY25

Water Basic Monthly Charges

Meter Size	Current Rate	New FY25 Rate	\$ Change
5/8"	\$12.60	\$13.24	\$0.64
3/4"	\$18.90	\$17.67	(\$1.23)
*1"	\$31.50	\$26.53	(\$4.97)
1 1/2"	\$63.00	\$48.70	(\$14.80)
2"	\$100.80	\$75.29	(\$25.51)
3"	\$201.60	\$159.52	(\$42.08)
4"	\$315.00	\$270.34	(\$44.66)
6"	\$630.00	\$602.79	(\$27.21)
8"	\$1,008.00	\$713.61	(\$294.94)
10"	\$1,974.55	\$1,866.13	(\$108.42)
12"	\$3,691.55	\$2,353.73	(\$1,337.82)
20"	\$7,726.50	\$4,706.00	(\$3,020.50)

FY26

Water Basic Monthly Charges

Meter Size	FY25 Rate	New FY26 Rate	\$ Change
5/8"	\$13.24	\$13.60	\$0.36
3/4"	\$17.67	\$18.23	\$0.56
*1"	\$26.53	\$27.48	\$0.95
1 1/2"	\$48.70	\$50.63	\$1.93
2"	\$75.29	\$78.40	\$3.11
3"	\$159.52	\$166.35	\$6.84
4"	\$270.34	\$282.08	\$11.74
6"	\$602.79	\$629.25	\$26.45
8"	\$713.61	\$744.97	\$31.36
10"	\$1,866.13	\$1,948.50	\$82.37
12"	\$2,353.73	\$2,457.68	\$103.95
20"	\$4,706.00	\$4,706.00	\$0.00

Monthly Water Volume Charges

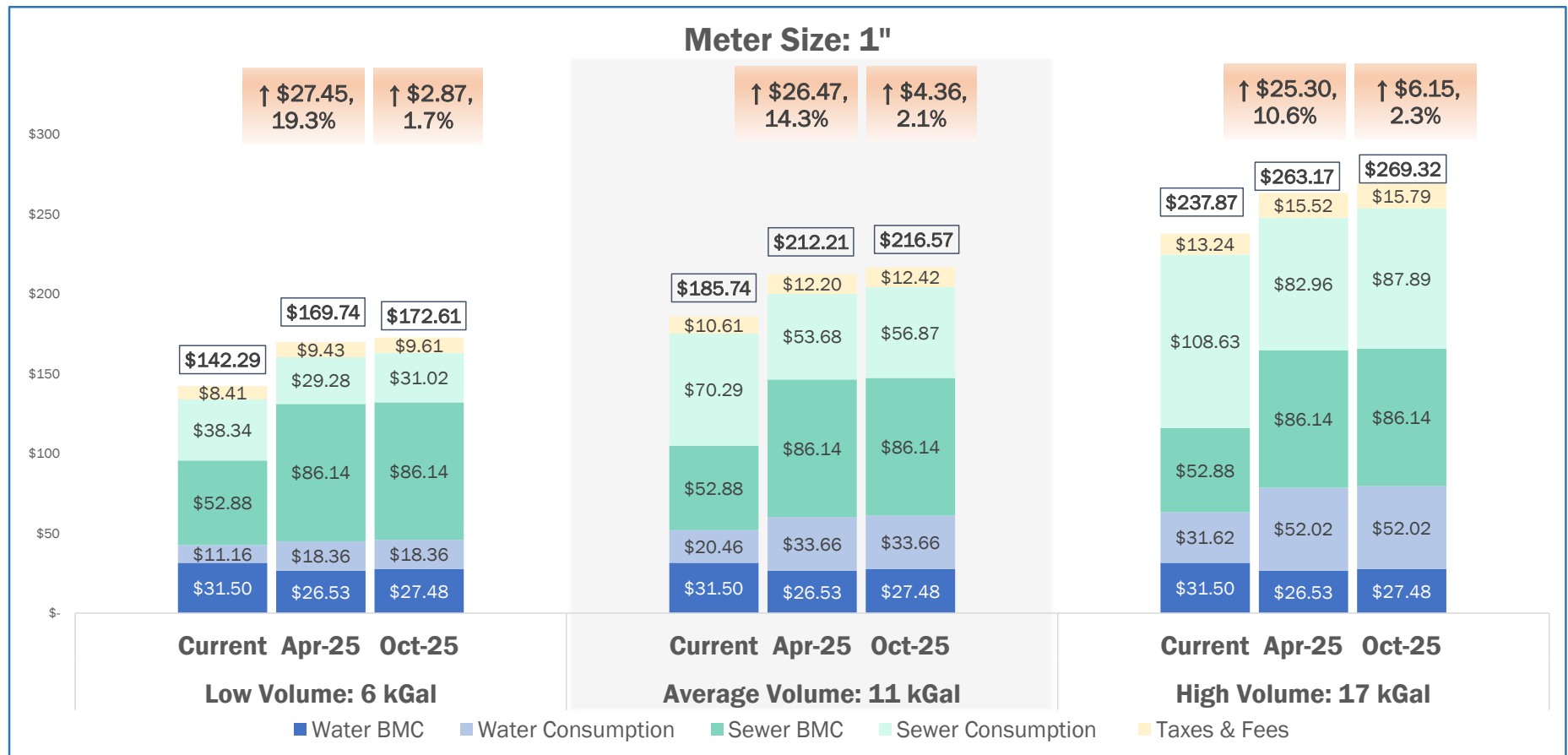
*23% of commercial water customers use this meter size

Volume Level	Current Rate	New FY25 Rate	\$ Change
Tier 1	\$1.86	\$3.06	\$1.20

Monthly Water Volume Charges

Volume Level	FY25 Rate	New FY26 Rate	\$ Change
Tier 1	\$3.06	\$3.06	\$0.00

Commercial Bill Impacts Example

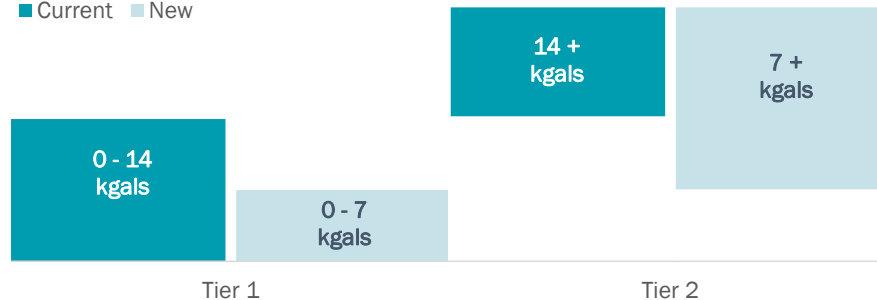


~ 20,000 Commercial Customers

Commercial Irrigation: FY25 & FY26 Proposed Rates



■ Current ■ New



Proposed Commercial Irrigation Rates

- Commercial customers with a separate meter for irrigation purposes (including reclaim irrigation) vary in property size and usage profile more than residential irrigation class.
- The current tier structure for irrigation usage includes an inclining block with a break at 14,000 gallons and recommend tiering at 7,000 gallons.
- 90%+ of commercial irrigation volume is above 7,000 gallons per month.
- The water volumes consumed on the separate irrigation meter are not subject to sewer volume rates.

Potable Irrigation Basic Monthly Charges

Meter Size	Current Rate	New FY25 Rate	\$ Change	New FY26 Rate	\$ Change
5/8"	\$12.60	\$13.24	\$0.64	\$13.60	\$0.36
3/4"	\$18.90	\$17.67	(\$1.23)	\$18.23	\$0.56
*1"	\$31.50	\$26.53	(\$4.97)	\$27.48	\$0.95
1 1/2"	\$63.00	\$48.70	(\$14.80)	\$50.63	\$1.93
2"	\$100.80	\$75.29	(\$25.51)	\$78.40	\$3.11
3"	\$201.60	\$159.52	(\$42.08)	\$166.35	\$6.84
4"	\$315.00	\$270.34	(\$44.66)	\$282.08	\$11.74
6"	\$630.00	\$602.79	(\$27.21)	\$629.25	\$26.45
8"	\$1,008.00	\$713.61	(\$294.39)	\$744.97	\$31.36

*43% of commercial irrigation customers use this meter size

Monthly Irrigation Potable Volume Charges

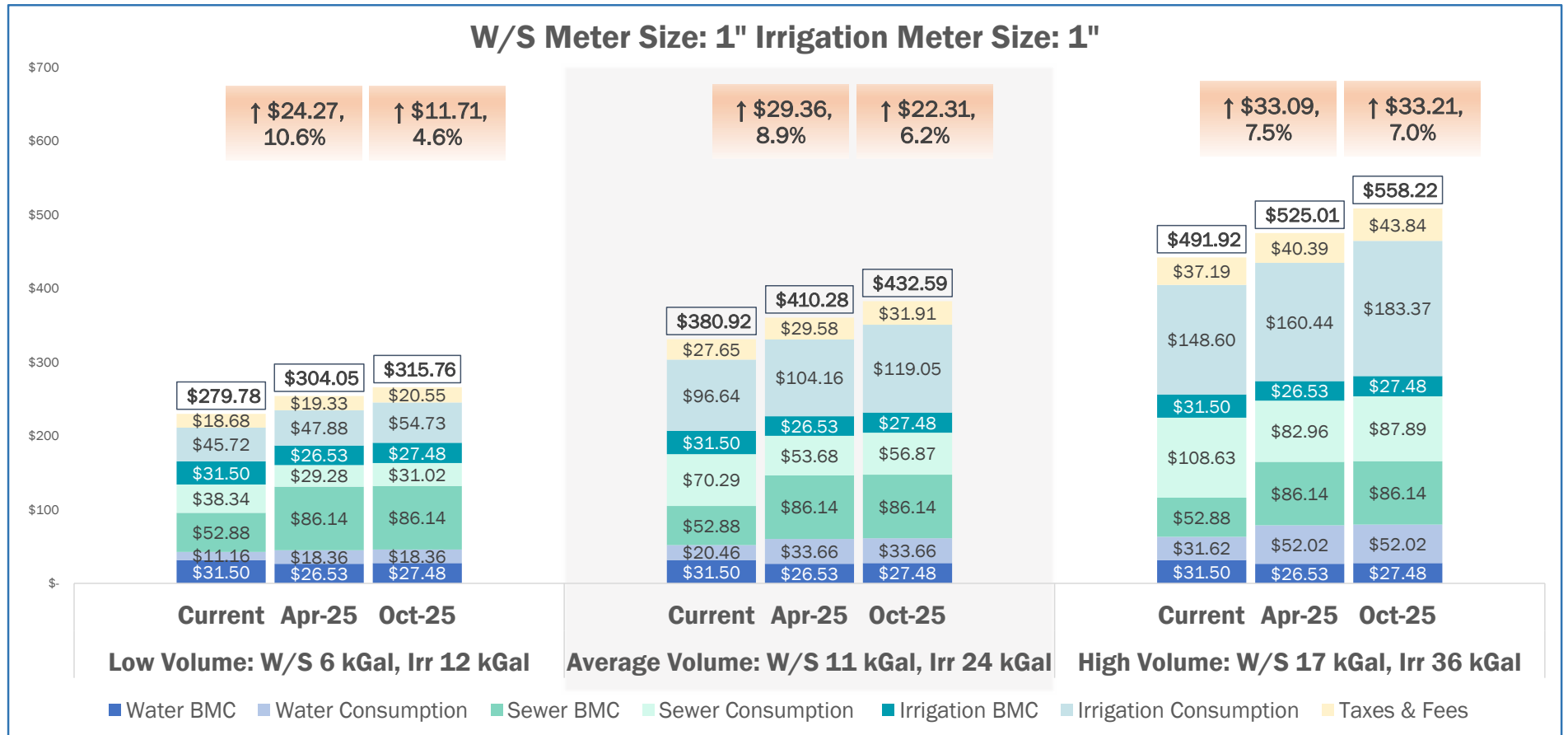
Volume Level	Current Rate	New FY25 Rate	\$ Change	New FY26 Rate	\$ Change
Tier 1	\$3.81	\$3.49	(\$0.32)	\$3.99	\$0.50
Tier 2	\$4.33	\$4.69	\$0.36	\$5.36	\$0.67

Monthly Reclaim Charges

Reclaim BMC and volume charges remain unchanged

Retail Reclaim charges require further analysis to ensure proper structure and pricing

Commercial Bill Impacts with Irrigation Example



5,699 Commercial Irrigation Customers, Does not include 1,026 Commercial Retail Reclaim Customers

FY25 & FY26 Sewer Surcharge, Hauled Waste, Bulk Reclaim, and Fire Protection Rate Recommendations

Recommendation - Update Sewer Surcharge Rates



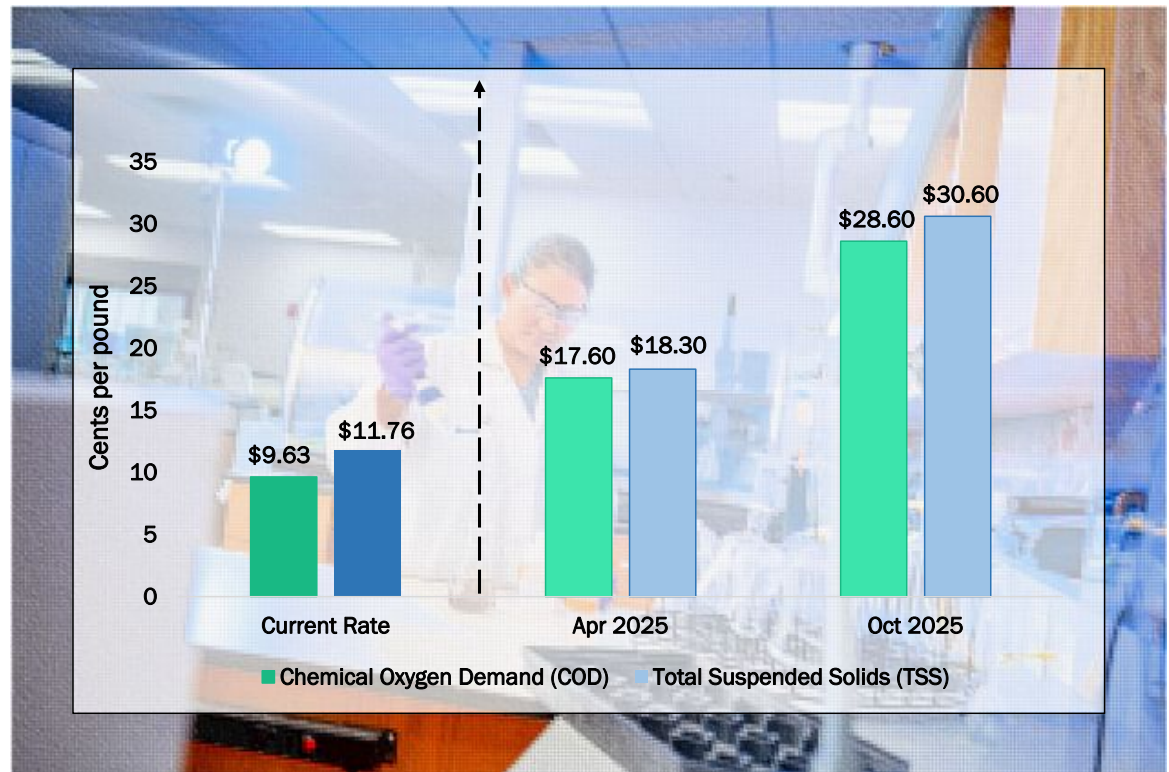
Sewer surcharges are applied to monitored customers that have sewer strength that is higher than domestic strength.

- Domestic strength sewer has been characterized by JEA as having over 650mg/L chemical oxygen demand (COD) or 300mg/L total suspended solids (TSS) nutrient levels.

Assigning a fee for sewer volumes containing strength higher than the domestic levels properly recovers JEA's cost of managing the treatment of this waste.

- 110 Accounts concentrated currently on top ~20 industrial users

The proposal to bring revenues closer to cost for the treatment of high strength sewer adds approx. \$2.3M.



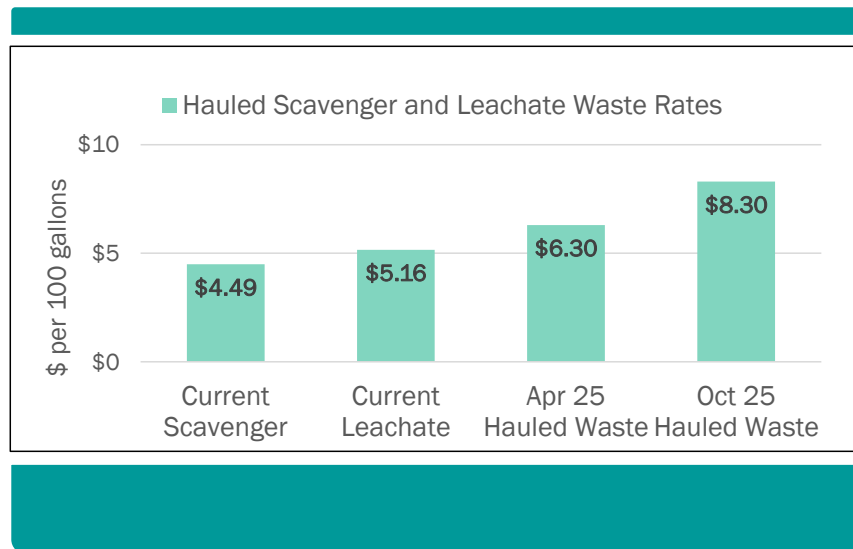
Current revenue: \$1.7M / year

Recommendation - Update Hauled Scavenger Waste Rates



Hauled waste from landfills known as leachate and other scavenger waste that deal with septic removal, stormwater management, plumbing, portable toilet hauling, as well as other environmental management activities around the community is delivered JEA's Buckman Wastewater Treatment Facility. (16 customers including COJ)

The proposal to bring revenues to cost for the treatment of all hauled waste streams adds under \$1.5M.



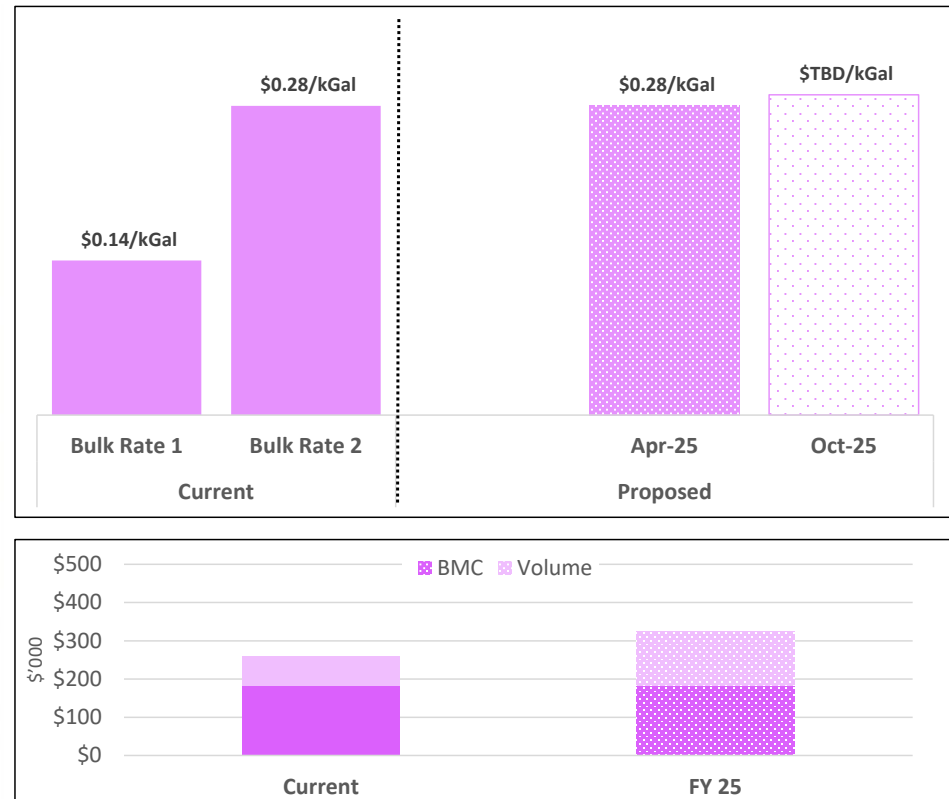
Current revenue: \$2M / year

Recommendation - Update Bulk Reclaimed Rates



Bulk Reclaim rate to provide non-pressurized and interruptible reclaim water in large quantities to customers geographically situated near JEA reclamation facility which provides a disposal benefit to JEA. (20 Accounts–40 service points)

The current rates are determined by signed agreements to forgo applications for a Consumptive Use Permit or withdrawals from St. Johns River Water Management District.



Our recommendation is to uniform the rate adding ~\$60K in FY25 while staff reevaluate the value and rate structure in FY26.

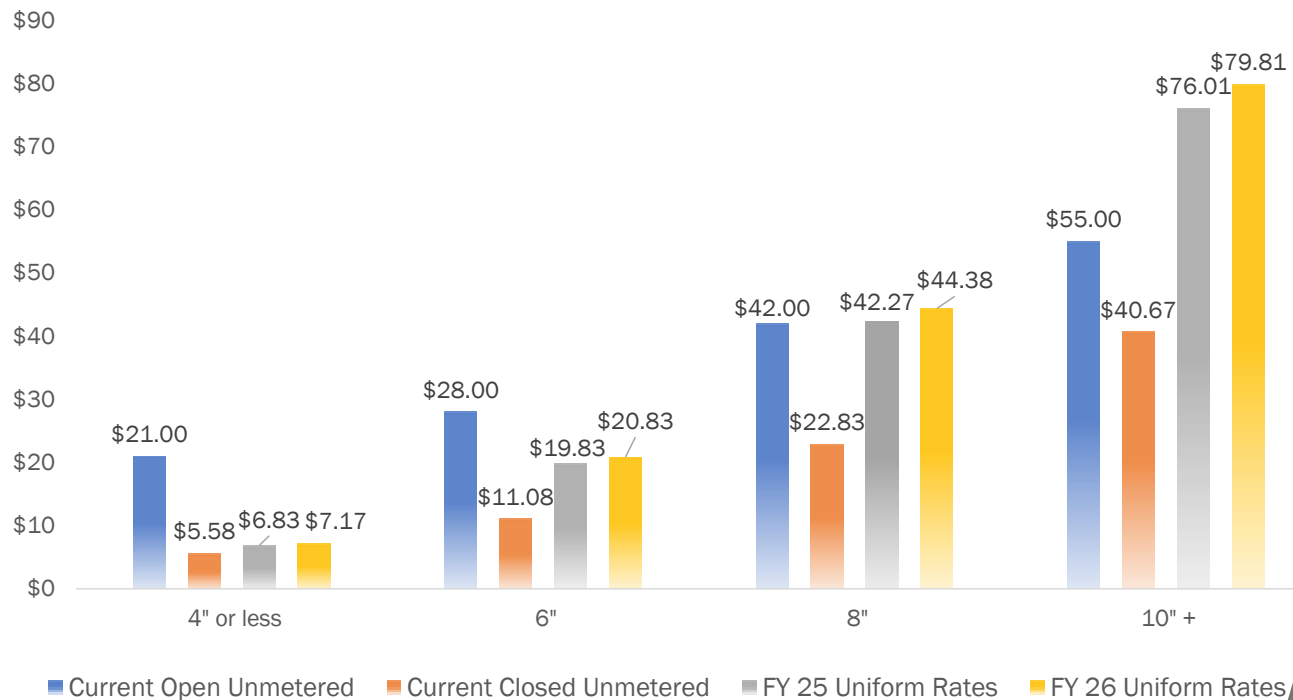
Current revenue: \$260K / year

Recommendation – Update Private Standby Fire Protection Charges



Fire protection is essentially a standby service. Given the nature of fire protection costs, the rate was moved toward one consolidated monthly fee that treats both open and closed fire connections the same regardless of check meter status. The proposal to bring revenues to cost adds \$40K.

Unmetered Connections by Meter Size



Current revenue: \$1.3M / year

Electric System Rate Workshop



Electric System: Revenue Requirements Are Growing



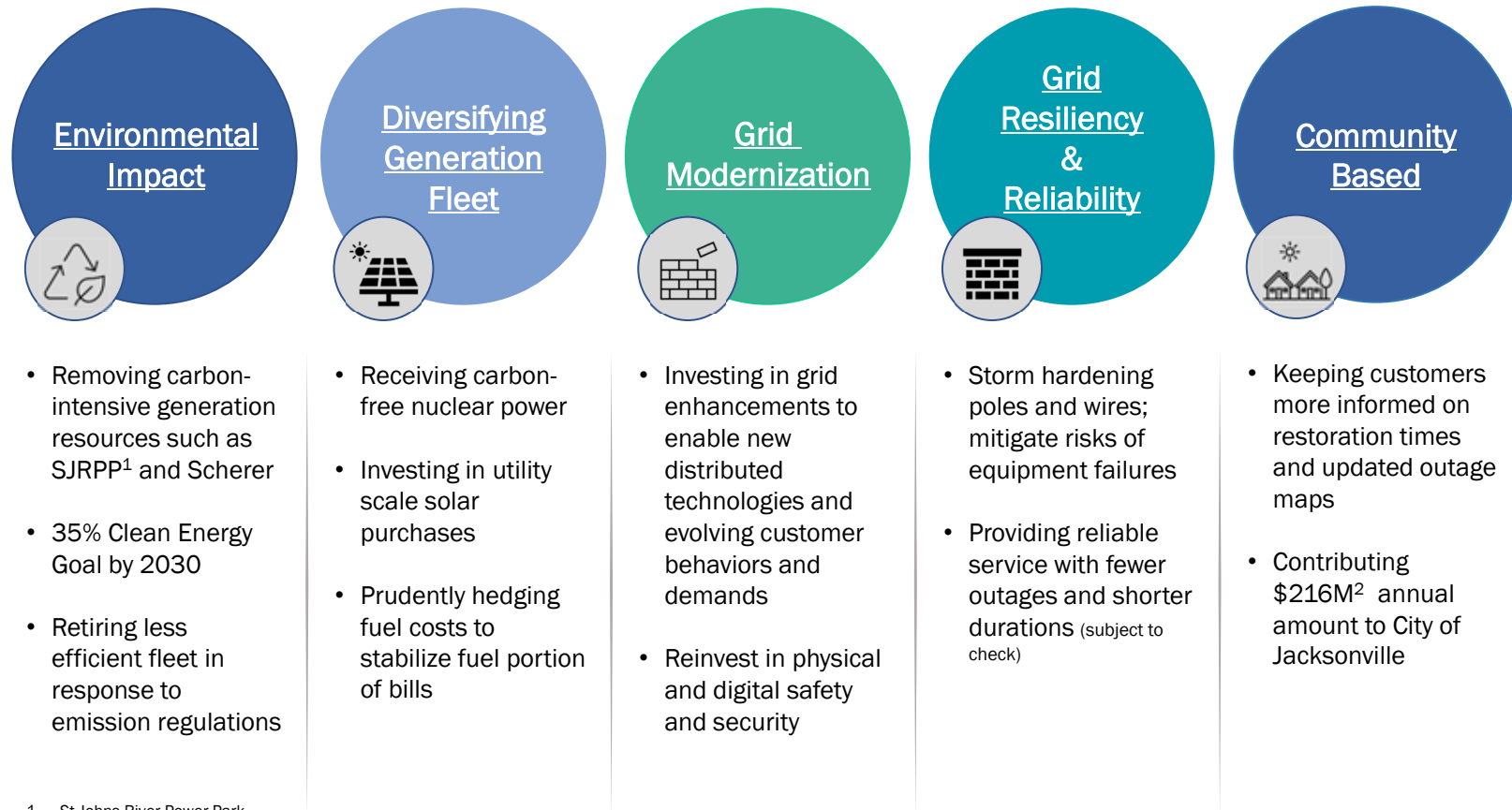
JEA's Pricing Policy dictates the rate setting methodology to be Utility Basis to ensure the financial integrity of the utility to maintain key financial metrics.

Projected Revenue Requirements* (Utility Basis per Pricing Policy)	FY25 Projection (\$ millions)	FY26 Projection (\$ millions)
Operation & Maintenance Expenses	\$315	\$318
Non-Fuel Purchased Power (NFPP) Expense (Excluding Stabilization Fund Activity)	\$290	\$283
Depreciation Expense	\$234	\$244
Contribution To City	\$98	\$100
Other Non-Operating Expenses	(\$8)	\$2
Return for Reinvestment ¹	\$19	\$66
Gross Revenue Requirement \$M	\$947	\$1,013
Less Other Revenue Sources	(\$23)	(\$21)
NFPP Stabilization Activity	(\$45)	(\$60)
Net Revenue Requirement \$M	\$879	\$932

1. Additional funding needed to maintain the system's key financial metrics to ensure JEA's financial integrity.

Budgeted Net Revenue Requirements grew \$57M for FY25 and \$53M for FY26

Electric System: Customer Benefits



1. St Johns River Power Park

2. The JEA bill expects to transfer \$285M to City of Jacksonville in FY25 in the form of city contribution, public service taxes, and franchise fees from customer bills.

In addition to Non-Fuel Purchase Power, there's other drivers for the FY25 & FY26 Revenue Requirements

Electric System: FY25 Target Revenue



FY25 Revenue Requirements to Projected Revenues with rate class adjustments in April of 2025

FY25 (\$ Millions)	Total System	Residential	General Service	General Service Demand	GSLD (Including INT & CURT) *	Lighting	ISXLD*
Base Revenue Requirements	\$879.4	\$557.8	\$94.0	\$124.6	\$80.8	\$12.9	\$9.4
Projected Revenue Under <u>Current</u> Rates	\$843.7	\$471.5	\$96.1	\$159.0	\$95.5	\$12.8	\$8.9
Projected Under/(Over) Collection (\$)	\$35.7	\$86.3	(\$2.1)	(\$34.4)	(\$14.8)	\$0.2	\$0.5
Projected Collection to Cost (%)	95.9%	84.5%	102.2%	127.6%	118.3%	98.7%	94.3%
Proposed % Base Rate Adjustment Mid-Year*	6.0%	7.5%	7.4%	0.0%	7.4%	2.6%	7.0%
Proposed \$ Base Rate Adjustment Mid-Year	\$25.2	\$17.6	\$3.6	\$0.0	\$3.5	\$0.2	\$0.3
Target Rate Revenue at <u>New</u> Rates	\$868.9	\$489.1	\$99.6	\$159.0	\$99.1	\$12.9	\$9.2
Adjusted Under/(Over) Collection (\$)	\$10.5	\$68.7	(\$5.7)	(\$34.4)	(\$18.3)	\$0.0	\$0.2
Adjusted Collection to Cost (%)	98.8%	87.7%	106.0%	127.6%	122.7%	100.0%	97.6%

*(Abbreviations) : General Service Large Demand (GLSD) ■ Interruptible (INT) ■ Curtailable (CURT) ■ Interruptible Extra Large Demand (ISXLD)

Mid-Year 6% Rate Revenue Adjustment (Annualized 3%) Proposal

Electric System: FY26 Target Revenue



FY26 Revenue Requirements to Projected Revenues with rate class adjustments in October of 2025

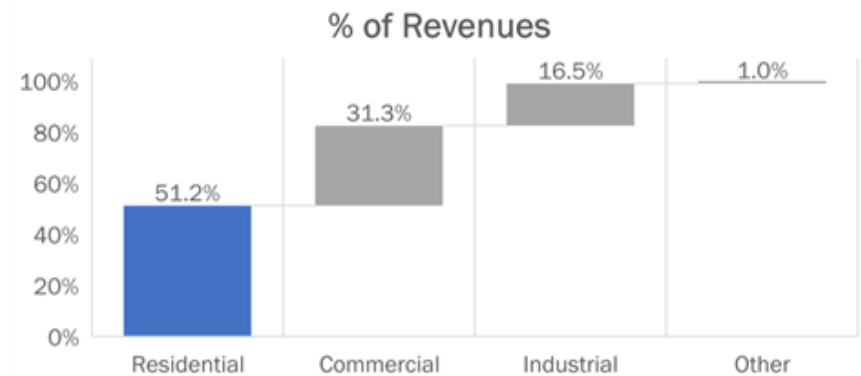
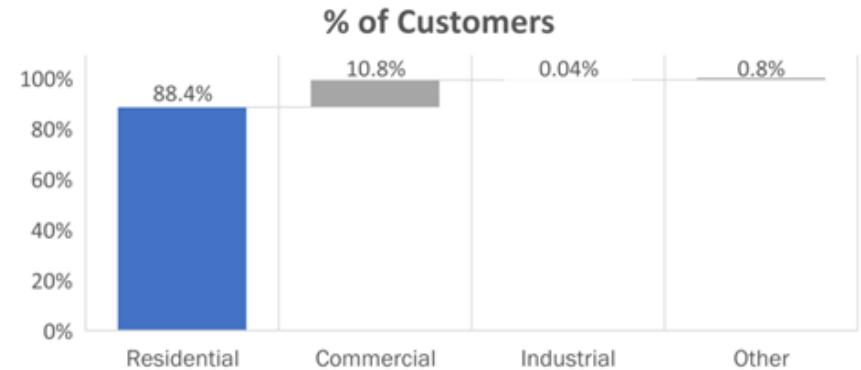
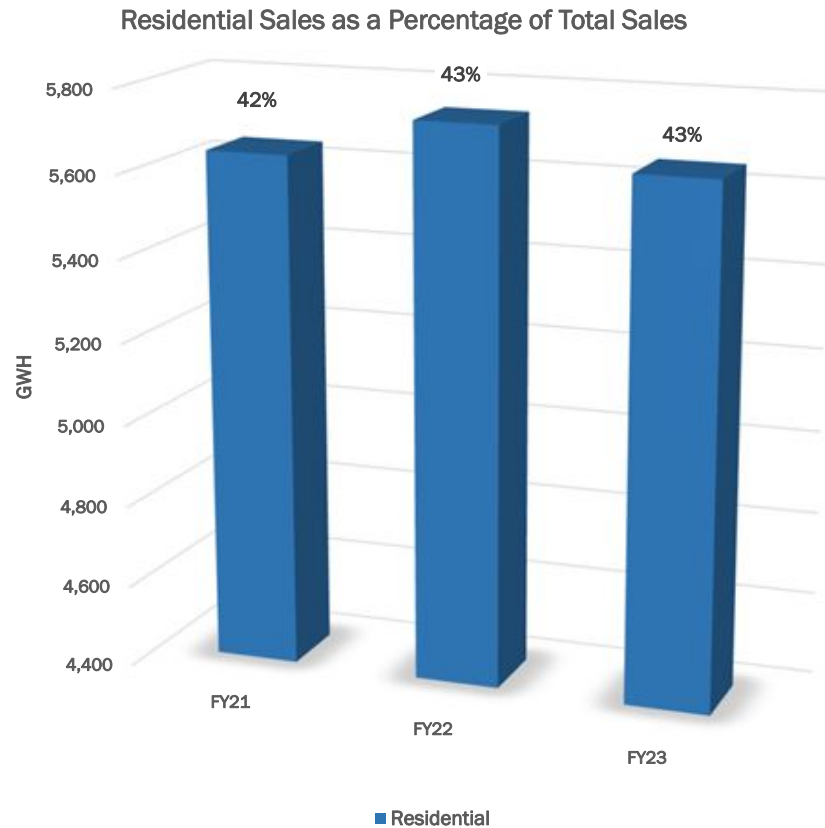
FY26 (\$ Millions)	Total System	Residential	General Service	General Service Demand	GSLD (Including INT & CURT) *	Lighting	ISXLD*
Base Revenue Requirements	\$932.2	\$592.8	\$99.5	\$131.0	\$84.7	\$14.6	\$9.7
Projected Revenue Under <u>FY25</u> Rates	\$893.5	\$505.7	\$102.6	\$159.1	\$102.5	\$13.1	\$9.5
Projected Under/(Over) Collection (\$)	\$39.7	\$87.1	(\$3.1)	(\$28.2)	(\$17.8)	\$1.5	\$0.2
Projected Collection to Cost (%)	95.7%	85.3%	103.1%	121.5%	121.0%	89.8%	97.7%
Proposed % Base Rate Adjustment	4.5%	7.0%	3.0%	0.0%	0.0%	8.0%	2.3%
Proposed \$ Base Rate Adjustment	\$39.7	\$35.4	\$3.1	\$0.0	\$0.0	\$1.1	\$0.2
Target Rate Revenue at <u>New</u> Rates	\$932.2	\$541.1	\$105.7	\$159.1	\$102.5	\$14.2	\$9.7
Adjusted Under/(Over) Collection (\$)	\$0.0	\$51.7	(\$6.2)	(\$28.2)	(\$17.8)	\$0.4	\$0.0
Adjusted Collection to Cost (%)	100.0%	91.3%	106.2%	121.5%	121.0%	97.1%	100.0%

*(Abbreviations) : General Service Large Demand (GLSD) ■ Interruptible (INT) ■ Curtailable (CURT) ■ Interruptible Extra Large Demand (ISXLD)

4.5% Rate Revenue Adjustment Proposal

Residential Customer Overview

The Residential Class has the most customers of the rate classes



Residential - 88% of Customers, 51% of Revenues, 46% of Total Unit Sales

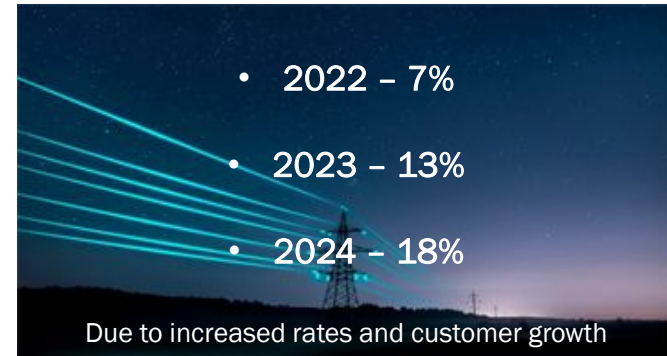
Residential Rates: Basic Monthly Charge Recommendations FY25-FY26



The unit cost of service covers the administrative and general (A&G) costs associated with meter reading, billing, collections, customer service, and a portion of distribution costs. These costs do not fluctuate with usage and are necessary to make our reliable electric service available when customer flips the switch.

Basic Monthly Charge	Residential
FY2022 Actuals	\$5.50
FY2023 Actuals	\$15.00
FY2024 Actuals	\$15.75
FY25 Proposed	\$17.50
FY26 Proposed	\$19.25
FY26 Unit Cost of Service Recommendation	\$27.93

BMC Revenue % of Base Revenue



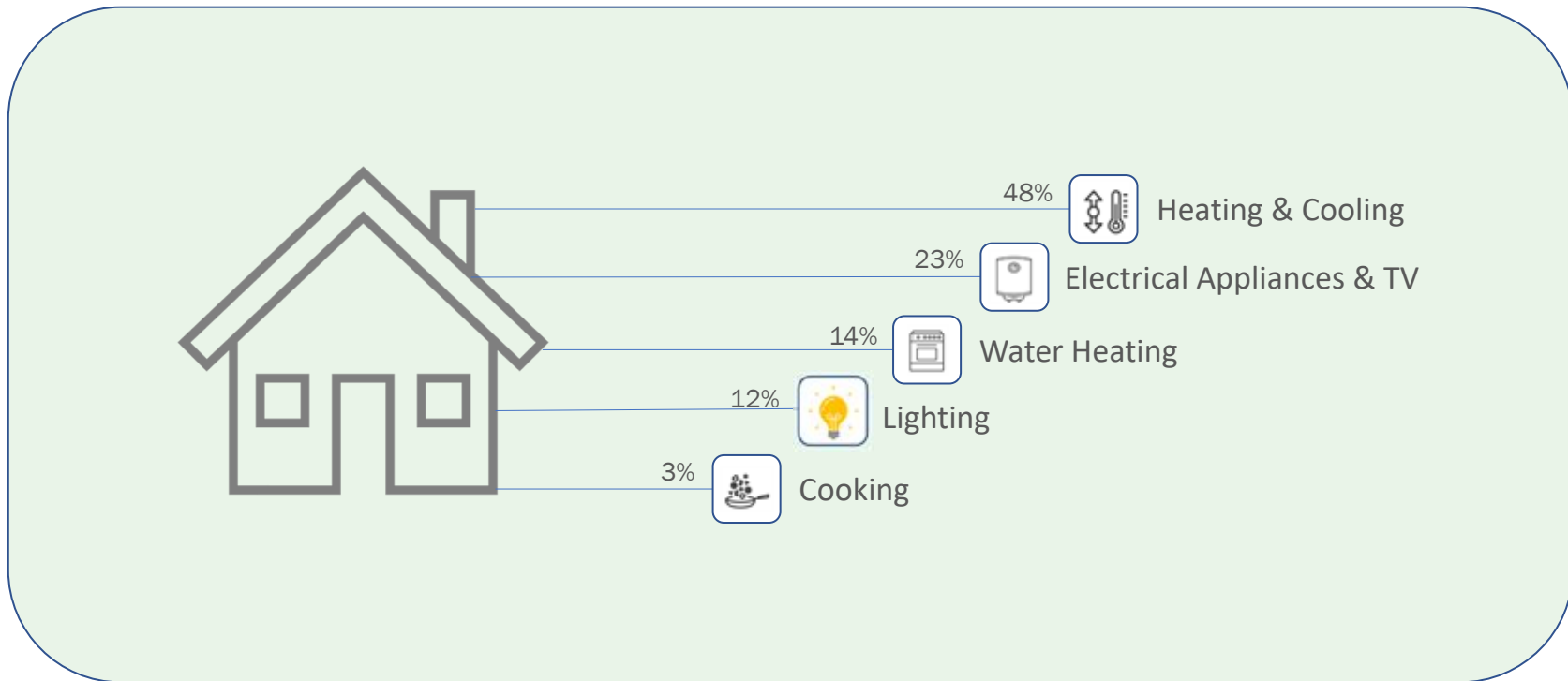
The study recommends improving the alignment of fixed and variable cost recovery with fixed and variable rate charges from the customers in a manner that reflects how they use the services provided by the utility.

Continue the progression of Residential Basic Monthly Charges

Residential Rates: Where a Household Uses Its Energy



An HVAC system uses the most energy of any single appliance or system.



*Source: Greenlogic.com

Energy Efficient Appliances & Conservation can help to reduce monthly bills

Residential Rates: Energy Tier Structure



Converting to tiered rate structure offer an opportunity to keep electricity bills affordable for low-use customers

Why Implement a Tiered Rate?

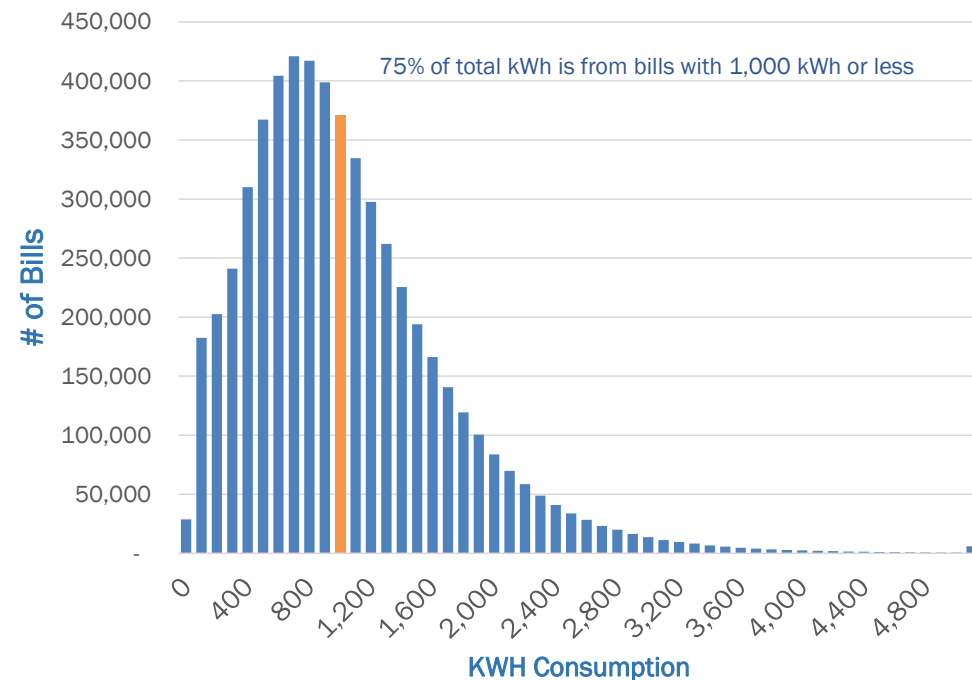
The tier allocation is based on consumption from essential household appliances, lighting and air conditioning. The largest loads for these low-use customers tend to be from air conditioning, refrigeration and lighting.

As long as customers maintain their energy usage for these essential energy needs, their bills remain stable paying a lower-tier rate.

Florida Benchmark Utilities

- Average differential between tier pricing is \$0.015
- Most common tier level is 1,000

Number of Customer Bills in Each Bracket



The two-tier pricing structure sends a price signal to higher use customers to conserve

The Value of Residential Energy Charge

Recommending Tier 1 ~\$0.07/kwh and Tier 2 ~\$0.08/kwh

37

Hours



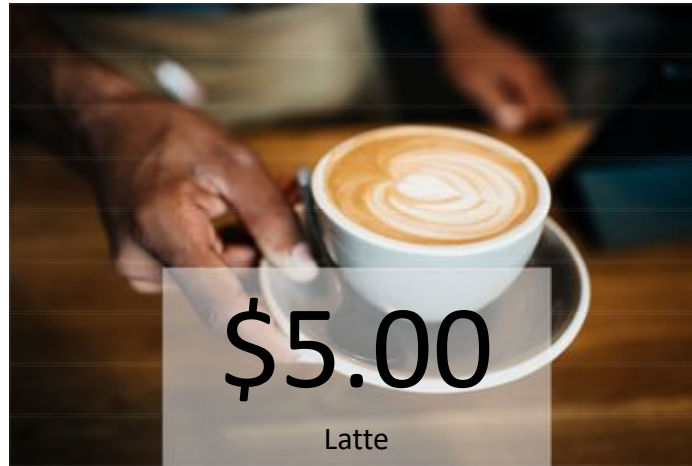
1,460

Hours



\$5.00

Latte



\$5.00 = 73 kwh of JEA Electricity

61

Hours



405

Hours



For about the price of a latte from a coffee shop, our customers can do any of these activities

Residential Rates & Bill Impacts



Recommendations to achieve additional residential revenue of ~\$18M in FY25 & ~\$35M in FY26

FY25 Example Residential Bill Impacts

Rates				
	FY24	FY25 Tiers	Delta for Tiers	
Basic Monthly Charge	\$ 15.75	\$ 17.50		
Energy Charge Tier 1	\$ 0.06821	\$ 0.06846		
Energy Charge Tier 2		\$ 0.08346	\$ 0.01500	
Fuel Charge	\$ 0.03124	\$ 0.03345		

~467,300 Residential Customers

Bill Segment Impacts				
Consumption	Current FY24 Bill	Proposed FY25 Bill Tiers	Change	% Change
500	\$ 74.78	\$ 78.13	\$ 3.35	4.5%
750	\$ 103.02	\$ 107.03	\$ 4.01	3.9%
1,000	\$ 131.26	\$ 135.93	\$ 4.67	3.6%
1,250	\$ 159.49	\$ 169.18	\$ 9.69	6.1%
1,500	\$ 187.73	\$ 202.44	\$ 14.71	7.8%
2,000	\$ 244.21	\$ 268.95	\$ 24.74	10.1%
2,500	\$ 300.68	\$ 335.46	\$ 34.77	11.6%

1) Includes fuel, taxes and fees

Fuel Rate Apr 25 Rate Forecast

FY26 Example Residential Bill Impacts

Rates				
	FY25 Tiers	FY26 Tiers	Delta for Tiers	
Basic Monthly Charge	\$ 17.50	\$ 19.25		
Energy Charge Tier 1	\$ 0.06846	\$ 0.07237		
Energy Charge Tier 2	\$ 0.08346	\$ 0.08987	\$ 0.01750	
Fuel Charge	\$ 0.03345	\$ 0.03417		

Bill Segment Impacts				
Consumption	FY25 Bill	Proposed FY26 Bill	Change	% Change
500	\$ 78.13	\$ 82.82	\$ 4.69	6.0%
750	\$ 107.03	\$ 113.04	\$ 6.01	5.6%
1,000	\$ 135.93	\$ 143.27	\$ 7.34	5.4%
1,250	\$ 169.18	\$ 178.58	\$ 9.40	5.6%
1,500	\$ 202.44	\$ 213.89	\$ 11.45	5.7%
2,000	\$ 268.95	\$ 284.50	\$ 15.55	5.8%
2,500	\$ 335.46	\$ 355.12	\$ 19.66	5.9%

1) Includes fuel, taxes and fees

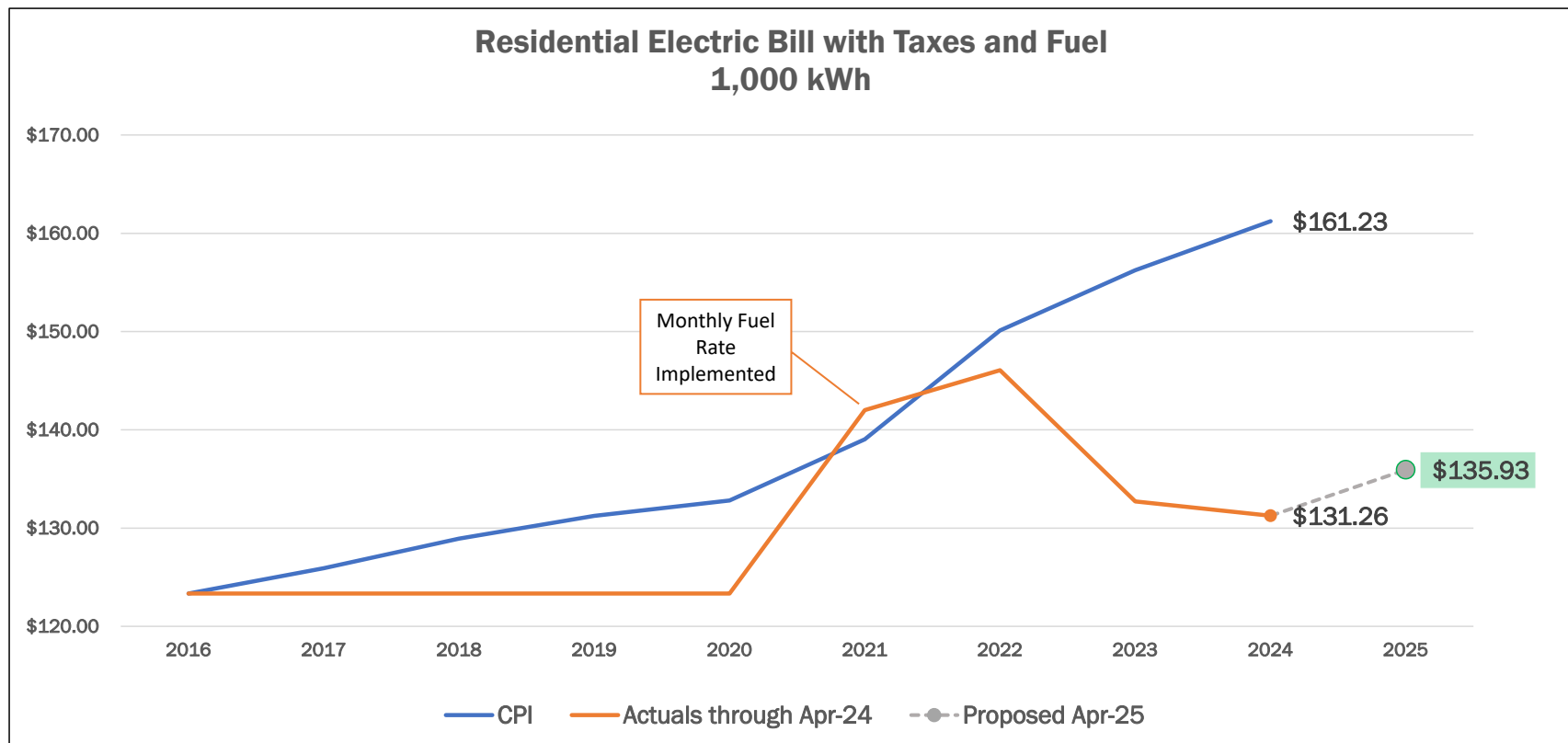
Fuel Rate Oct 25 Rate Forecast

59% of customer bills are at 1,000 kwh or less monthly

JEA's Residential Electric Bill and Inflation



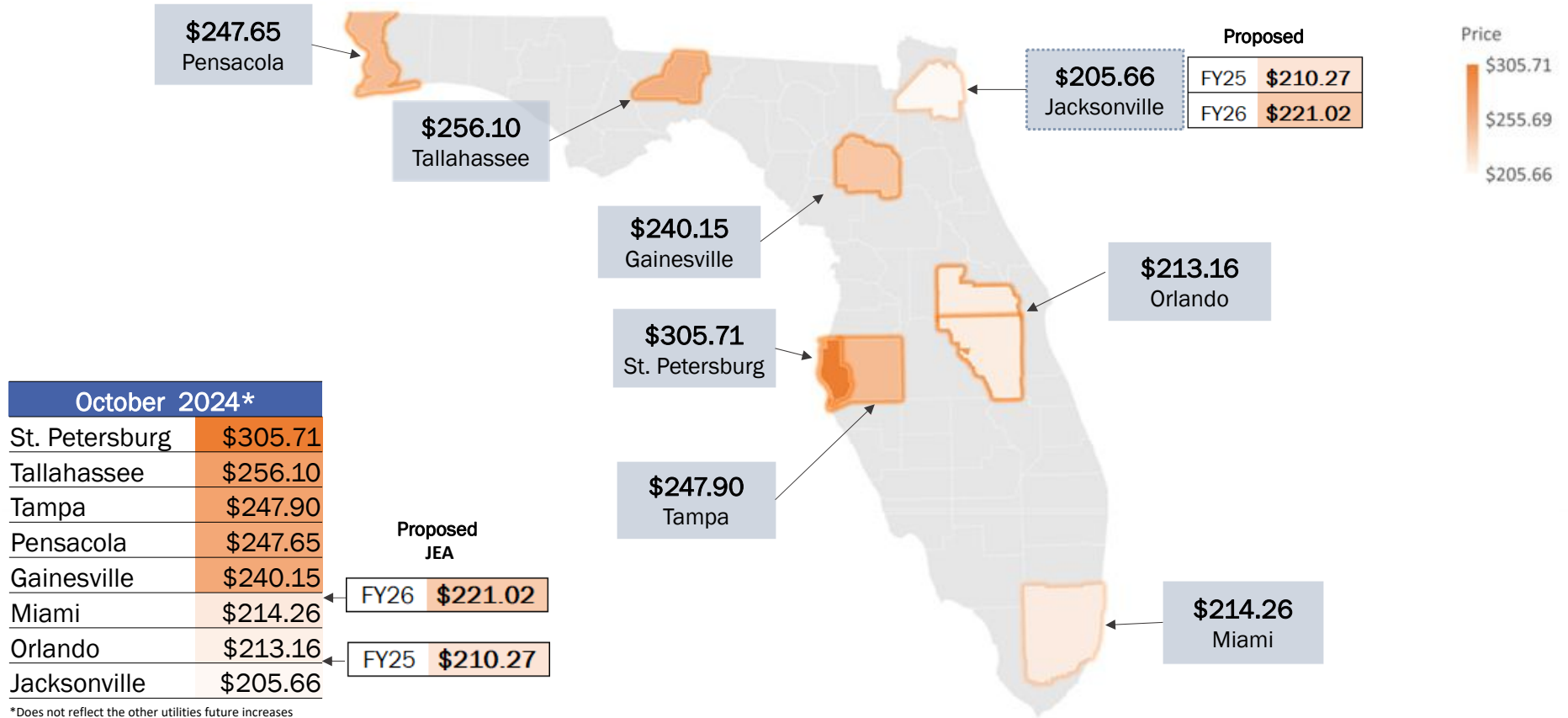
If JEA had increased residential electric rates consistent with inflation (CPI) since 2016, the typical residential bill would have been 23% higher. The April 1, 2025 rate adjustment for 1,000kWh bill will be approximately 3.6% higher.



FY25 and FY26 Residential Rates – Electric, Water, & Sewer Combined Bill



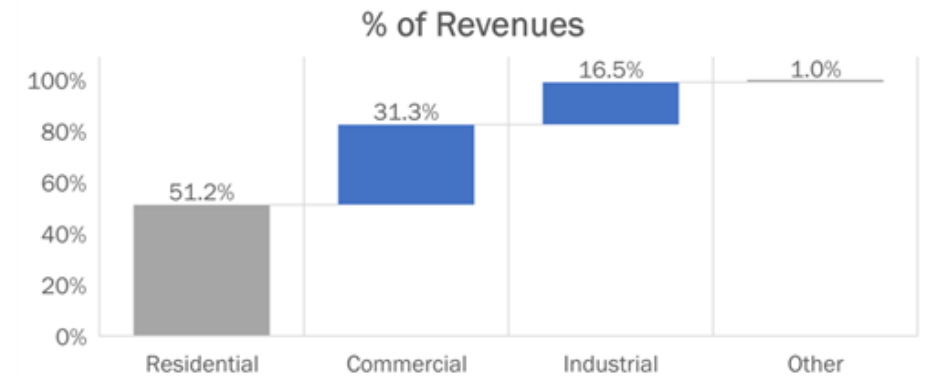
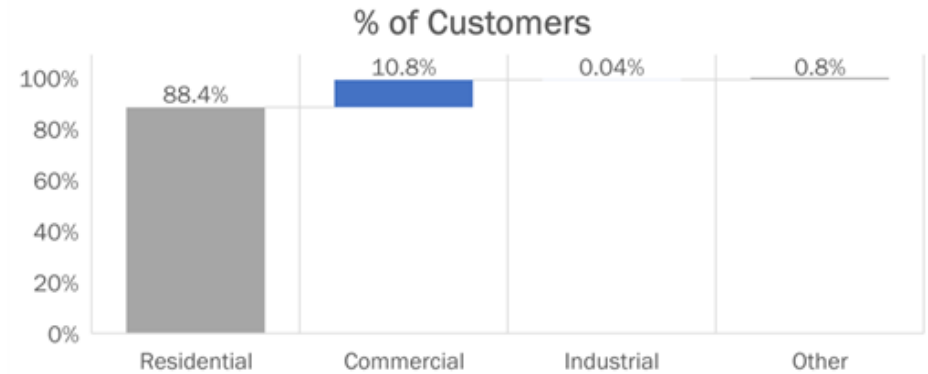
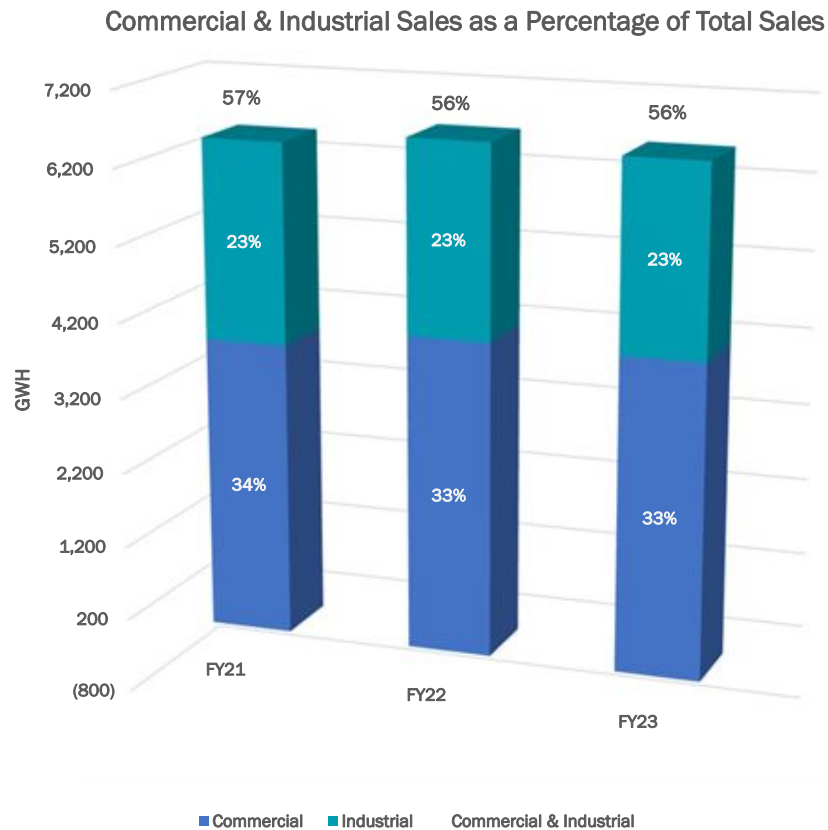
How will our combined residential services compare with the proposed mid-year rate increase?



With proposed rate adjustments, the combined JEA Electric, Water, and Sewer residential bill remains low in comparison

Commercial and Industrial (C&I) Customer Overview

The Commercial and Industrial Class has the most KWH consumption



Commercial & Industrial – 11% of Customers, 48% of Revenues, 54% of Total Unit Sales

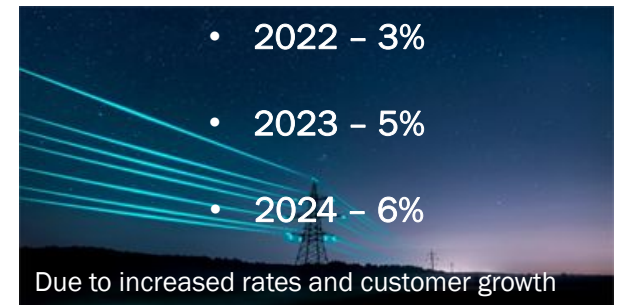
C&I Rates: Basic Monthly Charge Recommendations FY25-FY26



The unit cost of service covers the administrative and general (A&G) costs associated with meter reading, billing, collections, customer service, and a portion of distribution costs. These costs do not fluctuate with usage and are necessary to make our reliable electric service available when customer flips the switch.

Basic Monthly Charge	GS	GSD	GSLD	CURT	INT
FY2022 Actuals	\$9.25	\$85.00	\$335.00	\$735.00	\$770.00
FY2023 Actuals	\$21.00	\$185.00	\$750.00	\$1,500.00	\$1,500.00
FY2024 Actuals	\$21.00	\$185.00	\$750.00	\$1,500.00	\$1,500.00
FY25 Proposed	\$23.00	\$203.00	\$825.00	\$1,650.00	\$1,650.00
FY26 Proposed	\$25.00	\$223.00	\$925.00	\$1,800.00	\$1,800.00
FY26 Unit Cost of Service Recommendation	\$38.76	\$255.94	\$2,230.60	\$2,333.92	\$2,662.71

BMC Revenue % of Base Revenue



The study recommends improving the alignment of fixed and variable cost recovery with fixed and variable rate charges from the customers in a manner that reflects how they use the services provided by the utility.

Continue the progression of Commercial & Industrial Basic Monthly Charges since 2022

Small Commercial Base Rates & Bill Impacts

FY25 & FY26 comparisons



GENERAL SERVICE

	FY24	FY25
	Apr-24	Apr-25
Basic Monthly Charge	\$ 21.00	\$ 23.00
Energy Charge	\$ 0.06276	\$ 0.06670

50,000+ Small Commercial Customers

↑ 9.5% BMC Change	↑ 6.3% Energy Change
-------------------------	----------------------------

Bill Segment Impacts				
Consumption	Existing Bill	Effective April 1, 2025 Proposed Bill	Change	% Change
1,500	\$115.14	\$123.04	\$7.90	6.9%
3,000	\$209.28	\$223.09	\$13.81	6.6%
6,000	\$397.56	\$423.18	\$25.62	6.4%
9,000	\$585.84	\$623.27	\$37.43	6.4%
12,000	\$774.12	\$823.35	\$49.23	6.4%
15,000	\$962.40	\$1,023.44	\$61.04	6.3%

1) Excluding fuel, taxes and fees

	FY25	FY26
	Apr-25	Oct-25
Basic Monthly Charge	\$ 23.00	\$ 25.00
Energy Charge	\$ 0.06670	\$ 0.06813

↑ 8.7% BMC Change	↑ 2.2% Energy Change
-------------------------	----------------------------

Bill Segment Impacts				
Consumption	Existing Bill	2026 Proposed Bill	Change	% Change
1,500	\$123.04	\$127.20	\$4.16	3.4%
3,000	\$223.09	\$229.40	\$6.31	2.8%
6,000	\$423.18	\$433.80	\$10.62	2.5%
9,000	\$623.27	\$638.20	\$14.93	2.4%
12,000	\$823.35	\$842.60	\$19.24	2.3%
15,000	\$1,023.44	\$1,047.00	\$23.55	2.3%

1) Excluding fuel, taxes and fees

Rate Recommendations to achieve additional Small Commercial revenue of ~\$3.6M in FY25 & ~\$3.1M in FY26

Large Commercial Base Rates & Bill Impacts

Energy charges are lowered to offset progression of Basic Monthly Charges



GENERAL SERVICE DEMAND

	FY24	FY25
	Apr-24	Apr-25
Basic Monthly Charge	\$ 185.00	\$ 203.00
Energy Charge	\$ 0.03330	\$ 0.03313
Demand Charge	\$ 8.40	\$ 8.40

~3,800 Large Comm Customers

↑ 9.7% BMC Change	↓ -2.2% Energy Change
-------------------------	-----------------------------

Bill Segment Impacts					
Demand	Consumption	Existing Bill	Effective April 1, 2025		
			Proposed Bill	Change	% Change
150	57,000	\$3,343.10	\$3,351.61	\$8.51	0.3%
200	76,000	\$4,395.80	\$4,401.15	\$5.35	0.1%
250	95,000	\$5,448.50	\$5,450.68	\$2.18	0.0%
300	114,000	\$6,501.20	\$6,500.22	(\$0.98)	0.0%
350	133,000	\$7,553.90	\$7,549.76	(\$4.14)	-0.1%
400	152,000	\$8,606.60	\$8,599.29	(\$7.31)	-0.1%

1) Excluding fuel, taxes and fees

	FY25	FY26
	Apr-25	Oct-25
Basic Monthly Charge	\$ 203.00	\$ 223.00
Energy Charge	\$ 0.03313	\$ 0.03286
Demand Charge	\$ 8.40	\$ 8.40

↑ 9.9% BMC Change	↓ -0.8% Energy Change
-------------------------	-----------------------------

Bill Segment Impacts					
Demand	Consumption	Existing Bill	2026		
			Proposed Bill	Change	% Change
150	57,000	\$3,351.61	\$3,355.96	\$4.35	0.1%
200	76,000	\$4,401.15	\$4,400.28	(\$0.87)	0.0%
250	95,000	\$5,450.68	\$5,444.60	(\$6.09)	-0.1%
300	114,000	\$6,500.22	\$6,488.91	(\$11.30)	-0.2%
350	133,000	\$7,549.76	\$7,533.23	(\$16.52)	-0.2%
400	152,000	\$8,599.29	\$8,577.55	(\$21.74)	-0.3%

1) Excluding fuel, taxes and fees

Rate Recommendations to remain revenue neutral due to overcollection to cost of service

Industrial Base Rates & Bill Impacts

FY25 & FY26 comparisons



GENERAL SERVICE LARGE DEMAND – INDUSTRIAL

	FY24	FY25
	Apr-24	Apr-25
Basic Monthly Charge	\$ 750.00	\$ 825.00
Energy Charge	\$ 0.02588	\$ 0.02910
Demand Charge	\$ 12.16	\$ 12.16
~200 Industrial Customers		
	↑ 10.0% BMC Change	↑ 12.4% Energy Change

Bill Segment Impacts					
Demand	Consumption	Existing Bill	Effective April 1, 2025 Proposed Bill	Change	% Change
1,000	250,000	\$19,380.00	\$20,259.58	\$879.58	4.5%
1,000	500,000	\$25,850.00	\$27,534.17	\$1,684.17	6.5%
1,500	750,000	\$38,400.00	\$40,888.75	\$2,488.75	6.5%
2,000	1,000,000	\$50,950.00	\$54,243.34	\$3,293.34	6.5%
2,500	1,250,000	\$63,500.00	\$67,597.92	\$4,097.92	6.5%
3,000	1,500,000	\$76,050.00	\$80,952.51	\$4,902.51	6.4%

1) Excluding fuel, taxes and fees

	FY25	FY26
	Apr-25	Oct-25
Basic Monthly Charge	\$ 825.00	\$ 925.00
Energy Charge	\$ 0.02910	\$ 0.02898
Demand Charge	\$ 12.16	\$ 12.16
	↑ 12.1% BMC Change	↓ -0.4% Energy Change

Bill Segment Impacts					
Demand	Consumption	Existing Bill	2026 Proposed Bill	Change	% Change
1,000	250,000	\$20,259.58	\$20,328.91	\$69.32	0.34%
1,000	500,000	\$27,534.17	\$27,572.81	\$38.64	0.14%
1,500	750,000	\$40,888.75	\$40,896.72	\$7.96	0.02%
2,000	1,000,000	\$54,243.34	\$54,220.62	(\$22.72)	-0.04%
2,500	1,250,000	\$67,597.92	\$67,544.53	(\$53.40)	-0.08%
3,000	1,500,000	\$80,952.51	\$80,868.43	(\$84.07)	-0.10%

1) Excluding fuel, taxes and fees

Rate Recommendations to achieve additional Industrial revenue of ~\$3.5M in FY25 & ~\$0.0M in FY26

Interruptible Service Extra Large Demand Base Rates & Bill Impacts



Rates adjustments for closer alignment to cost to serve recovery

INTERRUPTIBLE SERVICE EXTRA LARGE DEMAND- ISXLD

	FY24	FY25
	Apr-24	Apr-25
Basic Monthly Charge	\$ 1,500.00	\$ 1,500.00
Energy Charge Tier 1	\$ 0.01150	\$ 0.01361
Energy Charge Tier 2	\$ 0.01020	\$ 0.01207
Energy Charge Tier 3	\$ 0.00950	\$ 0.01124
Demand Charge	\$ 7.02	\$ 7.02
1 ISXLD Customer	0.0% BMC Change	18.3% Energy Change

Bill Segment Impacts					
Demand	Consumption	Existing Bill	Effective April 1, 2025		
			Proposed Bill	Change	% Change
50,000	23,000,000	\$611,952.51	\$659,446.74	\$47,494.23	7.8%
55,000	24,000,000	\$658,333.05	\$707,892.25	\$49,559.20	7.5%
60,000	25,000,000	\$704,713.59	\$756,337.76	\$51,624.17	7.3%
65,000	26,000,000	\$751,094.14	\$804,783.27	\$53,689.13	7.1%
70,000	27,000,000	\$797,474.68	\$853,228.78	\$55,754.10	7.0%
75,000	28,000,000	\$843,855.23	\$901,674.29	\$57,819.07	6.9%

1) Excluding fuel, taxes and fees

	FY25	FY26
	Apr-25	Oct-25
Basic Monthly Charge	\$ 1,500.00	\$ 1,500.00
Energy Charge Tier 1	\$ 0.01361	\$ 0.01442
Energy Charge Tier 2	\$ 0.01207	\$ 0.01279
Energy Charge Tier 3	\$ 0.01124	\$ 0.01191
Demand Charge	\$ 7.02	\$ 7.02
	0.0% BMC Change	6.0% Energy Change

Bill Segment Impacts					
Demand	Consumption	Existing Bill	2026		
			Proposed Bill	Change	% Change
50,000	23,000,000	\$659,446.74	\$677,776.67	\$18,329.93	2.8%
55,000	24,000,000	\$707,892.25	\$727,019.13	\$19,126.88	2.7%
60,000	25,000,000	\$756,337.76	\$776,261.59	\$19,923.83	2.6%
65,000	26,000,000	\$804,783.27	\$825,504.06	\$20,720.79	2.6%
70,000	27,000,000	\$853,228.78	\$874,746.52	\$21,517.74	2.5%
75,000	28,000,000	\$901,674.29	\$923,988.99	\$22,314.69	2.5%

1) Excluding fuel, taxes and fees

Rate Recommendations to achieve additional ISXLD revenue of ~\$0.3M in FY25 & ~\$0.2M in FY26

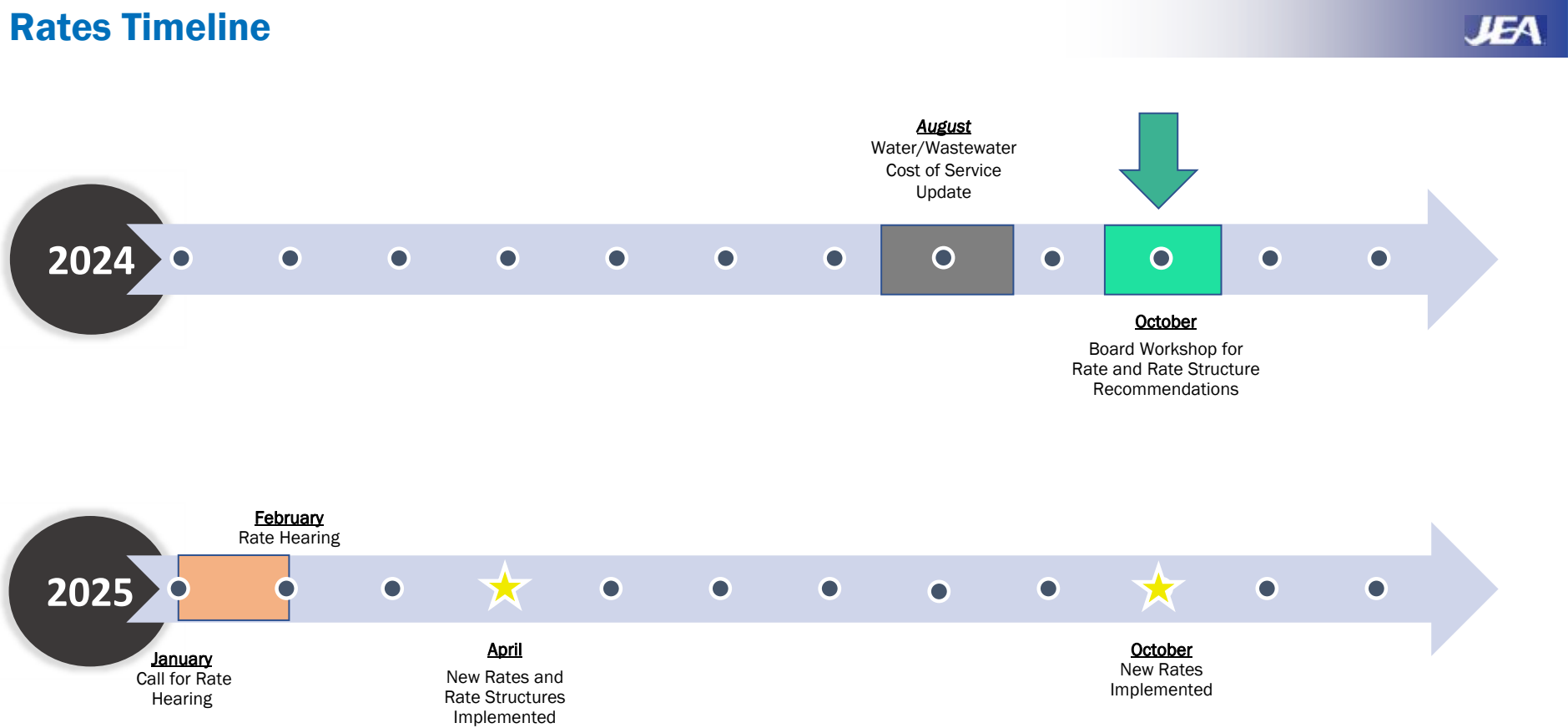
FY25 & FY26 Rate Restructuring Recommendations



Water Rates	Sewer Rates	Electric Rates
<ul style="list-style-type: none">• Restructure Basic Monthly Charges• Restructure Volume Charges• Restructure Irrigation Volume Charges• Restructure Multi-family Class• Restructure Bulk Reclaim Charges• Restructure Fire Protection Charge	<ul style="list-style-type: none">• Restructure Basic Monthly Charges• Restructure Volume Charges• Increase Sewer Surcharge• Restructure Hauled Scavenger Waste	<ul style="list-style-type: none">• Increase Basic Monthly Charge• Restructure Residential Rates• Increase Commercial & Industrial Rates

These recommendations are for the Board's consideration

Rates Timeline



Staff recommends returning to an annual October implementation in 2026 after this timeline

Appendix



Water & Sewer System Revenue Requirements



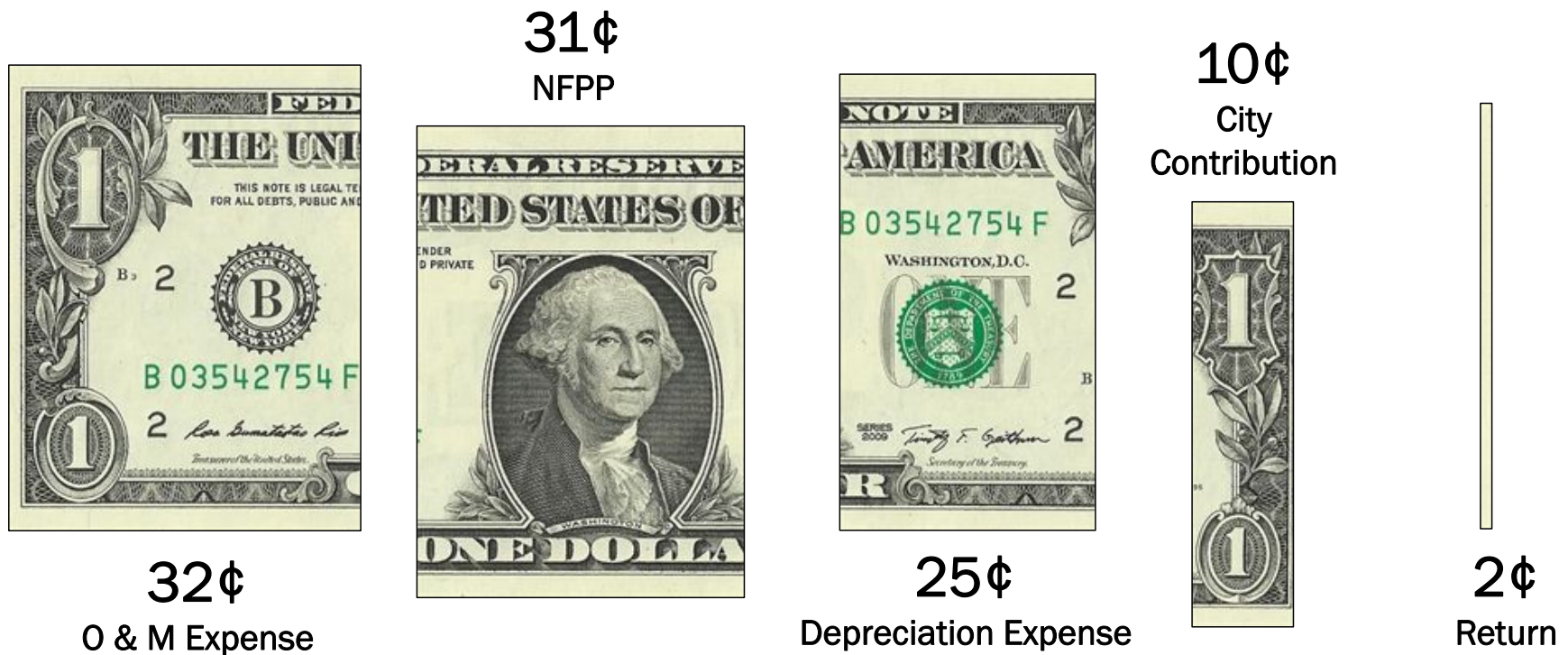
In addition to expenses such as O&M, Depreciation, and City Contribution, there's a utility basis return for reinvestment component of every dollar necessary to ensure the financial integrity of the utility to maintain key financial metrics.



Electric System Revenue Requirements



In addition to expenses such as O&M, Non-Fuel Purchased Power, Depreciation, and City Contribution, there's a utility basis return for reinvestment component of every dollar necessary to ensure the financial integrity of the utility to maintain key financial metrics.



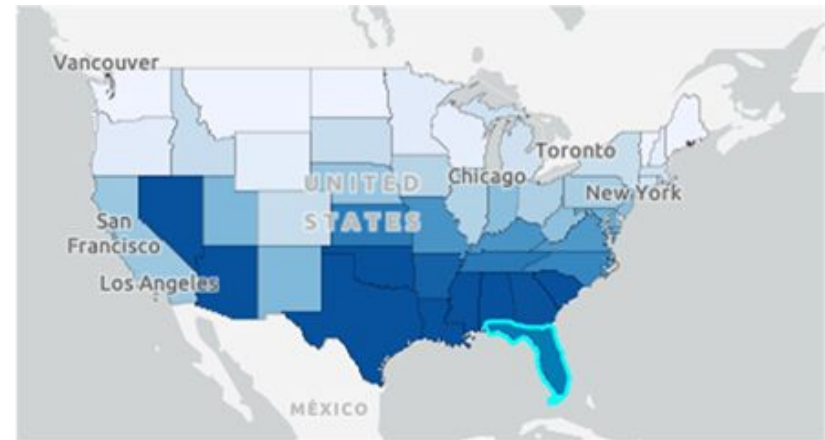
Electric: Air Conditioning (AC) Consumption Per Household



Florida's air conditioning consumption is nearly twice the national average

Florida	United States
14.9 Air-conditioning (AC) consumption per household using AC (MMBtu)	7.9 Air-conditioning (AC) consumption per household using AC (MMBtu)
Household characteristics	Household characteristics
8.06 Number of housing units (million)	123.53 Number of housing units (million)
1,623 Total square footage per housing unit	1,818 Total square footage per housing unit
50.6 Total site consumption per household (MMBtu)	76.8 Total site consumption per household (MMBtu)
5% Natural gas as main space heating fuel	51% Natural gas as main space heating fuel
77% All-electric households	25% All-electric households

Source: EIA



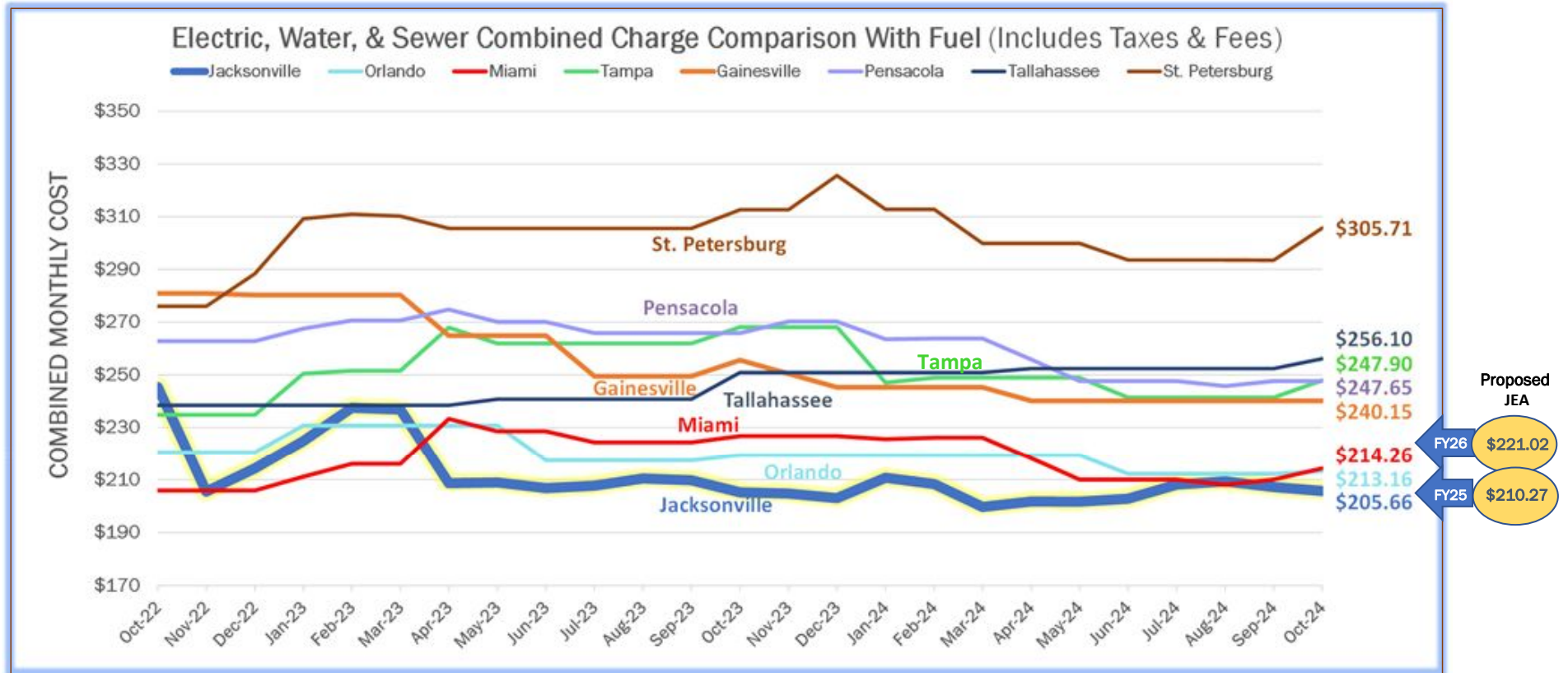
Air-conditioning (AC) consumption per household using AC (MMBtu)

- Florida: **14.9**
- United States: **7.9**

FY25 and FY26 Residential Electric, Water, & Sewer Combined Bill



How will our combined residential services compare with the proposed mid-year rate increase?



With proposed electric rate adjustments, the combined JEA Electric, Water, and Sewer residential bill remains low in comparison