



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

JEA BOARD OF DIRECTORS MEETING

Amended 3/25/25

JEA Headquarters | 1st Floor | Room 120-A&B | 225 North Pearl Street, Jacksonville, FL 32202

March 25, 2025 | 9:00 am

WELCOME

Meeting Called to Order

Time of Reflection

Introductions

Adoption of Agenda (Action)

Rick Morales, Acting Chair

Values Moment

Mariah Spassoff, Leadership Development Solutions Specialist

COMMENTS / PRESENTATIONS

Comments from the Public

Public

Electric, Water, and Sewer Rates (Action)

Ted Phillips, Chief Financial Officer

Council Liaison's Comments

Council Member Michael Boylan

Managing Director / CEO Comments

Vickie Cavey, Managing Director / CEO

JEA Performance Update

- Corporate Scorecard
- Financial Update

Ted Phillips, Chief Financial Officer

ITEMS FOR BOARD CONSIDERATION AND COMMITTEE REPORTS

Consent Agenda (Action)

- Executive Committee Minutes – February 18, 2025
- Compensation Committee Minutes – February 18, 2025
- Board Meeting Minutes – February 25, 2025
- Proclaim April as Water Conservation Month
- Annual Disclosure Reports

Rick Morales, Acting Chair

DELIVERING BUSINESS EXCELLENCE

Residential Energy Efficiency & Conservation Programs

Dr. Charles Moreland, Chief Customer Experience Officer

OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business/Open Discussion

Chair's Report

Announcements – Next Board Meeting May 27, 2025

Adjournment

Rick Morales, Acting Chair

IMPROVING LIVES.BUILDING COMMUNITY. to be the best utility



INFORMATIONAL MATERIAL

Appendix A: Executive Committee Minutes – February 18, 2025

Appendix B: Compensation Committee Minutes – February 18, 2025

Appendix C: Board Meeting Minutes – February 25, 2025

Appendix D: Proclaim April as Water Conservation Month

Appendix E: Residential Energy Efficiency & Conservation Programs

Appendix F: Annual Workforce Report

Appendix G: Financial Statements – February 2025

Appendix H: Electric, Water, and Sewer Rates

Appendix I: Annual Disclosure Reports

BOARD CALENDAR

2025 Board Meetings – May 27, June 24, August TBD, September 23, October 28, and November 18

Capital Projects Committee – May 23, August 13, and October TBD

FY26 JEA Budget Workshop – June 4

Finance, Governance, and Audit Committee – August 11 and November 12



Safety Briefing & Values Moment

Mariah Spassof, Leadership Development Solutions Specialist

The late, great Aretha Franklin was known for the importance she placed on the value of respect.



R-E-S-P-E-C-T

"Find out what it means to me."



Safety Briefing Headquarters

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



Pearl Street Exit



**Monroe Street Exit
Left of the American Flag**



County Courthouse Lawn

REPETITIVE

SIGNIFICANT

ENDURING

JEA

TOGETHER

EVERYONE

CONSISTENT

PERSPECTIVE



May you be inspired today to personalize
what RESPECT means to you.

Comments From The Public

Rick Morales, Acting Chair



Consent Agenda

General Joseph DiSalvo, Chair

Action

- ✓ Executive Committee Minutes – February 18, 2025
- ✓ Compensation Committee Minutes – February 18, 2025
- ✓ Board Meeting Minutes – February 25, 2025
- ✓ Proclaim April as Water Conservation Month
- ✓ Annual Disclosure Reports

JEA

Electric, Water, and Sewer Rates

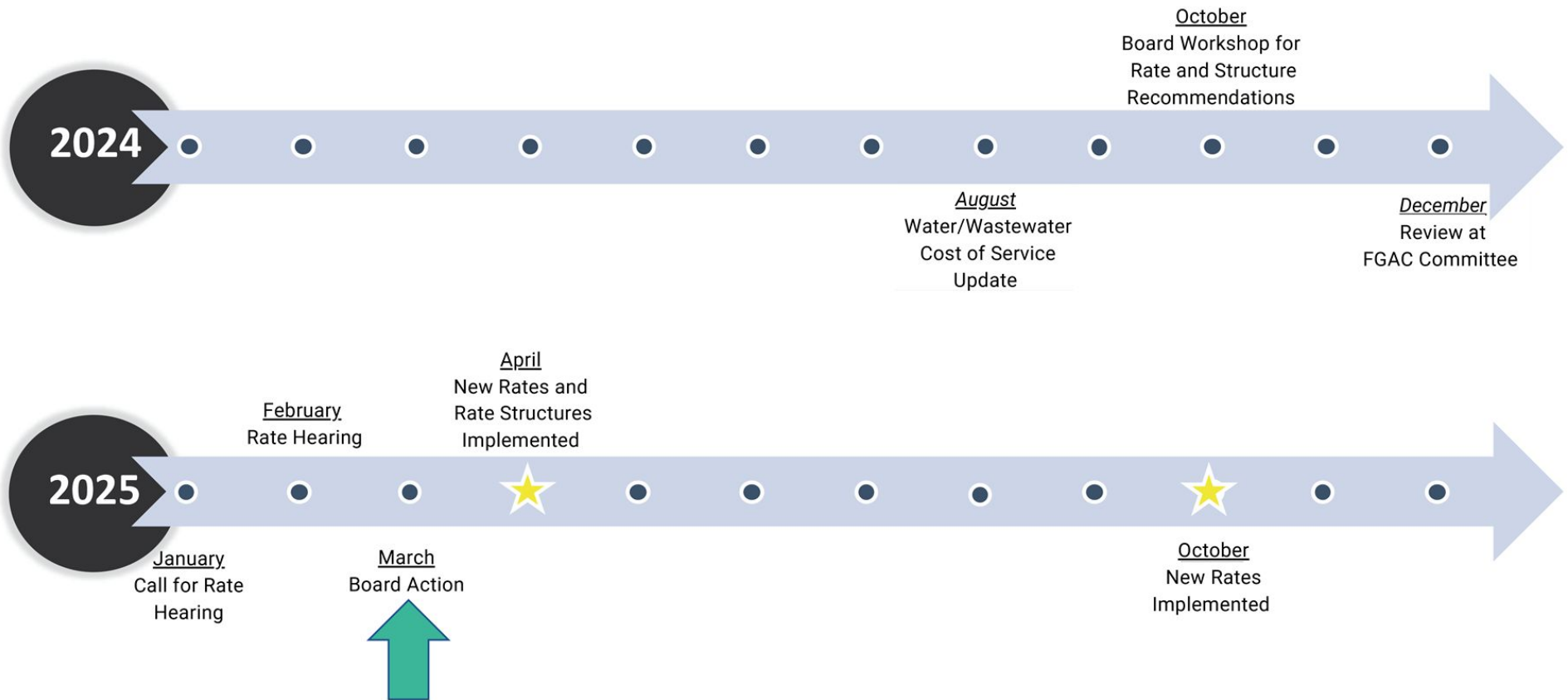
Ted Phillips, Chief Financial Officer
Victor Blackshear, Director, Financial Planning & Rates

Action

Northside Generating System



Rate Recommendations Timeline



Staff recommends the Board approve the rate recommendations and adopt Resolution 2025-08 & attached tariff documentation

Council Liaison's Comments

Council Member Michael Boylan



Managing Director/CEO Comments

Vickie Cavey, Managing Director/CEO

*Lisa Jennings, Program Manager,
Project Outreach*



Business Excellence - Sharing Knowledge

Public Power Leadership Strategies Roundtable



The panel consisting of Emeka Anyanwu, CEO of Lincoln Electric, Vickie Cavey, Managing Director/CEO of JEA, and Kevin Westhuis, Utility Director of River Falls Municipal Utilities joined APPA President & CEO Scott Corwin to share how they've helped their teams achieve results, built strong work cultures, and recruited top-notch employees.



Business Excellence - Showing Financial Strength

Rating Agency Presentations

FitchRatings



MOODY'S
RATINGS

Meetings were held on March 10 and 20 to review JEA's financial standing and long-term investments.



Unbeatable Team - Women Educating & Inspiring

Women's History Month Celebration



The event held on March 11 with the theme: *"Moving Forward Together: Women Educating & Inspiring Generations,"* featured guest speaker Donna Orender, a demonstration by the Water Woman, and presentations by other JEA leadership.



Business Excellence - Prioritizing Safety

JEA Receives National Safety Council Safety Award



JEA was recognized by the National Safety Council for the importance we place on our commitment to safety.



Business Excellence - Modernizing Infrastructure

JEA Fulton Cut Transmission Line Clearance Project



JEA's Project Outreach Team hosted a successful event on March 6, for residents to learn about the Fulton Cut Project and its impact on their neighborhood streets from our team members, JAXPORT, and project contractor representatives. More than 70 customers attended the event.



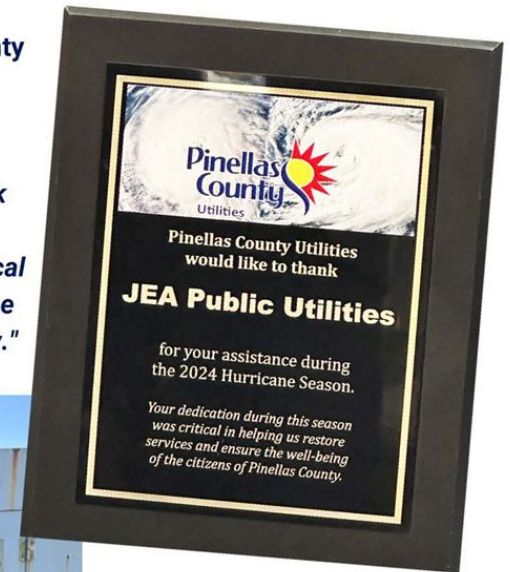
Business Excellence - Helping Our Neighbors

Mutual Aid Recognition from Pinellas County Utility



In recognition of their efforts, Pinellas County Utilities presented JEA with a plaque of appreciation, which reads:

"Pinellas County Utilities would like to thank JEA for your assistance during the 2024 Hurricane Season. Your dedication was critical in helping us restore services and ensure the well-being of the citizens of Pinellas County."



Unbeatable Team - Demonstrating Expertise

Florida Municipal Electric Association Florida Lineman Competition



The JEA linemen performed exceptionally well in the 2025 FMEA Linemen Competition, February 28 - March 1, 2025 in Ocala, FL, bringing home top honors in multiple award categories.



Unbeatable Team - Demonstrating Expertise

Florida Municipal Electric Association Florida Lineman Competition



The JEA linemen performed exceptionally well in the 2025 FMEA Linemen Competition, February 28 - March 1, 2025 in Ocala, FL, bringing home top honors in multiple award categories.

JEA Performance Update

Corporate Scorecard

Ted Phillips, Chief Financial Officer

*Doug Baye, Linemaintainer
Adam Holland, Linemaintainer
Justin Slay, Linemaintainer*



JEA FY25 Corporate Scorecard

Data through February 2025

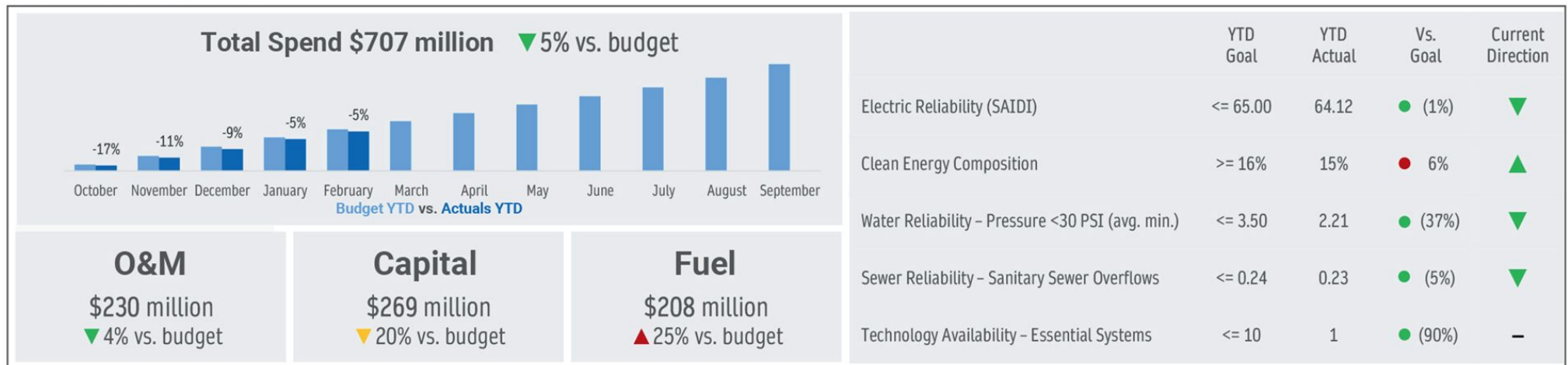
Unbeatable Team



Customer Loyalty



Business Excellence



JEA Performance Update

Financial Update

Ted Phillips, Chief Financial Officer

Michael Wyn, Meter Specialist Senior



ELECTRIC SYSTEM REVENUE & EXPENDITURES

	Budget	Actual	Delta	%	
Base Revenue	\$ 338,896,473	\$ 344,166,027	\$ 5,269,554	1.6%	↑
Fuel Rate Revenue	166,463,790	184,847,582	18,383,792	11.0%	↑
Other Revenue	53,503,620	56,776,389	3,272,769	6.1%	↑
Total Revenue	<u>\$ 558,863,883</u>	<u>\$ 585,789,998</u>	<u>\$ 26,926,115</u>	<u>4.8%</u>	<u>↑</u>
O&M	\$ 129,893,206	\$ 122,510,922	\$ (7,382,284)	-5.7%	↓
Fuel & Purchased Power	166,463,790	184,847,582	18,383,792	11.0%	↑
Debt	52,089,756	48,216,320	(3,873,436)	-7.4%	↓
Capital Funding	65,381,479	65,381,479	-	0.0%	↓
City Contribution	40,712,007	36,997,249	(3,714,758)	-9.1%	↓
Non Fuel Purchase Power	118,630,247	120,840,918	2,210,671	1.9%	↑
Other Expenditures	(8,555,863)	(5,352,445)	3,203,418	-37.4%	↑
Total Expenditures	<u>\$ 564,614,622</u>	<u>\$ 573,442,025</u>	<u>\$ 8,827,403</u>	<u>1.6%</u>	<u>↑</u>
Surplus / (Deficit)	<u>\$ (5,750,739)</u>	<u>\$ 12,347,973</u>	<u>\$ 18,098,712</u>		<u>↑</u>



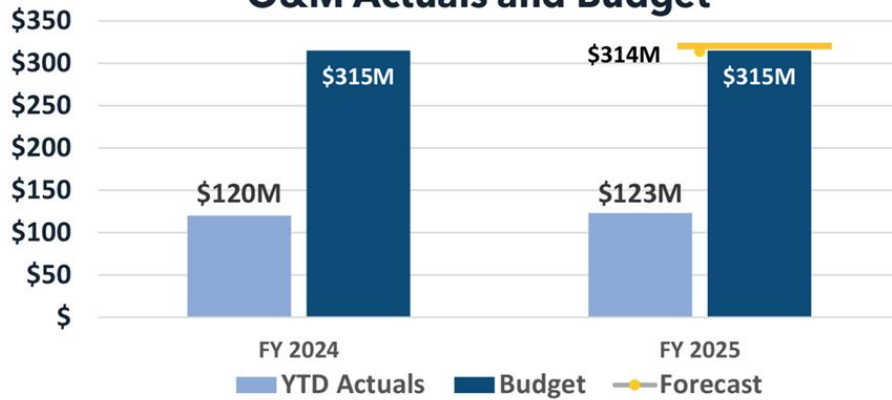
COST PER MWH

	<u>YTD 2024</u>	<u>YTD 2025</u>
Generated Power per MWh	\$ 35.26	\$ 39.18
Purchased Power per MWh	79.94	100.67
Total	<u>\$ 54.33</u>	<u>\$ 64.67</u>

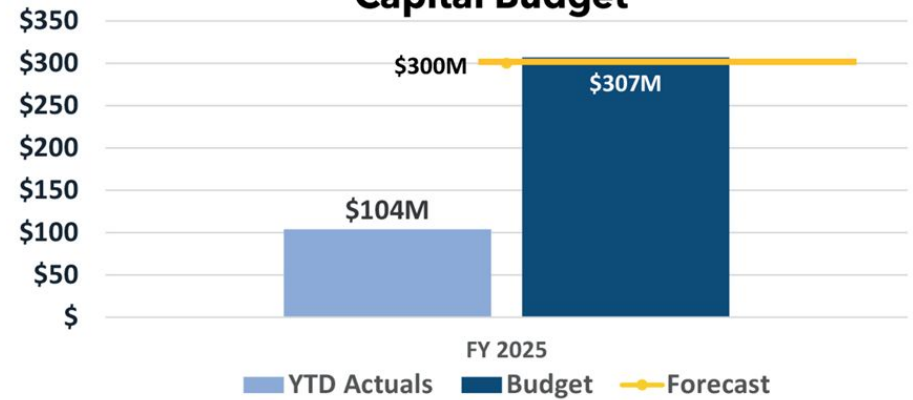


ELECTRIC SYSTEM

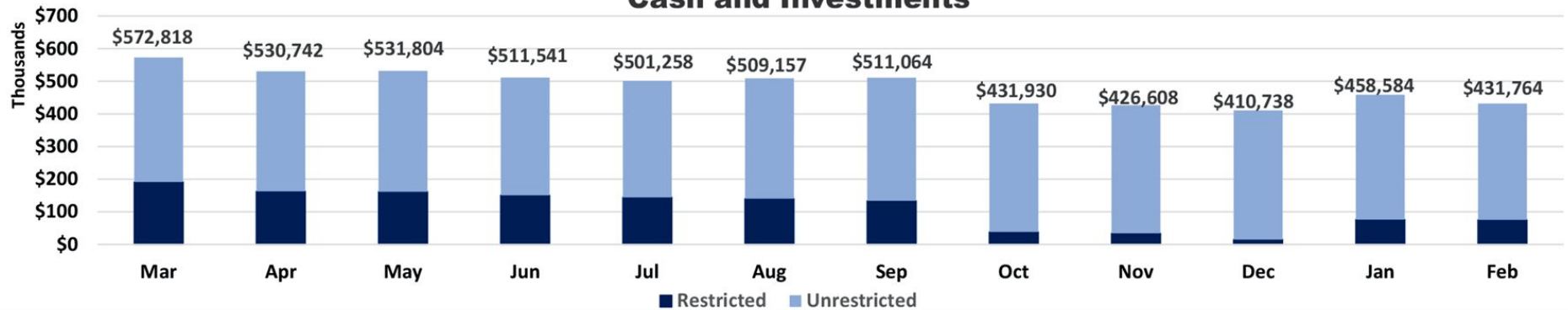
O&M Actuals and Budget



Capital Budget



Cash and Investments

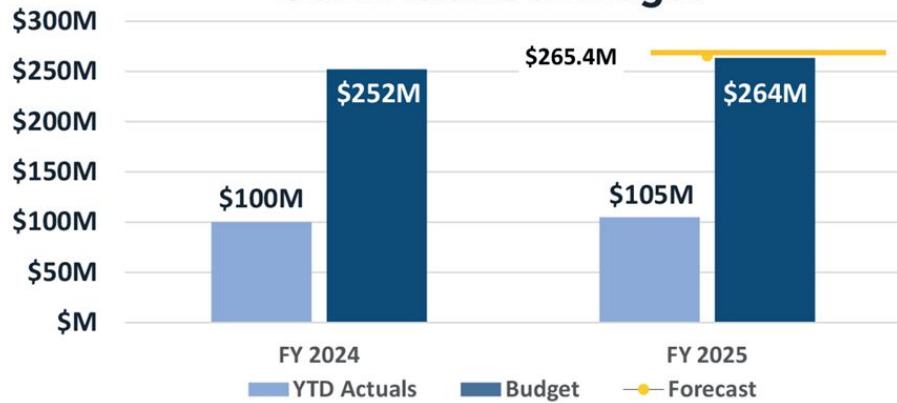


WATER SYSTEM REVENUE & EXPENDITURES

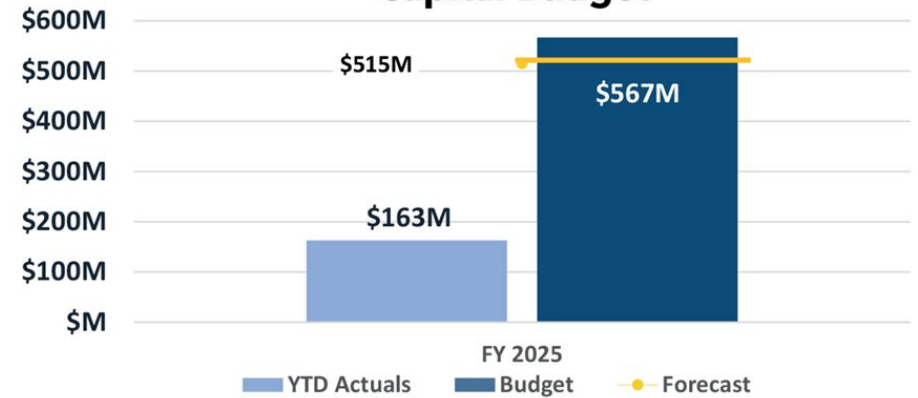
	Budget	Actual	Delta	%	
Water & Sewer	\$ 203,730,866	\$ 199,786,087	\$ (3,944,779)	-1.9%	↓
Capacity & Extension	26,341,033	30,634,163	4,293,130	16.3%	↑
Investment Income	2,053,612	2,341,097	287,485	14.0%	↑
Other Income	10,780,176	9,700,935	(1,079,241)	-10.0%	↓
Total Revenue	<u>\$ 242,905,687</u>	<u>\$ 242,462,282</u>	<u>\$ (443,405)</u>	-0.2%	↑
O&M	\$ 106,553,933	\$ 104,891,468	\$ (1,662,465)	-1.6%	↓
Capital	39,384,782	43,638,497	4,253,715	10.8%	↑
Debt	56,760,530	52,281,000	(4,479,530)	-7.9%	↓
City Contribution	16,548,200	15,038,263	(1,509,937)	-9.1%	↓
Other Expenditures	4,121,105	4,236,160	115,055	2.8%	↑
Total Expenditures	<u>\$ 223,368,550</u>	<u>\$ 220,085,388</u>	<u>\$ (3,283,162)</u>	-1.5%	↓
Surplus / (Deficit)	<u>\$ 19,537,137</u>	<u>\$ 22,376,894</u>	<u>\$ 2,839,757</u>		↑

WATER SYSTEM

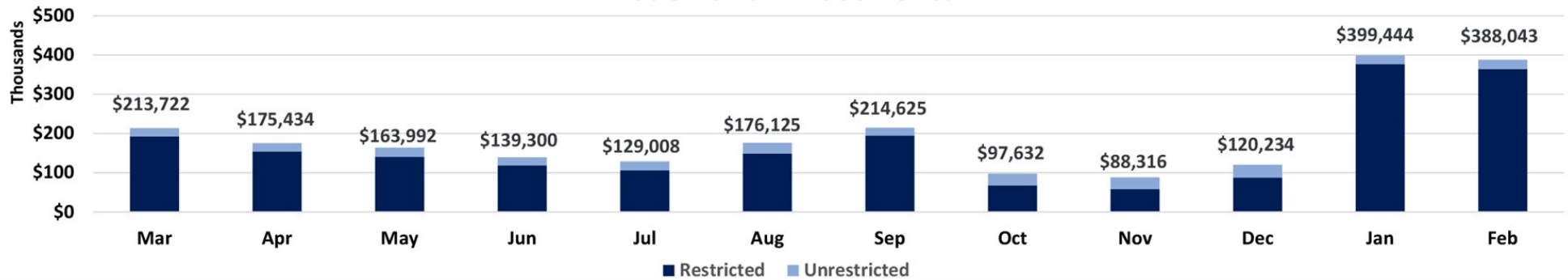
O&M Actuals & Budget



Capital Budget



Cash and Investments



Financial Metrics

E
L
E
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T
R
I
C

Days of Liquidity

200 

Target: 150

Debt Service Coverage

2.59x 

Target: 2.2x

Debt to Asset Ratio

43.4% 

Target: 50%

Fixed Charge Coverage

1.08x 

Target: 1.6x

Weighted Average Yield
of Investments4.59% 

Target: 4.35%

W
A
T
E
R

Days of Liquidity

388 

Target: 100

Debt Service Coverage

2.38x 

Target: 1.8x

Debt to Asset Ratio

47.6% 

Target: 50%

Fixed Charge Coverage

2.63x 

Target: 2.0x

Weighted Average Yield
of Investments4.59% 

Target: 4.35%

Financial Metrics | FY 2025 February



Residential Energy Efficiency & Conservation Programs

Dr. Charles Moreland, Chief Customer Experience Officer

*Natasha Jackson
Senior Meter Specialist,
Conservation & Efficiency Field Services*



Efficiency & Conservation

We Care About Our Customers

JEA provides incentives to customers to promote the purchase of energy and water efficient appliances to help the customer reduce their overall utility bill.

Residential Electric & Water Portfolio:

- HVAC Replacement/Tune-up
- Attic Insulation
- Heat Pump Water Heaters
- Self-Install Toilet
- Multi-family Retrofits
- Dehumidifier
- Air Purifier
- Smart Thermostat
- Room Air Conditioner
- Smart Irrigation Controller
- Irrigation Spray Nozzles
- Water Conservation Kits
- Neighborhood Energy Efficiency (NEE) Program



Program Impact

Our Programs Help Customers Save



1 million gallons of water per day, nearly as much as two **Olympic sized swimming pools**

500,000 gallons of water per day, or more than **10 times** the amount of water the average Florida resident uses in one year



More than **14,442 MWh of energy** which is enough to power over **1,500 single-family homes** for one year

Program Highlights

Neighborhood Energy Efficiency Program

- **Helping Low-Income Communities**
Free energy & water efficiency upgrades
- **Targeted Outreach**
Neighborhoods are canvassed by knocking on doors and leaving door hangers

Proven Impact:

- **20,000 homes served** since 2009
- **\$2M+** in total bill reductions
- Participants **save 5-10%** on utility bills

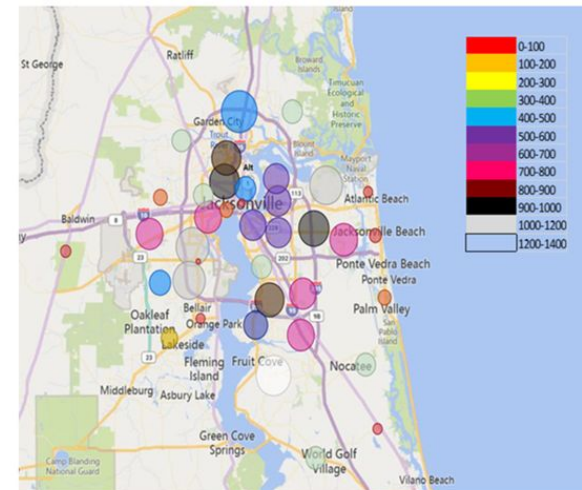
Future Goal: **Serve 10,000+**

homes in the next five years, doubling annual participation



Residential Water Conservation Kits

- **Launched June 2023** – Free, easy-to-install
- **Up to \$75 savings/year** on water & utilities
- **Includes:** Showerheads, aerators, hose nozzle, and leak detection tabs





JEA Focuses on Solutions

For Income-Constrained Customers

JEA **BUILDS** through:

- Financial Advocacy: LIHEAP¹, LIHWAP², agency vouchers
- Community Support: Neighbor-to-Neighbor Fund, Prosperity Scholarship Fund
- Senior & Veteran Outreach: Resource days, specialized programs
- Money-Saving Partnerships: Helping customers keep more in their pockets



JEA **EDUCATES** through:

- “Light It Forward” Awards (recognize non-profit professionals in the community)
- LMI³+ BlastPoint Strategy (customer segmentation research)
- Savings Without Sacrifice Training
- Ways to Save
- JEA Meet ALICE⁴ Training



JEA **INTEGRATES** through:

- Agency Partnerships
- Bill Pay Solutions (eBill, Autopay, Levelized Billing)
- Customer Rebates
- JEA MyWay Program (Prepaid Utilities)
- Kubra BOOST (customers request payment help from friends and family)
- Neighborhood Energy Efficiency Program
- Restore, Repair & Resilience (R3) Program



¹ Low Income Home Energy Assistance Program (LIHEAP)

² Low Income Household Water Assistance Program (LIHWAP)

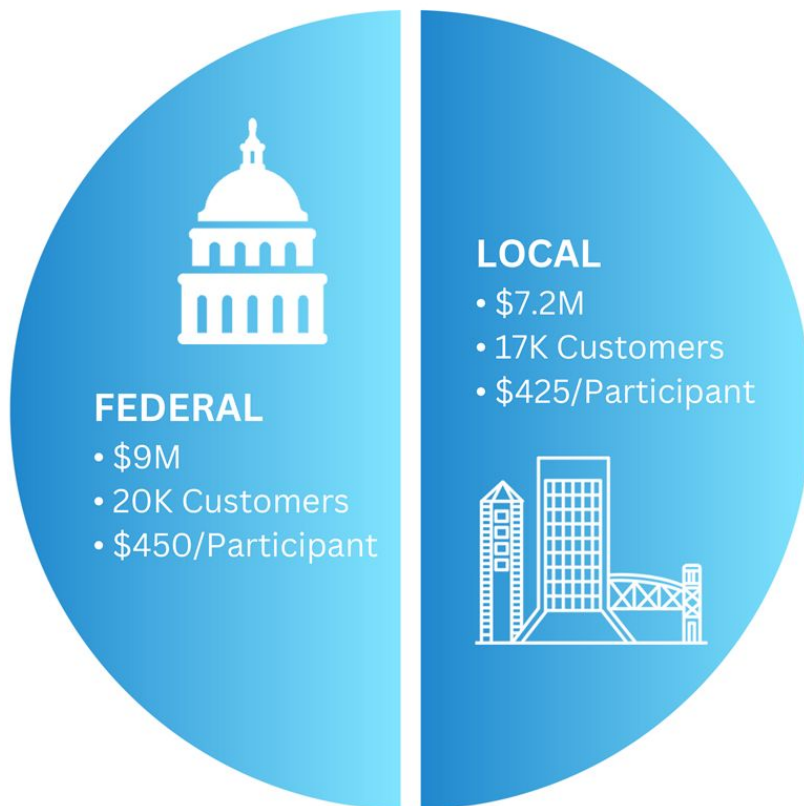
³ Low- Moderate-Income (LMI)

⁴ ALICE (Asset Limited, Income Constrained, Employed)



Utility Bill Assistance

Five-Year Totals



\$16.2M in total support of utility bill assistance for nearly **37K customers** which comes to an average of **\$440/participant**

Just a few of our many local partner agencies:





Resource Highlights

Senior Day at JEA

- **Held Monthly:** 3rd Wednesday, JEA Downtown HQ
- **Purpose:** Connects seniors to financial assistance & community resources
- **Open to the Public:** Walk-ins welcome; bill assistance requires appointments

Some Key Partners: City of Jacksonville Senior Services, United Way, ElderSource, JTA, Lutheran Social Services, Catholic Charities, Jewish Family & Community Services, Property Appraiser, EHEAP*, and JEA Neighborhood Energy Efficiency Program



Impact (Since Apr. 2024):

- **139 seniors assisted**
- **Nearly \$70K in aid provided**
(~\$500 per participant)

*Emergency Home Energy Assistance for the Elderly Program

Veteran's Resource Day at JEA

- **Inaugural Event:** Tuesday, May 20, JEA Downtown HQ
- **Who's Invited:** Veterans & Active-Duty Military in NE Florida
- **Purpose:** Connect with essential services for transition support & utility assistance
- **Staffed By:** JEA Military Veterans

Some Key Partners: Catholic Charities, Changing Homelessness, City of Jacksonville Military & Veterans Affairs, ElderSource, United Way, Wounded Warrior Project, Operation New Uniform, and United States Department of Veterans Affairs



JEA Is Committed to Providing Value

Serving Our Customers with Clear Information



Scan the code for your
one-stop shop to understand
the rate adjustment and how to
limit its impact to you.



Old and Other New Business/ Open Discussion

Rick Morales, Acting Chair

Allen Harrell, Material Handling Operator Maintainer
Leon Woolard, External Contractor
CC Higginbotham, Power Plant Operator
Scott Musselman, Material Handling Operator Maintainer
Andra Rochay, Material Handling Operator Maintainer



Chair's Report

Rick Morales, Acting Chair

Robert Ingram, Apprentice Maintenance
Mechanic-UIS



Announcements - Upcoming Meetings

Capital Projects Committee – May 23

Board of Directors – May 27

FY26 JEA Budget Workshop – June 4

Finance, Governance, and Audit Committee – August 11

JEA

JEA EXECUTIVE COMMITTEE MINUTES
February 18, 2025

The Executive Committee of the JEA Board met at 11:14 am on Tuesday, February 18, 2025 on the 1st Floor, 225 North Pearl Street, Jacksonville, Florida. The meeting was properly noticed, and the public was invited to attend this meeting in-person at the physical location.

WELCOME

Meeting Called to Order – Committee Chair General Joseph DiSalvo called the meeting to order at 11:14 am with members Rick Morales, Kwanza Humphrey, and Mr. John Baker in attendance. Board member MG Orender also attended the meeting.

Others in attendance in-person were Vickie Cavey, Managing Director/CEO; Kurt Wilson, Chief of Staff; Regina Ross, Chief Legal Officer, Office of General Counsel; Diane Moser, Chief Human Resources Officer; and Melissa Dalton, Board Services Manager. Jody Brooks, Chief Administrative Officer attended the meeting virtually.

Adoption of the Agenda – On *motion* by Mr. Morales and seconded by Ms. Humphrey, the agenda was approved.

Safety Briefing – A safety briefing was not provided.

Comments from the Public – There were no public comments.

FOR COMMITTEE CONSIDERATION

Slate of Officers – Committee Chair General DiSalvo reviewed the purpose of today’s meeting is to recommend a new slate of Board Officers effective April 1, 2025. Board discussions ensued with the following recommendations:

Upon *motion* by Ms. Humphrey and seconded by Mr. Morales, the Committee unanimously approved to recommend Mr. Orender as the new Board Secretary.

Upon *motion* by Committee Chair General DiSalvo and seconded by Ms. Humphrey, the Committee unanimously approved to recommend Mr. Morales as Vice Chair for a second term.

Upon *motion* by Mr. Morales and seconded by Ms. Humphrey, the Committee unanimously approved to recommend General DiSalvo as Board Chair for a second term.

Committee Chair General DiSalvo extended his appreciation to Ms. Humphrey for serving as Board Secretary, Mr. Morales for agreeing to serve another term, and Mr. Baker for his service. Mr. Morales extended his appreciation to General DiSalvo for his leadership and willingness to serve a second term as Board Chair.

CLOSING CONSIDERATIONS

Old and Other New Business/Open Discussion – None

Announcements – None

Adjournment – With no further business coming before the Committee, Chair DiSalvo declared the meeting adjourned at 11:17 am.

APPROVED BY:

Committee Chair

Date: _____

Submitted by:

Melissa Dalton

Melissa Dalton, Director, Board and Administrative Services

JEA COMPENSATION COMMITTEE MINUTES
February 18, 2025

The Compensation Committee of the JEA Board met at 10:30 am on Tuesday, February 18, 2025 on the 1st Floor, 225 North Pearl Street, Jacksonville, Florida. The meeting was properly noticed, and the public was invited to attend this meeting in-person at the physical location.

WELCOME

Meeting Called to Order – Committee Chair General Joseph DiSalvo called the meeting to order at 10:30 am. Also in attendance were committee members Rick Morales and Kawanza Humphrey. Board members John Baker and MG Orender were also in attendance.

Others in attendance in-person were Kurt Wilson, Chief of Staff; Regina Ross, Chief Legal Officer, Office of General Counsel; Diane Moser, Chief Human Resources Officer; and Melissa Dalton, Board Services Manager.

Adoption of the Agenda – On *motion* by Mr. Morales and seconded by Ms. Humphrey, the agenda was approved.

Safety Briefing – Diane Moser, Chief Human Resources Officer presented the safety briefing.

Comments from the Public – There were no public comments.

FOR COMMITTEE CONSIDERATION

Managing Director / CEO Terms of Contract – Diane Moser, Chief Human Resources Officer, provided the Committee with a review of the purpose of today’s meeting, JEA’s rank within the American Public Power Association (APPA), comparison of Large Public Power Council (LPPC) utilities and executive salary survey, market analysis from two Towers Watson surveys, 2024 CompData salary survey, and the proposed terms. Committee members held discussions regarding previous CEO salary versus proposed base salary, cost of living in service territory, current CEO salary, annual leave, protocol for CEO evaluations, and expressed sensitivity to our customer’s concerns. Ms. Ross provided guidance on the CEO evaluation protocol. For clarification, Committee Chair DiSalvo reviewed the proposed terms of Ms. Cavey’s contract to include salary, annual increases, and leave.

Upon *motion* by Mr. Morales and seconded by Ms. Humphrey, the Committee unanimously voted to recommend the Board approve the Managing Director / CEO proposed contract.

CLOSING CONSIDERATIONS

Old and Other New Business/Open Discussion – None

Announcements – None

Adjournment – With no further business coming before the Committee, Chair DiSalvo declared the meeting adjourned at 11:05 a.m.

APPROVED BY:

Committee Chair

Date: _____

Submitted by:

Melissa Dalton

Melissa Dalton
Director, Board and Administrative Services

JEA BOARD OF DIRECTORS MEETING MINUTES
February 25, 2025

The JEA Board met in regular session at 10:30 am on Tuesday, February 25, 2025, on the 1st Floor, 225 North Pearl Street, Jacksonville, Florida. The meeting was properly noticed, and the public was invited to attend this meeting in-person at the physical location and virtually.

WELCOME

Meeting Called to Order – Board Chair General Joseph DiSalvo called the meeting to order at 10:30 am. Board members in attendance were Vice Chair Rick Morales, Secretary Kawanza Humphrey, John Baker, and MG Orender, and Arthur Adams.

Others in attendance were Vickie Cavey, Managing Director/CEO; Ted Phillips, Chief Financial Officer; Jody Brooks, Chief Administrative Officer (virtually); Joe Orfano, Deputy Chief Financial Officer and Treasurer; Ricky Erixton, Chief Electric Systems Officer; Rob Zammataro, Chief Water Systems Officer; Kurt Wilson, Chief of Staff; Brad Krol, Chief Information Officer; Dr. Charles Moreland, Chief Customer Experience Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Sheree Brown, 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 Mr. Baker and seconded by Vice Chair Morales, the agenda was approved.

Safety Briefing / Values Moment – David Goldberg, Director Brand & Content, provided the safety briefing and a values moment on respect.

COMMENTS / PRESENTATIONS

Comments from the Public –

John Nooney spoke to the Board regarding the St. Johns River Accord and supporting public access to waterways.

Logan Cross was not present during the public comment period.

Theresa Parliato spoke to the Board regarding CEO pay and water main issues.

Council Liaison's Comments – Council Member Michael Boylan had no comments.

Managing Director / CEO Comments – Vickie Cavey, Managing Director/CEO, provided a review on the San Jose Boulevard water main replacement, to which Council Member Michael Boylan expressed his appreciation to team members for their work and communication to the community. Ms. Cavey highlighted the Greenland Water Reclamation Facility (WRF) was brought online in February and is the first WRF in Duval County in 48 years. Ms. Cavey ended her report highlighting JEA celebrated Black History Month and thanked Dr. Charles Moreland, Chief Customer Experience Officer for providing the keynote speech and to the team members that made this event possible.

JEA Performance Update

Corporate Scorecard – Juli Crawford, Director, Enterprise Planning & Analytics, provided updates through January 31, 2025, to include residential customer bills, total spend, O&M, capital

expense, and operational metrics to include: safety, clean energy composition, water and sewer reliability, sanitary sewer overflow, and technology availability. Board Vice Chair Morales inquired regarding sewer reliability. This presentation was received for information.

Financial Update – Ted Phillips, Chief Financial Officer, provided an update on the electric and water system revenue and expenditures; electric cost per MWh; electric and water system O&M actuals, capital budget; cash and investments; and financial metrics. Inquiries were made by Board members regarding fixed charge coverage, which were addressed by staff. This presentation was received for information.

RATE HEARING

Meeting Called to Order – Board Chair General DiSalvo recessed the regularly scheduled meeting and called the rate hearing to order at 11:00 am.

Comments from the Public on Rates:

Theresa Parliato spoke to the Board regarding the proposed rate increase.

Kelly Frazier, President, Northside Coalition of Jacksonville spoke on her late father, Mr. Ben Frazier, provided thoughts on the proposed rate increase and CEO salary.

Electric, Water, and Sewer Rate Review – Ted Phillips, Chief Financial Officer, provided a review of rate increase drivers as a follow-up item from the February 18, 2025 Finance, Governance, and Audit Committee meeting. Victor Blackshear, Director, Financial Planning & Rates, provided a review on rate strategic goals, electric, water and sewer system FY25/26 target revenue, rate restructuring recommendations, value of residential energy and water volume charges, comparison of how our proposed combined residential services will compare with other major Florida cities. Mr. Phillips provided a review of the rate recommendations timeline noting staff will request the Board to take action at the March 25, 2025 Board meeting. Board members held discussions regarding the last rate increase, anticipation of future rate increases, residential energy efficiency programs, JEA's weatherization efforts with the R3 Program, and a decrease in water bills for some customers. Chair General DiSalvo reiterated the Board will take action on the proposed rates at the March 25, 2025 Board meeting.

Chair DiSalvo adjourned the rate hearing and reconvened the regular Board meeting at 11:22 am.

BOARD AND COMMITTEE REPORTS AND ITEMS FOR 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 meetings of the Board.

On *motion* by Mr. Baker and seconded by Mr. Morales, all Consent Agenda items were approved.

Board Meeting Minutes – January 28, 2025

DELIVERING BUSINESS EXCELLENCE

Executive Committee Report – Committee Chair General DiSalvo provided an update on the February 18, 2025 meeting thanking Committee members Rick Morales, Kawanza Humphrey, and John Baker for attending, as well as Board member MG Orender. General DiSalvo provided the following recommendations for a new slate of Officers:

General Joseph DiSalvo, Board Chair
Rick Morales, Board Vice Chair
MG Orender, Board Secretary

On *motion* by John Baker and seconded by Kawanza Humphrey, the new slate of Officers were approved. General DiSalvo noted the new Officers will begin their role effective April 1, 2025 and thanked Board members for their service.

Compensation Committee Report – Committee Chair General DiSalvo provided a review of the February 18, 2025 meeting thanking Committee members Kawanza Humphrey and Rick Morales for attending, as well as Board members John Baker and MG Orender. General DiSalvo noted Diane Moser, Chief Human Resources Officer provided the Committee with a review of data from the American Public Power Association, Large Public Power Council, Towers Watson surveys, and 2024 CompData salary survey, and reviewed the proposed contract terms.

Board members held discussions on Ms. Cavey's excellent performance, comparison of salary to peers, employee satisfaction, and reiterated Ms. Cavey's proposed contract does not impact rates. General DiSalvo reviewed the proposed contract terms including: 3-year contract term, with two mutually agreed upon 1-year terms, base salary of \$700,000 annually, 3% increase in base salary per annum, no change in current vehicle and business allowance, and annual leave of 120 hours (front loaded) plus an annual accrual rate of 280 hours, which is consistent with JEA's Policy and Procedures.

On *motion* by Vice Chair Morales and seconded by Mr. Orender, the Board unanimously approved Ms. Cavey's contract as outlined.

Finance, Governance, and Audit Committee Report – Committee Chair MG Orender provided a review of the February 18, 2025 meeting thanking Committee members Kawanza Humphrey and Chair DiSalvo for attending, as well as Board members John Baker and Rick Morales. Committee Chair Orender provided a review of the following agenda items:

Amended and Restated Interagency Agreement – Committee Chair Orender provided information on the current expired Interagency Agreement, FY24 contribution to the City of Jacksonville, the Amended and Restated Interagency Agreement effective date of October 1, 2024 with the agreement expiring September 20, 2029, water quality credits provided to the City at no cost, as well as the FY25 and FY26 contribution terms.

On *motion* by Mr. Baker and seconded by Kawanza Humphrey, the Board unanimously approved the Amended and Restated Interagency Agreement.

457 Deferred Compensation Plan – Committee Chair Orender provided a review of this administrative item highlighting current regulations for employees who attains age 50 or older in a year, Secure Act 2.0 including existing and amended laws related to the Super Catch-Up Contribution limit.

On *motion* by Mr. Adams and seconded by Mr. Morales, the Board unanimously approved the Super Catch-Up Amendment.

Internal Audit Charter – Committee Chair Orender provided a review of the Internal Audit Charter updates due to significant changes to the Institute of Internal Auditors revision of its 2024 Global Audit Standards.

On ***motion*** by Vice Chair Morales and seconded by Secretary Humphrey, the Board unanimously approved the Internal Audit Charter.

Enterprise Risk Management Policy – Committee Chair Orender provided a review of the Enterprise Risk Management Roadmap noting the first step will include governance and culture. Committee Chair Orender highlighted responsibilities for this step to include the Board approving the Enterprise Risk Management Policy and establishing a Risk Committee.

On ***motion*** by Secretary Humphrey and seconded by Mr. Adams, the Board unanimously approved the Enterprise Risk Management Policy.

Warehouse Lease Extension – Committee Chair Orender provided a review of the Warehouse Lease extension highlighting the background of the sublease with AAR Government Services, Inc. which is holding current storm stock and construction project materials, lease expiration, and negotiated extension through March 2028 which includes an additional 23,000 square feet of warehouse space, and JEA's maximum indebtedness for the three-year term is \$3,836,215 which exceeds the \$2,000,000 threshold requiring Board approval for real estate transactions.

On ***motion*** by Mr. Baker and seconded by Vice Chair Morales, the Board unanimously approved the warehouse lease extension.

Additional topics covered included Internal Audit Update, Compliance with JEA's Disclosure Policy and Procedures, Annual Disclosure Reports, results of the Annual Board Evaluation, as well as the Electric, Water, and Sewer Rate Review which was heard earlier in today's meeting.

Capital Projects Committee Report – Committee Chair Rick Morales provided a review of the February 25, 2025 meeting thanking members John Baker and Arthur Adams for attending, as well as Board members General DiSalvo and MG Orender.

Arlington East Water Reclamation Facility (WRF) Phase 2 Expansion – Committee Chair Rick Morales provided a review of the Arlington East Water Reclamation Facility (WRF) Phase 2 Expansion noting this is JEA's second largest water reclamation facility, a review of the Phase 1 and 2 expansion.

On ***motion*** by John Baker seconded by Kawanza Humphrey, the Board unanimously voted to approve the recommendations.

Committee Chair Morales reviewed the second request to award the project to Wharton Smith. Committee Chair Morales reviewed the terms solicitation responses including the Phase 2 Expansion project will include all phases of construction at the price of \$99,117,000.

On ***motion*** by Committee Chair Morales and seconded by Mr. Baker, the Board unanimously voted to approve the award to Wharton-Smith for the construction of influent structure, aeration basin, primary clarifier, and blowers in the amount of \$99,117,000.

Fulton Cut Replacement – Committee Chair Morales reviewed the Jacksonville Port Authority's request to increase the height of JEA's transmission lines to improve conditions for the size and types of ships traversing the Fulton Cut Crossing, background on the conceptual study, Board approval in March 2023 to enter into a binding Interlocal Agreement to proceed with designs and explore alternatives, review of total project cost and funding sources, review of contractor and JEA responsibilities, and the cumulative project cost of \$117M.

On **motion** by Mr. Baker seconded by Committee Chair Morales, the Board unanimously approved the contract award to Quanta Infrastructure Solutions Group not to exceed the amount of \$90M.

Committee Chair Morales reviewed the three-party agreements between JAXPORT, JEA, and the City of Jacksonville, funding timelines and party amounts which equates to \$52M from the City and State and \$32.5M from JAXPORT and JEA and noted JEA will utilize one-time dollars from electric system revenues from FY24 budget year.

On **motion** by Mr. Adams and seconded by Mr. Baker, the Board unanimously approved the proposed Interlocal Agreement between JEA, Jacksonville Port Authority, and the City of Jacksonville for the funding and construction of the Fulton Cut Replacement Project.

For informational purposes, the Committee heard an update on the Combined Cycle Plant proposal.

Chair DiSalvo thanked Mr. Morales for the report and noted that there are external variables in regard to the combined cycle plant.

Rating Agency Presentation – Joe Orfano, Deputy Chief Financial Officer & Treasurer, acknowledged the hard work performed by the Treasury team who closed several bond deals within the past few months. Mr. Orfano and A.J. Souto, Manager, Debt Capital Markets, provided the Board with a preliminary view of the Rating Agency presentation including consolidated historical financial metrics, electric and water system debt management, financial results, unit sales, revenue requirements, capital funding sources and uses. Mr. Orfano provided the dates for the upcoming rating agency presentations and thanked General DiSalvo for attending these important meetings. This presentation was received for information.

Disclosure Training for Board Members – Elizabeth Columbo, Daniel Deaton, and Barry Rothchild with Nixon Peabody, LLP, provided a review on the responsibilities of the Board of Directors for JEA's bond disclosures. Topics included a review of the Securities and Exchange Commission, requirements for issuers, JEA staff requirements, Board member requirements and lessons learned. This presentation was received for information.

OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business / Open Discussion – None

Chair's Report – Chair DiSalvo expressed appreciation to Ms. Cavey for her service.

Announcements – None

Adjournment – With no further business coming before the Board, Chair General DiSalvo declared the meeting adjourned at 12:50 pm.

APPROVED BY:

JEA Board Secretary

Date: _____

Board Meeting Recorded by:

Sheree Brown

Sheree Brown
Board Services Manager



BOARD RESOLUTION 2025-14
March 25, 2025

**A RESOLUTION OF THE JEA BOARD OF DIRECTORS TO HIGHLIGHT AND SUPPORT
APRIL AS FLORIDA'S WATER CONSERVATION MONTH**

WHEREAS, the State of Florida and its Water Management Districts and local government agencies, including JEA, are working together to increase public awareness about the importance of water conservation; and

WHEREAS, the State of Florida has designated April, typically a dry month when water demands are most acute, as Florida's Water Conservation Month in order to educate citizens about how they can help save Florida's precious water resources; and

WHEREAS, JEA is responsible for delivering an average of one hundred twenty-eight million (128,000,000) gallons of clean, safe water to its customers each day while helping ensure our water supply is sustainable for the future; and

WHEREAS, JEA encourages and supports water conservation through various educational programs and special events and the One Water campaign; and

WHEREAS, through its conservation efforts, JEA has helped customers reduce their consumption of drinking water, resulting in billions of gallons of water savings; and

WHEREAS, JEA and every business, industry, school, and citizen can make a difference when it comes to conserving water; and

WHEREAS, efficient irrigation design, programming, and maintenance can conserve water, JEA will encourage citizens and businesses to evaluate their irrigation systems for potential efficiency enhancements.

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

1. The Board recognizes and supports the month of April as Water Conservation Month. JEA encourages its employees, customers, and area citizens to help protect our precious resource by practicing water saving measures and becoming more aware of the need to save and use water wisely.
2. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be administratively corrected with no further action required by the Board.
3. This Resolution shall be effective upon adoption by the Board.

Dated this 25th day of March 2025.

JEA Board Chair

JEA Board Secretary

Form Approved:

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

JEA Board Agenda

MEMORANDUM**Residential Energy Efficiency & Conservation Programs**

Board Meeting Date: March 25, 2025

 Outcome: ☒ INFORMATION ONLY ☐ ACTION ☐ FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

 Consent Agenda Item: ☐ Yes ☒ No

Presenter: Dr. Charles Moreland, Chief Customer Experience Officer

Chief: Dr. Charles Moreland, Chief Customer Experience Officer

Strategic Focus Area:



DEVELOPING AN UNBEATABLE TEAM



DELIVERING BUSINESS EXCELLENCE



EARNING CUSTOMER LOYALTY

Background Information & Analysis:

To help customers manage their energy and water consumption, JEA offers a number of programs to its customers. The programs include rebates for the purchase of energy efficient appliances, in-home energy and water audits, JEA's Neighborhood Energy Efficiency Program; which targets low-income census tracts and support for seniors through our monthly Senior Day. This presentation will provide additional insight into these programs.

Financial Impact:

N/A

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix:

N/A

JEA Board Agenda

MEMORANDUM**Business Excellence Review**

Board Meeting Date: March 25, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

Bill Kemp, Managing Director, Wally Buran, Director from K3 Strategies, LLC

Chief:

Vickie Cavey, Managing Director / CEO

Strategic Focus Area:



DEVELOPING AN UNBEATABLE TEAM



DELIVERING BUSINESS EXCELLENCE



EARNING CUSTOMER LOYALTY

Background Information & Analysis:

K3 Strategies, LLC was selected by the JEA Board in August 2024 to conduct a broad assessment of JEA's current performance and opportunities for future improvement, with a primary focus on achieving higher levels of Business Excellence. Their team has been at work since late October gathering data, engaging in dialogue with JEA leadership on major issues and opportunities, analyzing JEA's performance vs. industry peers, assessing current processes and capabilities, identifying and sizing high priority opportunities, and defining a high-level road map for the path forward.

This agenda item pertains to K3 Strategy's summary presentation of its work to date, and discussion with the Board members of their related questions. The major sections of this summary presentation are:

- Background and key Board issues addressed
- Performance assessment summaries
- Prioritization of issues and opportunities
- Initial sizing of the high priority opportunities
- The path forward for finalizing the selected enterprise-level initiatives and engaging the broader JEA team in implementation

Financial Impact:

Specific goals to be fleshed out as the initiatives are finalized by JEA

Committee/Board Meeting/Workshop & Date Presented:

August 27, 2024 Closed Board Meeting

January - February 2025 Individual Board Members/K3 Business Strategies, LLC Meetings

Appendix:

Presentation summarizing scope, findings, and recommended next steps



2024

JEA WORKS FOR PEOPLE ANNUAL REPORT

Our future looks incredibly bright, and our people are a vital part of it.

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Employee Resource Groups (ERGs)	10
Partnerships	11

JEA Leadership

We're pleased to present this report to you on December 2024. This report is a five-year look back for January 2020. The report has been able to enhance our ability to highlight our accomplishments and achieve our success. We are committed to empower our territorial and committed stakeholders.

Our future looks incredible and people are a vital part of it.

This report is a five-year look back for January 2020. The report has been able to enhance our ability to highlight our accomplishments and achieve our success. We are committed to empower our territorial and committed stakeholders.

Our future looks incredible and people are a vital part of it.

JEA Leadership Team



Vickie Cavey
Managing Director & CEO



Jody L. Brooks
Chief Administrative Officer



Ricky Erixton
Chief Energy Systems Officer



Brad Krol
Chief Information Officer



Charles Moreland
Chief Customer Experience Officer



Diane Moser
Chief Human Resources Officer



Joe Orfano
Deputy Chief Financial Officer



Ted Phillips
Chief Financial Officer



Kurt Wilson
Chief of Staff



Robert Zammataro
Chief Water Systems Officer

Our Values

OUR CORE VALUES



SAFETY

We put the physical and emotional wellbeing of people first, both on the job and elsewhere.



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, worthy of the trust our customers and colleagues place in us.

A cornerstone of JEA's culture is the value of respect. This includes respect for each and every individual regardless of race, creed, color, religion, political affiliation, gender, pregnancy condition, age, national origin, citizenship, disability, marital status, genetic information, sexual orientation, gender identity, any other protected characteristics established by law, or any other cultural factor.

JEA operates on the principle that valuing all people and prohibiting any and all discrimination in the workplace is essential to the delivery and operation of its services to its customers and community. JEA values safety, respect, and integrity as a way of life ... and a way of doing business. This principle is the foundation of our strategic areas of focus: developing an unbeatable team, delivering business excellence and earning customer loyalty.

JEA's Pillars of Impact



Employee Engagement and Belonging

We seek to empower individuals and teams to boldly and respectfully engage in conversations, celebrate our backgrounds, and foster a culture of belonging.



Internal Education and Development

We strive to improve the quality of education and development, empowering people with techniques and strategies to embrace the work environment.



Talent Attraction

As part of building an unbeatable team, it's important to foster a workplace that is reflective of the community that we serve and free of bias in our recruiting and hiring practices.



Community Advocacy

Through our community advocacy, we will outwardly convey to our customers those values that we live every day from wherever we work, with the expectation of positively influencing outcomes and driving change across the First Coast.

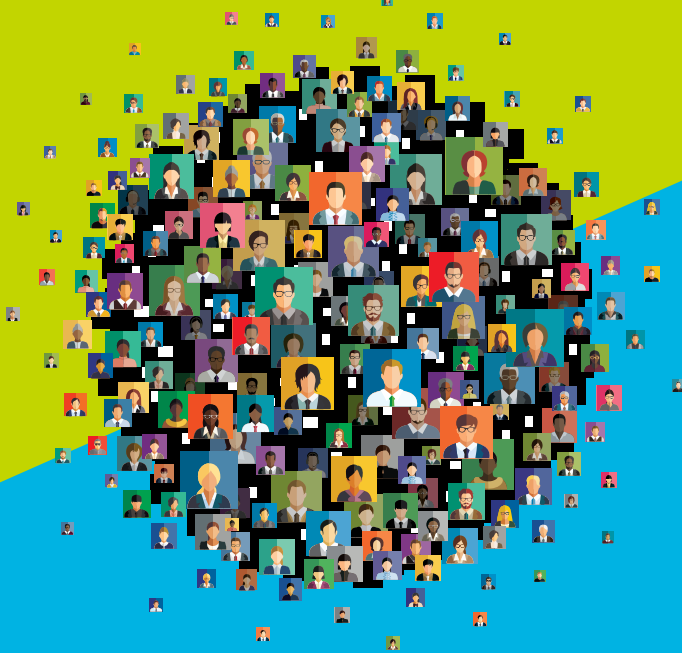


Data Analytics and Reporting

By using data analytics and reporting, we can gain a better understanding of our operations, identify areas for improvement, and make more informed decisions that drive business success.



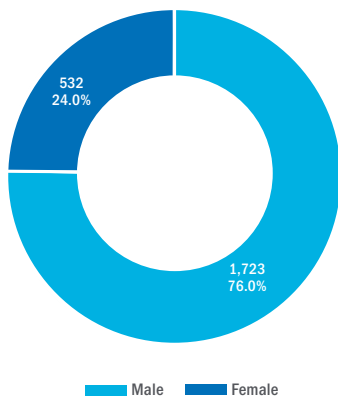
2023-2024 Workforce Demographics



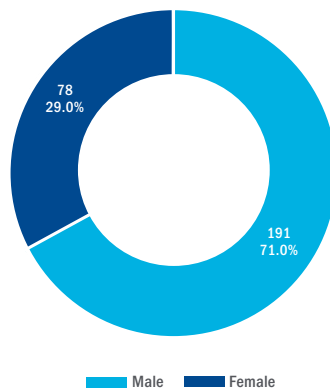
In nearly every category—gender, ethnicity, or veteran—JEA has seen an overall increase in headcount. While you might see a decrease of change in the percentage of each group year over year (example, whites), most have seen an increase in the number of employees in each group.

Full Time Employees

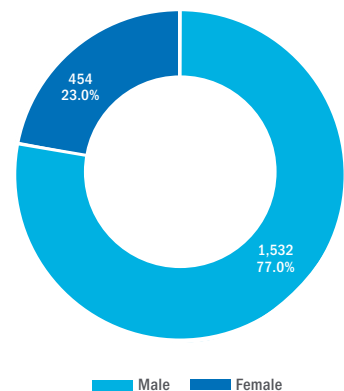
Gender Breakdown



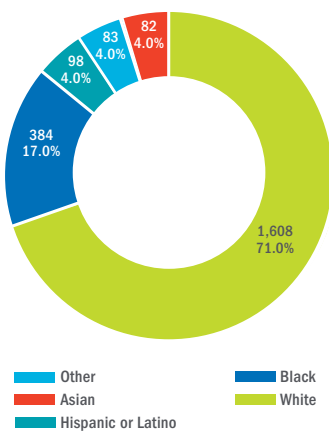
Gender Breakdown Management



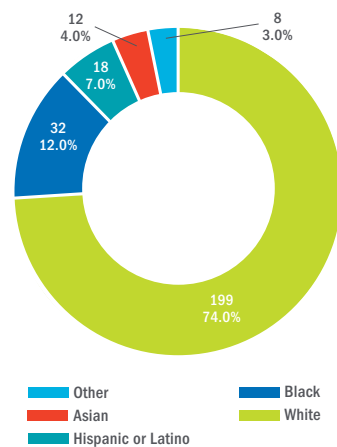
Gender Breakdown Non-management



Ethnicity Breakdown



Ethnicity Breakdown Management

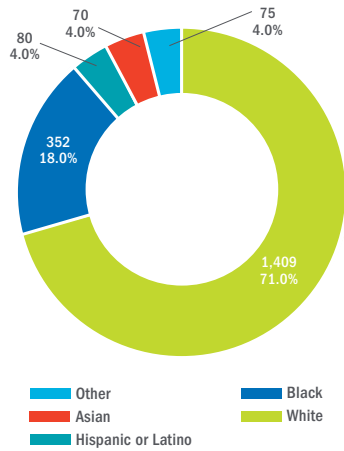


2023-2024 Workforce Demographics

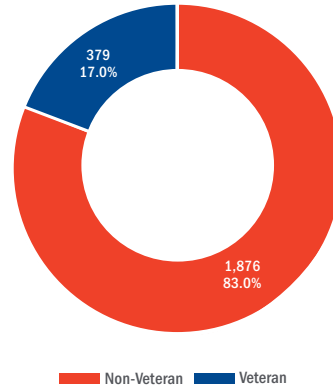
continued

Full Time Employees

Ethnicity Breakdown Non-Management



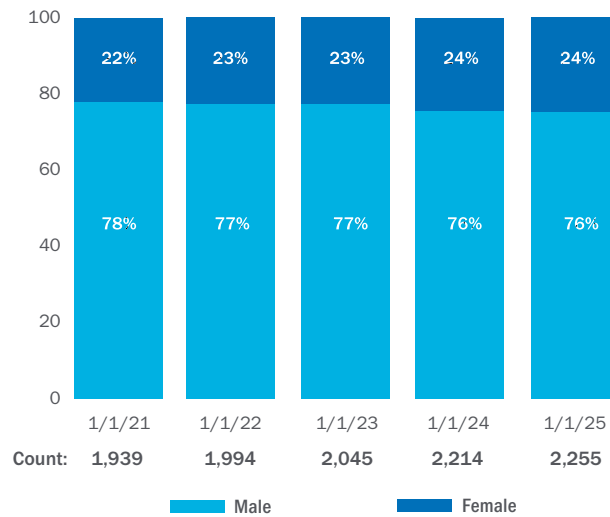
Veteran Workforce



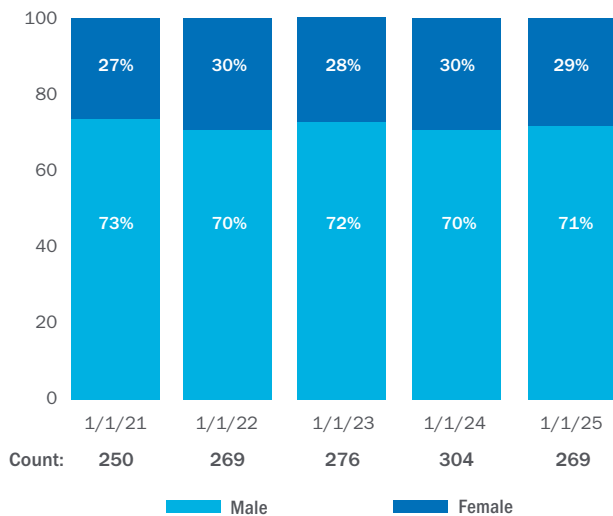
5 Year History Workforce Demographics

Full Time Employees

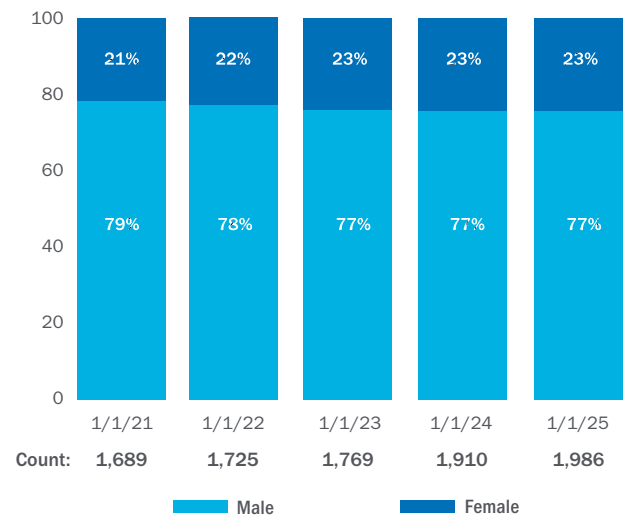
Gender Breakdown
(All Employees)



Gender Breakdown
(Management)

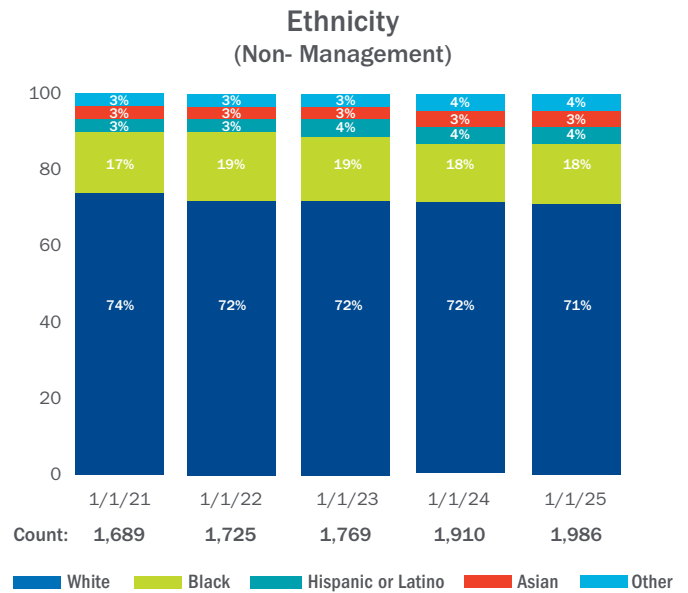
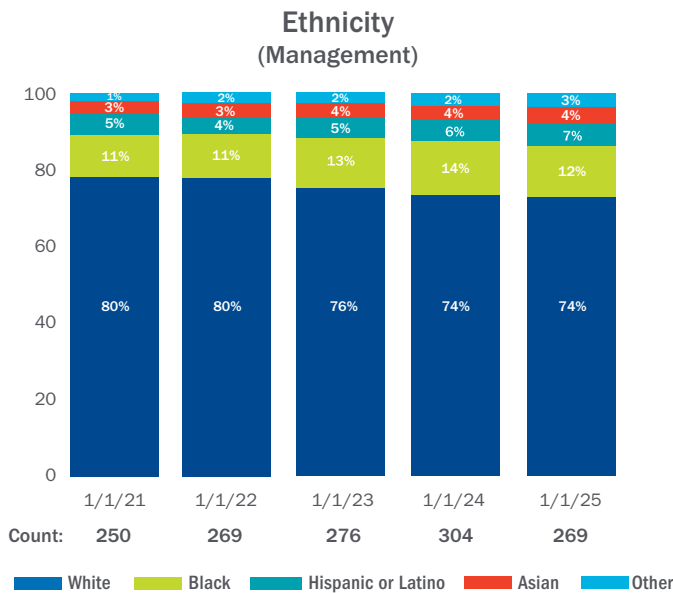
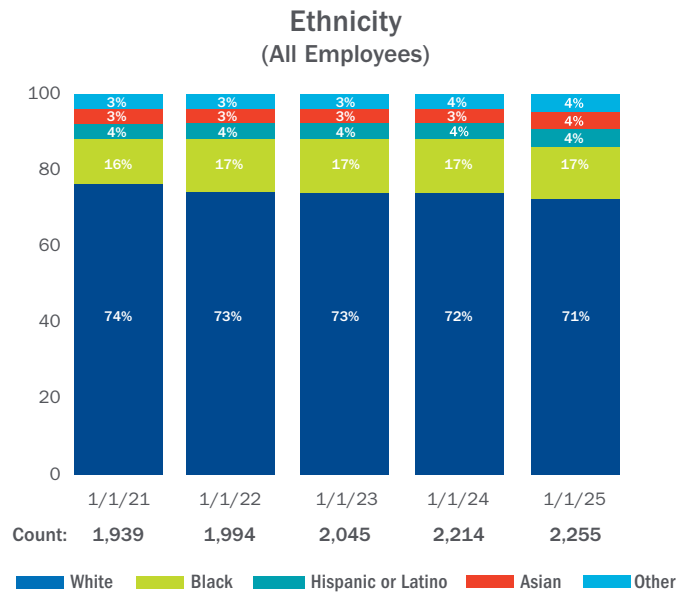


Gender Breakdown
(Non-Management)



5 Year History Workforce Demographics

Full Time Employees



The Impact Council works to integrate best practices for diversity, equity, and inclusion into JEA policies and programs. The Council serves as an advisory body to the Director of Diversity, Equity and Inclusion. JEA operates on the principle that valuing all people and prohibiting all discrimination in the workplace is essential to the delivery and operation of its services to its customers and community.

JEA currently sponsors a variety of activities of two Employee Resource Groups (ERGs), with another in the works. Each group has its own goals, all with the intent of creating opportunities for employees to get involved with fellow team members of similar characteristics, life experiences.

Women's Trades aims to educate, motivate, support and encourage women in the trades, while also eliminating barriers to entry in these fields. In celebration of Women's History Month, the theme of "Women in the Trades" was highlighted by the Nashville Mayor's Office. With the support of the Nashville mayor, WIT is featured in regional media and the honor of being the "Shrimp to the Shell" was bestowed upon WIT by the

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Talent Attraction Efforts

Internships

JEA selects college students to participate each summer in a paid 32-hour-per-week, 12-week immersion program. The program offers students opportunities to gain real-world, on-the-job experiences, earn a competitive salary, network with business professionals, get involved in the community, and develop valuable leadership, professional etiquette and presentation skills.



JEA Academy at First Coast High School



In August 2022, JEA and First Coast High School teamed up to launch a utilities technician program that prepares students with the use of industry standard training they need to enter skilled water and electrical careers. The students are able to gain knowledge through pre-apprenticeship opportunities, build a professional network, and obtain nationally recognized industry certifications while still in high school. Since beginning the program, more than 100 students have participated in the program.



Partnerships



The American Association of Blacks in Energy (AABE) is a national association of energy professionals founded and dedicated to ensure the input of African Americans and other minorities into the discussions and developments of energy policies regulations, Research & Development technologies, and environmental issues.



The Learning Series offers workshops on diversity, equity and inclusion (DEI) applied to the workplace for managers and employees of companies, non-profits, government agencies and educational institutes. It's also popular with students studying DEI and human resources.



LPPC members are 29 of the largest public power systems in the nation. Together, they serve (30M+) million American consumers across 22 states and Puerto Rico.





Connect with us





Monthly Financial Statements

February 2025

Monthly Financial Statements

February 2025

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JEA

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**Statements of Net Position
(in thousands)**

	February 2025 (unaudited)	September 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 172,023	\$ 255,838
Investments	209,726	143,442
Customer accounts receivable, net of allowance (\$3,031 and \$2,847, respectively)	215,704	248,069
Inventories:		
Materials and supplies	160,790	143,307
Fuel	45,817	56,329
Prepaid assets	31,970	33,843
Other current assets	18,328	16,395
Total current assets	<u>854,358</u>	<u>897,223</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	310,838	180,404
Investments	153,280	161,853
Other restricted assets	907	927
Total restricted assets	<u>465,025</u>	<u>343,184</u>
Costs to be recovered from future revenues	1,033,059	991,923
Hedging derivative instruments	80,330	53,512
Other assets	46,098	48,045
Total noncurrent assets	<u>1,624,512</u>	<u>1,436,664</u>
Capital assets:		
Land and easements	234,086	233,979
Plant in service	13,777,549	13,467,890
Lease asset	93,313	93,313
Less accumulated depreciation	<u>(8,964,007)</u>	<u>(8,795,288)</u>
Plant in service, net	5,140,941	4,999,894
Construction work in progress	1,198,059	1,230,341
Net capital assets	<u>6,339,000</u>	<u>6,230,235</u>
Total assets	<u>8,817,870</u>	<u>8,564,122</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	192,172	192,172
Accumulated decrease in fair value of hedging derivatives	9,826	64,783
Unamortized deferred losses on refundings	92,116	62,266
Unrealized asset retirement obligations	32,525	31,501
Unrealized OPEB contributions and losses	13,746	13,746
Total deferred outflows of resources	<u>340,385</u>	<u>364,468</u>
Total assets and deferred outflows of resources	<u>\$ 9,158,255</u>	<u>\$ 8,928,590</u>

JEA
Statements of Net Position
(in thousands)

Page 3

	February 2025		September 2024
	(unaudited)		
Liabilities			
Current liabilities:			
Accounts and accrued expenses payable	\$ 75,284	\$	95,856
Customer deposits and prepayments	95,613		94,245
Billings on behalf of state and local governments	24,627		27,841
Compensation and benefits payable	14,411		12,570
City of Jacksonville payable	15,788		10,437
Asset retirement obligations	3,357		2,817
Total current liabilities	229,080		243,766
Current liabilities payable from restricted assets:			
Debt due within one year	105,445		106,305
Interest payable	53,726		55,501
Construction contracts and accounts payable	64,987		117,524
Renewal and replacement reserve	7,976		6,983
Total current liabilities payable from restricted assets	232,134		286,313
Noncurrent liabilities:			
Long-term debt:			
Debt payable, less current portion	3,194,605		2,940,745
Unamortized premium, net	272,331		181,583
Fair value of debt management strategy instruments	-		44,085
Total long-term debt	3,466,936		3,166,413
Net pension liability	965,649		965,649
Lease liability	87,300		87,300
Asset retirement obligations	29,168		28,684
Compensation and benefits payable	42,882		44,980
Net OPEB liability	661		557
Other liabilities	57,421		59,860
Total noncurrent liabilities	4,650,017		4,353,443
Total liabilities	5,111,231		4,883,522
Deferred inflows of resources			
Revenues to be used for future costs	285,034		293,983
Accumulated increase in fair value of hedging derivatives	80,330		53,512
Unrealized OPEB gains	19,712		19,712
Unrealized pension gains	22,754		22,754
Total deferred inflows of resources	407,830		389,961
Net position			
Net investment in capital assets	3,042,139		3,153,611
Restricted for:			
Capital projects	221,097		57,481
Debt service	43,305		106,624
Other purposes	(1,896)		1,232
Unrestricted	334,549		336,159
Total net position	3,639,194		3,655,107
Total liabilities, deferred inflows of resources, and net position	\$ 9,158,255	\$	8,928,590

JEA

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Statements of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited)

	Month February		Year-to-Date February	
	2025	2024	2025	2024
Operating revenues				
Electric - base	\$ 59,798	\$ 63,900	\$ 374,152	\$ 341,423
Electric - fuel and purchased power	34,708	31,208	182,395	180,616
Water and sewer	37,879	39,049	203,869	200,721
District energy system	807	825	4,723	4,829
Other operating revenues	3,237	3,216	17,781	15,907
Total operating revenues	136,429	138,198	782,920	743,496
Operating expenses				
Operations and maintenance:				
Maintenance and other operating expenses	42,231	41,416	240,895	222,019
Fuel	21,824	27,824	130,405	127,966
Purchased power	39,515	22,613	197,239	129,216
Depreciation	32,038	34,267	169,702	171,815
State utility and franchise taxes	6,599	6,092	32,927	31,413
Recognition of deferred costs and revenues, net	1,169	2,242	(14,213)	18,830
Total operating expenses	143,376	134,454	756,955	701,259
Operating income	(6,947)	3,744	25,965	42,237
Nonoperating revenues (expenses)				
Interest on debt	(11,630)	(387)	(52,970)	(38,464)
Earnings from The Energy Authority	1,309	2,895	4,058	4,339
Allowance for funds used during construction	4,509	2,948	23,189	14,921
Other nonoperating income, net	509	489	2,531	2,565
Investment income	1,924	2,960	9,185	17,259
Other interest, net	(363)	(425)	(1,245)	(1,513)
Total nonoperating expenses, net	(3,742)	8,480	(15,252)	(893)
Income before contributions	(10,689)	12,224	10,713	41,344
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(11,451)	(10,304)	(57,260)	(51,521)
Developers and other	10,455	26,818	68,639	91,906
Reduction of plant cost through contributions	(4,698)	(17,944)	(38,005)	(57,771)
Total contributions, net	(5,694)	(1,430)	(26,626)	(17,386)
Change in net position	(16,383)	10,794	(15,913)	23,958
Net position, beginning of period	3,655,577	3,574,653	3,655,107	3,561,489
Net position, end of period	\$ 3,639,194	\$ 3,585,447	\$3,639,194	\$3,585,447

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Statement of Cash Flows

(in thousands - unaudited)

	Year-to-Date February	
	2025	2024
Operating activities		
Receipts from customers	\$ 791,061	\$ 780,468
Payments to suppliers	(467,288)	(437,234)
Payments for salaries and benefits	(155,673)	(135,703)
Other operating activities	16,680	25,358
Net cash provided by operating activities	184,780	232,889
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(51,933)	(51,418)
Net cash used in noncapital and related financing activities	(51,933)	(51,418)
Capital and related financing activities		
Acquisition and construction of capital assets	(331,554)	(333,779)
Defeasance of debt	(591,370)	(171,295)
Proceeds received from debt	1,047,675	503,835
Interest paid on debt	(62,071)	(64,463)
Repayment of debt principal	(106,305)	(89,375)
Capital contributions	30,634	34,135
Revolving credit agreement withdrawals	100,000	50,000
Revolving credit agreement repayments	(197,000)	(177,000)
Other capital financing activities	68,213	61,639
Net cash used in capital and related financing activities	(41,778)	(186,303)
Investing activities		
Proceeds from sale and maturity of investments	86,958	213,073
Purchase of investments	(146,553)	(138,817)
Distributions from The Energy Authority	4,960	3,060
Investment income	10,185	10,951
Net cash provided by (used in) investing activities	(44,450)	88,267
Net change in cash and cash equivalents	46,619	83,435
Cash and cash equivalents at beginning of year	436,242	378,612
Cash and cash equivalents at end of period	\$ 482,861	\$ 462,047
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 25,965	\$ 42,237
Adjustments:		
Depreciation and amortization	169,702	171,815
Recognition of deferred costs and revenues, net	(14,213)	18,830
Other nonoperating income, net	(1,117)	(1,478)
Changes in noncash assets and noncash liabilities:		
Accounts receivable	32,363	50,188
Inventories	(6,972)	(16,548)
Other assets	14,390	7,102
Accounts and accrued expenses payable	(20,721)	(41,262)
Current liabilities payable from restricted assets	1,171	1,113
Other noncurrent liabilities and deferred inflows	(15,788)	892
Net cash provided by operating activities	\$ 184,780	\$ 232,889
Noncash activity		
Contribution of capital assets from developers	\$ 38,005	\$ 57,771
Unrealized investment fair market value changes, net	\$ (1,886)	\$ 6,325

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Combining Statement of Net Position
(in thousands - unaudited) February 2025

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	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	\$ 143,368	\$ 3,419	\$ -	\$ 146,787	23,939	\$ 1,297	\$ 172,023
Investments	207,725	2,001	-	209,726	-	-	209,726
Customer accounts receivable, net of allowance (\$3,031)	163,253	-	-	163,253	51,799	652	215,704
Inventories:							
Materials and supplies	2,462	-	-	2,462	158,328	-	160,790
Fuel	45,817	-	-	45,817	-	-	45,817
Prepaid assets	30,077	-	-	30,077	1,866	27	31,970
Other current assets	15,296	82	(1,076)	14,302	4,026	-	18,328
Total current assets	607,998	5,502	(1,076)	612,424	239,958	1,976	854,358
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	120	18,140	-	18,260	267,815	24,763	310,838
Investments	56,075	916	-	56,991	96,289	-	153,280
Other restricted assets	900	7	-	907	-	-	907
Total restricted assets	57,095	19,063	-	76,158	364,104	24,763	465,025
Costs to be recovered from future revenues	534,371	47,872	-	582,243	450,152	664	1,033,059
Hedging derivative instruments	80,330	-	-	80,330	-	-	80,330
Other assets	40,404	5,683	-	46,087	11	-	46,098
Total noncurrent assets	712,200	72,618	-	784,818	814,267	25,427	1,624,512
Capital assets:							
Land and easements	139,039	6,660	-	145,699	85,336	3,051	234,086
Plant in service	6,673,216	1,316,043	-	7,989,259	5,710,554	77,736	13,777,549
Lease asset	93,313	-	-	93,313	-	-	93,313
Less accumulated depreciation	(4,489,106)	(1,315,189)	-	(5,804,295)	(3,117,956)	(41,756)	(8,964,007)
Plant in service, net	2,416,462	7,514	-	2,423,976	2,677,934	39,031	5,140,941
Construction work in progress	217,261	-	-	217,261	968,825	11,973	1,198,059
Net capital assets	2,633,723	7,514	-	2,641,237	3,646,759	51,004	6,339,000
Total assets	3,953,921	85,634	(1,076)	4,038,479	4,700,984	78,407	8,817,870
Deferred outflows of resources							
Unrealized pension contributions and losses	94,344	23,701	-	118,045	74,127	-	192,172
Accumulated decrease in fair value of hedging derivatives	9,826	-	-	9,826	-	-	9,826
Unamortized deferred losses on refundings	65,061	671	-	65,732	26,268	116	92,116
Unrealized asset retirement obligations	32,525	-	-	32,525	-	-	32,525
Unrealized OPEB contributions and losses	7,698	-	-	7,698	6,048	-	13,746
Total deferred outflows of resources	209,454	24,372	-	233,826	106,443	116	340,385
Total assets and deferred outflows of resources	\$ 4,163,375	\$ 110,006	\$ (1,076)	\$ 4,272,305	\$ 4,807,427	\$ 78,523	\$ 9,158,255

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Combining Statement of Net Position
(in thousands - unaudited) February 2025

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	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	\$ 60,843	\$ 67	\$ (67)	\$ 60,843	\$ 14,415	\$ 26	\$ 75,284
Customer deposits and prepayments	67,808	-	-	67,808	27,805	-	95,613
Billings on behalf of state and local governments	21,002	-	-	21,002	3,625	-	24,627
Compensation and benefits payable	10,385	-	-	10,385	3,996	30	14,411
City of Jacksonville payable	11,251	-	-	11,251	4,537	-	15,788
Asset retirement obligations	3,357	-	-	3,357	-	-	3,357
Total current liabilities	174,646	67	(67)	174,646	54,378	56	229,080
Current liabilities payable from restricted assets:							
Debt due within one year	36,885	17,105	-	53,990	49,460	1,995	105,445
Interest payable	25,555	878	-	26,433	26,795	498	53,726
Construction contracts and accounts payable	9,716	1,009	(1,009)	9,716	55,022	249	64,987
Renewal and replacement reserve	-	7,976	-	7,976	-	-	7,976
Total current liabilities payable from restricted assets	72,156	26,968	(1,009)	98,115	131,277	2,742	232,134
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,268,910	43,300	-	1,312,210	1,818,365	64,030	3,194,605
Unamortized premium (discount), net	126,390	(84)	-	126,306	146,029	(4)	272,331
Total long-term debt	1,395,300	43,216	-	1,438,516	1,964,394	64,026	3,466,936
Net pension liability	540,763	-	-	540,763	424,886	-	965,649
Lease liability	87,300	-	-	87,300	-	-	87,300
Asset retirement obligations	29,168	-	-	29,168	-	-	29,168
Compensation and benefits payable	30,165	-	-	30,165	12,621	96	42,882
Net OPEB liability	368	-	-	368	293	-	661
Other liabilities	57,421	-	-	57,421	-	-	57,421
Total noncurrent liabilities	2,140,485	43,216	-	2,183,701	2,402,194	64,122	4,650,017
Total liabilities	2,387,287	70,251	(1,076)	2,456,462	2,587,849	66,920	5,111,231
Deferred inflows of resources							
Revenues to be used for future costs	272,332	12,702	-	285,034	-	-	285,034
Accumulated increase in fair value of hedging derivatives	80,330	-	-	80,330	-	-	80,330
Unrealized OPEB gains	11,039	-	-	11,039	8,673	-	19,712
Unrealized pension gains	3,400	16,683	-	20,083	2,671	-	22,754
Total deferred inflows of resources	367,101	29,385	-	396,486	11,344	-	407,830
Net position							
Net investment in (divestment of) capital assets	1,261,893	(2,997)	-	1,258,896	1,797,729	(14,486)	3,042,139
Restricted for:							
Capital projects	(21,736)	-	-	(21,736)	219,399	23,434	221,097
Debt service	15,369	7,592	-	22,961	19,513	831	43,305
Other purposes	(1,916)	339	1,009	(568)	(1,328)	-	(1,896)
Unrestricted	155,377	5,436	(1,009)	159,804	172,921	1,824	334,549
Total net position	1,408,987	10,370	-	1,419,357	2,208,234	11,603	3,639,194
Total liabilities, deferred inflows of resources, and net position	\$ 4,163,375	\$ 110,006	\$ (1,076)	\$ 4,272,305	\$ 4,807,427	\$ 78,523	\$ 9,158,255

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Combining Statement of Net Position
(in thousands) September 2024

	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	\$ 230,655	\$ 3,327	\$ -	\$ 233,982	\$ 20,047	\$ 1,809	\$ 255,838
Investments	142,095	1,347	-	143,442	-	-	143,442
Customer accounts receivable, net of allowance (\$2,847)	188,414	-	-	188,414	59,482	173	248,069
Inventories:							
Materials and supplies	2,453	-	-	2,453	140,854	-	143,307
Fuel	56,329	-	-	56,329	-	-	56,329
Prepaid assets	33,324	4	-	33,328	506	9	33,843
Other current assets	12,230	111	(929)	11,412	4,983	-	16,395
Total current assets	665,500	4,789	(929)	669,360	225,872	1,991	897,223
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	26,840	-	26,840	139,525	14,039	180,404
Investments	105,155	1,645	-	106,800	55,053	-	161,853
Other restricted assets	911	16	-	927	-	-	927
Total restricted assets	106,066	28,501	-	134,567	194,578	14,039	343,184
Costs to be recovered from future revenues	507,451	54,711	-	562,162	429,338	423	991,923
Hedging derivative instruments	53,512	-	-	53,512	-	-	53,512
Other assets	42,347	18,960	(13,277)	48,030	15	-	48,045
Total noncurrent assets	709,376	102,172	(13,277)	798,271	623,931	14,462	1,436,664
Capital assets:							
Land and easements	139,040	6,660	-	145,700	85,228	3,051	233,979
Plant in service	6,528,946	1,316,043	-	7,844,989	5,546,221	76,680	13,467,890
Lease Asset	93,313	-	-	93,313	-	-	93,313
Less accumulated depreciation	(4,397,301)	(1,315,018)	-	(5,712,319)	(3,042,553)	(40,416)	(8,795,288)
Plant in service, net	2,363,998	7,685	-	2,371,683	2,588,896	39,315	4,999,894
Construction work in progress	247,324	-	-	247,324	972,542	10,475	1,230,341
Net capital assets	2,611,322	7,685	-	2,619,007	3,561,438	49,790	6,230,235
Total assets	3,986,198	114,646	(14,206)	4,086,638	4,411,241	66,243	8,564,122
Deferred outflows of resources							
Unrealized pension contributions and losses	94,344	23,701	-	118,045	74,127	-	192,172
Accumulated decrease in fair value of hedging derivatives	56,755	-	-	56,755	8,028	-	64,783
Unamortized deferred losses on refundings	36,559	766	-	37,325	24,820	121	62,266
Unrealized asset retirement obligations	31,501	-	-	31,501	-	-	31,501
Unrealized OPEB contributions and losses	7,698	-	-	7,698	6,048	-	13,746
Total deferred outflows of resources	226,857	24,467	-	251,324	113,023	121	364,468
Total assets and deferred outflows of resources	\$ 4,213,055	\$ 139,113	\$ (14,206)	\$ 4,337,962	\$ 4,524,264	\$ 66,364	\$ 8,928,590

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Combining Statement of Net Position
(in thousands) September 2024

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	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	\$ 69,873	\$ 97	\$ (97)	\$ 69,873	\$ 25,912	\$ 71	\$ 95,856
Customer deposits and prepayments	66,342	-	-	66,342	27,903	-	94,245
Billings on behalf of state and local governments	23,992	-	-	23,992	3,849	-	27,841
Compensation and benefits payable	8,786	-	-	8,786	3,752	32	12,570
City of Jacksonville payable	8,047	-	-	8,047	2,390	-	10,437
Asset retirement obligations	2,817	-	-	2,817	-	-	2,817
Total current liabilities	179,857	97	(97)	179,857	63,806	103	243,766
Current liabilities payable from restricted assets:							
Debt due within one year	32,515	16,445	-	48,960	55,415	1,930	106,305
Interest payable	22,259	1,404	-	23,663	31,173	665	55,501
Construction contracts and accounts payable	16,762	831	(832)	16,761	99,151	1,612	117,524
Renewal and replacement reserve	-	6,983	-	6,983	-	-	6,983
Total current liabilities payable from restricted assets	71,536	25,663	(832)	96,367	185,739	4,207	286,313
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,297,500	60,405	-	1,357,905	1,531,815	51,025	2,940,745
Unamortized premium (discount), net	70,071	(105)	-	69,966	111,622	(5)	181,583
Fair value of debt management strategy instruments	36,057	-	-	36,057	8,028	-	44,085
Total long-term debt	1,403,628	60,300	-	1,463,928	1,651,465	51,020	3,166,413
Net pension liability	540,763	-	-	540,763	424,886	-	965,649
Lease Liability	87,300	-	-	87,300	-	-	87,300
Asset retirement obligations	28,684	-	-	28,684	-	-	28,684
Compensation and benefits payable	31,733	-	-	31,733	13,163	84	44,980
Net OPEB liability	312	-	-	312	245	-	557
Other liabilities	59,860	13,277	(13,277)	59,860	-	-	59,860
Total noncurrent liabilities	2,152,280	73,577	(13,277)	2,212,580	2,089,759	51,104	4,353,443
Total liabilities	2,403,673	99,337	(14,206)	2,488,804	2,339,304	55,414	4,883,522
Deferred inflows of resources							
Revenues to be used for future costs	281,281	12,702	-	293,983	-	-	293,983
Accumulated increase in fair value of hedging derivatives	53,512	-	-	53,512	-	-	53,512
Unrealized OPEB gains	11,039	-	-	11,039	8,673	-	19,712
Unrealized pension gains	3,400	16,683	-	20,083	2,671	-	22,754
Total deferred inflows of resources	349,232	29,385	-	378,617	11,344	-	389,961
Net position							
Net investment in (divestment of) capital assets	1,245,434	(11,502)	-	1,233,932	1,923,907	(4,228)	3,153,611
Restricted for:							
Capital projects	-	-	-	-	46,037	11,444	57,481
Debt service	32,515	16,802	-	49,317	55,377	1,930	106,624
Other purposes	-	400	832	1,232	-	-	1,232
Unrestricted	182,201	4,691	(832)	186,060	148,295	1,804	336,159
Total net position	1,460,150	10,391	-	1,470,541	2,173,616	10,950	3,655,107
Total liabilities, deferred inflows of resources, and net position	\$ 4,213,055	\$ 139,113	\$ (14,206)	\$ 4,337,962	\$ 4,524,264	\$ 66,364	\$ 8,928,590

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended February 2025

	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	\$ 60,780	\$ -	\$ -	\$ 60,780	\$ -	\$ -	\$ (982)	\$ 59,798
Electric - fuel and purchased power	35,404	1,724	(1,724)	35,404	-	-	(696)	34,708
Water and sewer	-	-	-	-	37,902	-	(23)	37,879
District energy system	-	-	-	-	-	859	(52)	807
Other operating revenues	2,146	-	-	2,146	1,678	-	(587)	3,237
Total operating revenues	98,330	1,724	(1,724)	98,330	39,580	859	(2,340)	136,429
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	23,303	199	-	23,502	20,686	383	(2,340)	42,231
Fuel	21,824	-	-	21,824	-	-	-	21,824
Purchased power	41,239	-	(1,724)	39,515	-	-	-	39,515
Depreciation	16,796	34	-	16,830	14,937	271	-	32,038
State utility and franchise taxes	5,716	-	-	5,716	883	-	-	6,599
Recognition of deferred costs and revenues, net	(255)	1,356	-	1,101	67	1	-	1,169
Total operating expenses	108,623	1,589	(1,724)	108,488	36,573	655	(2,340)	143,376
Operating income	(10,293)	135	-	(10,158)	3,007	204	-	(6,947)
Nonoperating revenues (expenses)								
Interest on debt	(4,747)	(210)	-	(4,957)	(6,439)	(234)	-	(11,630)
Earnings from The Energy Authority	1,309	-	-	1,309	-	-	-	1,309
Allowance for funds used during construction	722	-	-	722	3,781	6	-	4,509
Other nonoperating income, net	294	13	-	307	202	-	-	509
Investment income	1,354	73	-	1,427	449	48	-	1,924
Other interest, net	(362)	-	-	(362)	(1)	-	-	(363)
Total nonoperating expenses, net	(1,430)	(124)	-	(1,554)	(2,008)	(180)	-	(3,742)
Income before contributions	(11,723)	11	-	(11,712)	999	24	-	(10,689)
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(8,142)	-	-	(8,142)	(3,309)	-	-	(11,451)
Developers and other	1,071	-	-	1,071	9,384	-	-	10,455
Reduction of plant cost through contributions	(1,071)	-	-	(1,071)	(3,627)	-	-	(4,698)
Total contributions, net	(8,142)	-	-	(8,142)	2,448	-	-	(5,694)
Change in net position	(19,865)	11	-	(19,854)	3,447	24	-	(16,383)
Net position, beginning of period	1,428,852	10,359	-	1,439,211	2,204,787	11,579	-	3,655,577
Net position, end of period	\$ 1,408,987	\$ 10,370	\$ -	\$ 1,419,357	\$ 2,208,234	\$ 11,603	\$ -	\$ 3,639,194

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended February 2024

	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	\$ 64,984	\$ -	\$ -	\$ 64,984	\$ -	\$ -	\$ (1,084)	\$ 63,900
Electric - fuel and purchased power	32,006	1,727	(1,727)	32,006	-	-	(798)	31,208
Water and sewer	-	-	-	-	39,103	-	(54)	39,049
District energy system	-	-	-	-	-	879	(54)	825
Other operating revenues	1,875	-	-	1,875	2,050	-	(709)	3,216
Total operating revenues	98,865	1,727	(1,727)	98,865	41,153	879	(2,699)	138,198
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	23,234	203	-	23,437	20,322	356	(2,699)	41,416
Fuel	27,824	-	-	27,824	-	-	-	27,824
Purchased power	24,340	-	(1,727)	22,613	-	-	-	22,613
Depreciation	18,127	34	-	18,161	15,846	260	-	34,267
State utility and franchise taxes	5,219	-	-	5,219	873	-	-	6,092
Recognition of deferred costs and revenues, net	889	1,311	-	2,200	42	-	-	2,242
Total operating expenses	99,633	1,548	(1,727)	99,454	37,083	616	(2,699)	134,454
Operating income	(768)	179	-	(589)	4,070	263	-	3,744
Nonoperating revenues (expenses)								
Interest on debt	(4,596)	(259)	-	(4,855)	4,617	(149)	-	(387)
Earnings from The Energy Authority	2,895	-	-	2,895	-	-	-	2,895
Allowance for funds used during construction	558	-	-	558	2,386	4	-	2,948
Other nonoperating income, net	269	17	-	286	203	-	-	489
Investment income	2,652	72	-	2,724	221	15	-	2,960
Other interest, net	(408)	-	-	(408)	(17)	-	-	(425)
Total nonoperating expenses, net	1,370	(170)	-	1,200	7,410	(130)	-	8,480
Income before contributions	602	9	-	611	11,480	133	-	12,224
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,934)	-	-	(7,934)	(2,370)	-	-	(10,304)
Developers and other	45	-	-	45	26,773	-	-	26,818
Reduction of plant cost through contributions	(45)	-	-	(45)	(17,899)	-	-	(17,944)
Total contributions, net	(7,934)	-	-	(7,934)	6,504	-	-	(1,430)
Change in net position	(7,332)	9	-	(7,323)	17,984	133	-	10,794
Net position, beginning of period	1,466,777	10,305	-	1,477,082	2,088,162	9,409	-	3,574,653
Net position, end of period	\$ 1,459,445	\$ 10,314	\$ -	\$ 1,469,759	\$ 2,106,146	\$ 9,542	\$ -	\$ 3,585,447

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the 5 months ended February 2025

	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	\$ 378,521	\$ -	\$ -	\$ 378,521	\$ -	\$ -	\$ (4,369)	\$ 374,152
Electric - fuel and purchased power	185,200	8,605	(8,605)	185,200	-	-	(2,805)	182,395
Water and sewer	-	-	-	-	204,053	-	(184)	203,869
District energy system	-	-	-	-	-	5,005	(282)	4,723
Other operating revenues	11,483	-	-	11,483	9,334	-	(3,036)	17,781
Total operating revenues	575,204	8,605	(8,605)	575,204	213,387	5,005	(10,676)	782,920
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	141,391	996	-	142,387	107,001	2,183	(10,676)	240,895
Fuel	130,405	-	-	130,405	-	-	-	130,405
Purchased power	205,844	-	(8,605)	197,239	-	-	-	197,239
Depreciation	92,536	171	-	92,707	75,655	1,340	-	169,702
State utility and franchise taxes	28,247	-	-	28,247	4,680	-	-	32,927
Recognition of deferred costs and revenues, net	(21,269)	6,784	-	(14,485)	267	5	-	(14,213)
Total operating expenses	577,154	7,951	(8,605)	576,500	187,603	3,528	(10,676)	756,955
Operating income	(1,950)	654	-	(1,296)	25,784	1,477	-	25,965
Nonoperating revenues (expenses)								
Interest on debt	(23,691)	(1,050)	-	(24,741)	(27,124)	(1,105)	-	(52,970)
Earnings from The Energy Authority	4,058	-	-	4,058	-	-	-	4,058
Allowance for funds used during construction	4,023	-	-	4,023	19,124	42	-	23,189
Other nonoperating income, net	1,446	67	-	1,513	1,018	-	-	2,531
Investment income	7,003	308	-	7,311	1,635	239	-	9,185
Other interest, net	(1,340)	-	-	(1,340)	95	-	-	(1,245)
Total nonoperating expenses, net	(8,501)	(675)	-	(9,176)	(5,252)	(824)	-	(15,252)
Income before contributions	(10,451)	(21)	-	(10,472)	20,532	653	-	10,713
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(40,712)	-	-	(40,712)	(16,548)	-	-	(57,260)
Developers and other	1,505	-	-	1,505	67,134	-	-	68,639
Reduction of plant cost through contributions	(1,505)	-	-	(1,505)	(36,500)	-	-	(38,005)
Total contributions, net	(40,712)	-	-	(40,712)	14,086	-	-	(26,626)
Change in net position	(51,163)	(21)	-	(51,184)	34,618	653	-	(15,913)
Net position, beginning of year	1,460,150	10,391	-	1,470,541	2,173,616	10,950	-	3,655,107
Net position, end of period	\$ 1,408,987	\$ 10,370	\$ -	\$ 1,419,357	\$ 2,208,234	\$ 11,603	\$ -	\$ 3,639,194

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the 5 months ended February 2024

	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	\$ 346,970	\$ -	\$ -	\$ 346,970	\$ -	\$ -	\$ (5,547)	\$ 341,423
Electric - fuel and purchased power	184,467	8,750	(8,750)	184,467	-	-	(3,851)	180,616
Water and sewer	-	-	-	-	201,006	-	(285)	200,721
District energy system	-	-	-	-	-	5,124	(295)	4,829
Other operating revenues	9,457	-	-	9,457	9,783	-	(3,333)	15,907
Total operating revenues	540,894	8,750	(8,750)	540,894	210,789	5,124	(13,311)	743,496
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	125,983	1,034	-	127,017	106,034	2,279	(13,311)	222,019
Fuel	127,966	-	-	127,966	-	-	-	127,966
Purchased power	137,966	-	(8,750)	129,216	-	-	-	129,216
Depreciation	92,709	171	-	92,880	77,637	1,298	-	171,815
State utility and franchise taxes	26,776	-	-	26,776	4,637	-	-	31,413
Recognition of deferred costs and revenues, net	12,156	6,557	-	18,713	115	2	-	18,830
Total operating expenses	523,556	7,762	(8,750)	522,568	188,423	3,579	(13,311)	701,259
Operating income	17,338	988	-	18,326	22,366	1,545	-	42,237
Nonoperating revenues (expenses)								
Interest on debt	(23,807)	(1,294)	-	(25,101)	(12,604)	(759)	-	(38,464)
Earnings from The Energy Authority	4,339	-	-	4,339	-	-	-	4,339
Allowance for funds used during construction	2,843	-	-	2,843	12,054	24	-	14,921
Other nonoperating income, net	1,459	82	-	1,541	1,024	-	-	2,565
Investment income	14,001	436	-	14,437	2,750	72	-	17,259
Other interest, net	(1,358)	-	-	(1,358)	(155)	-	-	(1,513)
Total nonoperating expenses, net	(2,523)	(776)	-	(3,299)	3,069	(663)	-	(893)
Income before contributions	14,815	212	-	15,027	25,435	882	-	41,344
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(39,671)	-	-	(39,671)	(11,850)	-	-	(51,521)
Developers and other	2,019	-	-	2,019	89,887	-	-	91,906
Reduction of plant cost through contributions	(2,019)	-	-	(2,019)	(55,752)	-	-	(57,771)
Total contributions, net	(39,671)	-	-	(39,671)	22,285	-	-	(17,386)
Change in net position	(24,856)	212	-	(24,644)	47,720	882	-	23,958
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	\$ 1,459,445	\$ 10,314	\$ -	\$ 1,469,759	\$ 2,106,146	\$ 9,542	\$ -	\$ 3,585,447

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Combining Statement of Cash Flows

(in thousands - unaudited) for the 5 months ended February 2025

	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	\$ 582,591	\$ 8,605	\$ (8,753)	\$ 582,443	\$ 211,733	\$ 4,525	\$ (7,640)	\$ 791,061
Payments to suppliers	(390,302)	178	8,753	(381,371)	(94,792)	(1,801)	10,676	(467,288)
Payments for salaries and benefits	(107,545)	-	-	(107,545)	(47,693)	(435)	-	(155,673)
Other operating activities	9,218	(30)	-	9,188	10,528	-	(3,036)	16,680
Net cash provided by operating activities	93,962	8,753	-	102,715	79,776	2,289	-	184,780
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(37,532)	-	-	(37,532)	(14,401)	-	-	(51,933)
Net cash used in noncapital and related financing activities	(37,532)	-	-	(37,532)	(14,401)	-	-	(51,933)
Capital and related financing activities								
Acquisition and construction of capital assets	(122,482)	-	-	(122,482)	(205,154)	(3,918)	-	(331,554)
Defeasance of debt	(514,535)	-	-	(514,535)	(76,835)	-	-	(591,370)
Proceeds received from debt	472,830	-	-	472,830	532,845	42,000	-	1,047,675
Interest paid on debt	(23,387)	(1,404)	-	(24,791)	(36,014)	(1,266)	-	(62,071)
Repayment of debt principal	(32,515)	(16,445)	-	(48,960)	(55,415)	(1,930)	-	(106,305)
Capital contributions	-	-	-	-	30,634	-	-	30,634
Revolving credit agreement withdrawals	50,000	-	-	50,000	50,000	-	-	100,000
Revolving credit agreement repayments	-	-	-	-	(170,000)	(27,000)	-	(197,000)
Other capital financing activities	31,531	98	-	31,629	36,786	(202)	-	68,213
Net cash provided by (used in) capital and related financing activities	(138,558)	(17,751)	-	(156,309)	106,847	7,684	-	(41,778)
Investing activities								
Proceeds from sale and maturity of investments	79,821	667	-	80,488	6,470	-	-	86,958
Purchase of investments	(97,474)	(667)	-	(98,141)	(48,412)	-	-	(146,553)
Distributions from The Energy Authority	4,960	-	-	4,960	-	-	-	4,960
Investment income	7,654	390	-	8,044	1,902	239	-	10,185
Net cash provided by (used in) investing activities	(5,039)	390	-	(4,649)	(40,040)	239	-	(44,450)
Net change in cash and cash equivalents	(87,167)	(8,608)	-	(95,775)	132,182	10,212	-	46,619
Cash and cash equivalents at beginning of year	230,655	30,167	-	260,822	159,572	15,848	-	436,242
Cash and cash equivalents at end of period	\$ 143,488	\$ 21,559	\$ -	\$ 165,047	\$ 291,754	\$ 26,060	\$ -	\$ 482,861
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ (1,950)	\$ 654	\$ -	\$ (1,296)	\$ 25,784	\$ 1,477	\$ -	\$ 25,965
Adjustments:								
Depreciation and amortization	92,536	171	-	92,707	75,655	1,340	-	169,702
Recognition of deferred costs and revenues, net	(21,269)	6,784	-	(14,485)	267	5	-	(14,213)
Other nonoperating income, net	(1,212)	-	-	(1,212)	95	-	-	(1,117)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	25,160	-	-	25,160	7,682	(479)	-	32,363
Inventories	10,502	-	-	10,502	(17,474)	-	-	(6,972)
Other assets	1,293	13,281	-	14,574	(165)	(19)	-	14,390
Accounts and accrued expenses payable	(9,069)	(31)	-	(9,100)	(11,575)	(46)	-	(20,721)
Current liabilities payable from restricted assets	-	1,171	-	1,171	-	-	-	1,171
Other noncurrent liabilities and deferred inflows	(2,029)	(13,277)	-	(15,306)	(493)	11	-	(15,788)
Net cash provided by operating activities	\$ 93,962	\$ 8,753	\$ -	\$ 102,715	\$ 79,776	\$ 2,289	\$ -	\$ 184,780
Noncash activity								
Contribution of capital assets from developers	\$ 1,505	\$ -	\$ -	\$ 1,505	\$ 36,500	\$ -	\$ -	\$ 38,005
Unrealized investment fair market value changes, net	\$ (1,105)	\$ (74)	\$ -	\$ (1,179)	\$ (707)	\$ -	\$ -	\$ (1,886)

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Combining Statement of Cash Flows**(in thousands - unaudited) for the 5 months ended February 2024**

	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	\$ 582,214	\$ 8,750	\$ (8,820)	\$ 582,144	\$ 203,318	\$ 4,984	\$ (9,978)	\$ 780,468
Payments to suppliers	(364,223)	55	8,820	(355,348)	(92,849)	(2,348)	13,311	(437,234)
Payments for salaries and benefits	(95,516)	-	-	(95,516)	(39,842)	(345)	-	(135,703)
Other operating activities	10,049	(13)	-	10,036	18,655	-	(3,333)	25,358
Net cash provided by operating activities	132,524	8,792	-	141,316	89,282	2,291	-	232,889
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(39,694)	-	-	(39,694)	(11,724)	-	-	(51,418)
Net cash used in noncapital and related financing activities	(39,694)	-	-	(39,694)	(11,724)	-	-	(51,418)
Capital and related financing activities								
Acquisition and construction of capital assets	(115,682)	-	-	(115,682)	(216,029)	(2,068)	-	(333,779)
Defeasance of debt	-	-	-	-	(171,295)	-	-	(171,295)
Proceeds received from debt	-	-	-	-	503,835	-	-	503,835
Interest paid on debt	(29,709)	(1,720)	-	(31,429)	(32,159)	(875)	-	(64,463)
Repayment of debt principal	(19,275)	(15,865)	-	(35,140)	(52,365)	(1,870)	-	(89,375)
Capital contributions	-	-	-	-	34,135	-	-	34,135
Revolving credit agreement withdrawals	-	-	-	-	50,000	-	-	50,000
Revolving credit agreement repayments	-	-	-	-	(177,000)	-	-	(177,000)
Other capital financing activities	2,725	115	-	2,840	58,799	-	-	61,639
Net cash used in capital and related financing activities	(161,941)	(17,470)	-	(179,411)	(2,079)	(4,813)	-	(186,303)
Investing activities								
Proceeds from sale and maturity of investments	184,517	1,841	-	186,358	26,715	-	-	213,073
Purchase of investments	(122,150)	(598)	-	(122,748)	(16,069)	-	-	(138,817)
Distributions from The Energy Authority	3,060	-	-	3,060	-	-	-	3,060
Investment income	10,143	250	-	10,393	486	72	-	10,951
Net cash provided by investing activities	75,570	1,493	-	77,063	11,132	72	-	88,267
Net change in cash and cash equivalents	6,459	(7,185)	-	(726)	86,611	(2,450)	-	83,435
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	\$ 263,259	\$ 18,446	\$ -	\$ 281,705	\$ 177,313	\$ 3,029	\$ -	\$ 462,047
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 17,338	\$ 988	\$ -	\$ 18,326	\$ 22,366	\$ 1,545	\$ -	\$ 42,237
Adjustments:								
Depreciation and amortization	92,709	171	-	92,880	77,637	1,298	-	171,815
Recognition of deferred costs and revenues, net	12,156	6,557	-	18,713	115	2	-	18,830
Other nonoperating income (loss), net	(1,323)	-	-	(1,323)	(155)	-	-	(1,478)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	47,498	-	-	47,498	2,830	(140)	-	50,188
Inventories	2,158	-	-	2,158	(18,706)	-	-	(16,548)
Other assets	(466)	26	-	(440)	7,559	(17)	-	7,102
Accounts and accrued expenses payable	(38,178)	(33)	-	(38,211)	(2,658)	(393)	-	(41,262)
Current liabilities payable from restricted assets	-	1,113	-	1,113	-	-	-	1,113
Other noncurrent liabilities and deferred inflows	632	(30)	-	602	294	(4)	-	892
Net cash provided by operating activities	\$ 132,524	\$ 8,792	\$ -	\$ 141,316	\$ 89,282	\$ 2,291	\$ -	\$ 232,889
Noncash activity								
Contribution of capital assets from developers	\$ 2,019	\$ -	\$ -	\$ 2,019	\$ 55,752	\$ -	\$ -	\$ 57,771
Unrealized investment fair market value changes, net	\$ 4,127	\$ 206	\$ -	\$ 4,333	\$ 1,992	\$ -	\$ -	\$ 6,325

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Debt Service Coverage**February 2025****(unaudited)**

	Month February		Year-to-Date February	
	2025	2024	2025	2024
Electric System				
Senior debt service coverage, (annual minimum 1.20x)	1.89 x	5.56 x	3.53 x	6.28 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	1.13 x	3.41 x	2.12 x	3.87 x
Bulk Power Supply System				
Debt service coverage, (annual minimum 1.15x)	2.28 x	2.11 x	3.16 x	2.16 x
St. Johns River Power Park, Second Resolution				
Debt service coverage, (annual minimum 1.15x)	1.13 x	1.13 x	1.14 x	1.14 x
Water and Sewer System				
Senior debt service coverage, (annual minimum 1.25x)	2.49 x	3.60 x	3.43 x	3.62 x
Senior and subordinated debt service coverage excluding capacity fees ⁽¹⁾	1.60 x	2.21 x	2.15 x	2.32 x
Senior and subordinated debt service coverage including capacity fees ⁽¹⁾	2.10 x	3.18 x	2.78 x	3.11 x
District Energy System				
Debt service coverage	1.63 x	2.13 x	2.30 x	2.32 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).

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Electric System

Operating Statistics

February 2025 and 2024 (unaudited)

	Month			Year-to-Date		
	2025	2024	Variance	2025	2024	Variance
Electric revenues sales (000s omitted):						
Residential	\$ 53,403	\$ 51,389	3.92%	\$ 298,562	\$ 272,660	9.50%
Commercial	26,792	28,901	-7.30%	167,511	164,971	1.54%
Industrial	14,293	15,186	-5.88%	85,062	86,060	-1.16%
Public street lighting	1,269	1,244	2.01%	6,258	6,220	0.61%
Electric revenues - territorial	95,757	96,720	-1.00%	557,393	529,911	5.19%
Sales for resale - off system	220	28	685.71%	712	1,035	-31.21%
Electric revenues	95,977	96,748	-0.80%	558,105	530,946	5.12%
Regulatory	322	514	-37.35%	6,872	1,861	269.26%
Allowance for doubtful accounts	(115)	(272)	-57.72%	(1,256)	(1,370)	-8.32%
Net electric revenues	\$ 96,184	\$ 96,990	-0.83%	\$ 563,721	\$ 531,437	6.07%
MWh sales						
Residential	386,987	405,058	-4.46%	2,333,176	2,127,206	9.68%
Commercial	224,413	266,667	-15.85%	1,571,552	1,523,661	3.14%
Industrial	158,010	182,728	-13.53%	1,040,311	1,031,184	0.89%
Public street lighting	4,514	4,418	2.17%	23,948	23,230	3.09%
Total MWh sales - territorial	773,924	858,871	-9.89%	4,968,987	4,705,281	5.60%
Sales for resale - off system	7,505	798	840.48%	21,752	32,243	-32.54%
Total MWh sales	781,429	859,669	-9.10%	4,990,739	4,737,524	5.34%
Average number of accounts						
Residential	477,081	465,664	2.45%	475,829	463,160	2.74%
Commercial	57,123	56,441	1.21%	57,023	56,268	1.34%
Industrial	207	200	3.50%	207	200	3.50%
Public street lighting	4,099	4,051	1.18%	4,089	4,042	1.16%
Total average accounts	538,510	526,356	2.31%	537,148	523,670	2.57%
Residential averages						
Revenue per account - \$	111.94	110.36	1.43%	627.46	588.70	6.58%
kWh per account	811.16	870	-6.75%	4,903	4,593	6.76%
Revenue per kWh - ¢	13.80	12.69	8.77%	12.80	12.82	-0.17%
Degree days						
Heating degree days	138	224	(86)	1,019	960	59
Cooling degree days	45	15	30	502	299	203
Total degree days	183	239	(56)	1,521	1,259	262
Degree days - 30 year average	258			1,381		

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Water and Sewer System

Operating Statistics

February 2025 and 2024 (unaudited)

	Month								
	Water			Sewer			Reuse		
	2025	2024	Variance	2025	2024	Variance	2025	2024	Variance
Revenues (000s omitted):									
Residential	\$ 8,253	\$ 8,742	-5.59%	\$ 12,712	\$ 13,037	-2.49%	\$ 1,437	\$ 1,363	5.43%
Commercial and industrial	3,807	4,215	-9.68%	8,995	9,230	-2.55%	485	415	16.87%
Irrigation	2,193	2,165	1.29%	N/A	N/A	N/A	20	15	33.33%
Gross revenues	14,253	15,122	-5.75%	21,707	22,267	-2.51%	1,942	1,793	8.31%
Allowance for doubtful accounts	-	(30)	-100.00%	-	(45)	-100.00%	-	(4)	-100.00%
Net revenues	\$ 14,253	\$ 15,092	-5.56%	\$ 21,707	\$ 22,222	-2.32%	\$ 1,942	\$ 1,789	8.55%
Kgal sales									
Residential	1,436,128	1,378,942	4.15%	1,291,380	1,220,691	5.79%	249,040	214,662	16.01%
Commercial and industrial	1,059,398	1,098,799	-3.59%	956,213	947,376	0.93%	99,282	82,408	20.48%
Irrigation	323,463	284,614	13.65%	N/A	N/A	N/A	43,667	14,518	200.78%
Total kgal sales	2,818,989	2,762,355	2.05%	2,247,593	2,168,067	3.67%	391,989	311,588	25.80%
Average number of accounts:									
Residential	338,466	332,096	1.92%	305,119	298,616	2.18%	29,163	26,988	8.06%
Commercial and industrial	27,794	27,550	0.89%	19,702	19,551	0.77%	1,075	960	11.98%
Irrigation	38,816	38,622	0.50%	N/A	N/A	N/A	43	43	0.00%
Total average accounts	405,076	398,268	1.71%	324,821	318,167	2.09%	30,281	27,991	8.18%
Residential averages:									
Revenue per account - \$	24.38	26.32	-7.37%	41.66	43.66	-4.58%	49.27	50.50	-2.44%
Kgals per account	4.24	4.15	2.17%	4.23	4.09	3.42%	8.54	7.95	7.42%
Revenue per kgals - \$	5.75	6.34	-9.31%	9.84	10.68	-7.87%	5.77	6.35	-9.13%

	Year-to-Date								
	Water			Sewer			Reuse		
	2025	2024	Variance	2025	2024	Variance	2025	2024	Variance
Revenues (000s omitted):									
Residential	\$ 44,206	\$ 44,284	-0.18%	\$ 67,111	\$ 66,559	0.83%	\$ 7,831	\$ 6,872	13.96%
Commercial and industrial	20,684	20,622	0.30%	48,728	47,715	2.12%	3,038	2,944	3.19%
Irrigation	12,726	12,373	2.85%	N/A	N/A	N/A	81	63	28.57%
Gross revenues	77,616	77,279	0.44%	115,839	114,274	1.37%	10,950	9,879	10.84%
Allowance for doubtful accounts	(134)	(163)	-17.79%	(199)	(242)	-17.77%	(19)	(21)	-9.52%
Net revenues	\$ 77,482	\$ 77,116	0.47%	\$ 115,640	\$ 114,032	1.41%	\$ 10,931	\$ 9,858	10.88%
Kgal sales									
Residential	7,780,902	7,631,935	1.95%	6,943,248	6,800,884	2.09%	1,332,058	1,117,963	19.15%
Commercial and industrial	5,881,069	5,690,381	3.35%	5,217,323	5,119,705	1.91%	637,292	619,006	2.95%
Irrigation	1,964,411	1,846,193	6.40%	N/A	N/A	N/A	178,713	119,094	50.06%
Total kgal sales	15,626,382	15,168,509	3.02%	12,160,571	11,920,589	2.01%	2,148,063	1,856,063	15.73%
Average number of accounts:									
Residential	337,733	330,726	2.12%	304,389	297,194	2.42%	28,866	26,568	8.65%
Commercial and industrial	27,766	27,487	1.02%	19,692	19,519	0.89%	1,058	950	11.37%
Irrigation	38,820	38,613	0.54%	N/A	N/A	N/A	43	43	0.00%
Total average accounts	404,319	396,826	1.89%	324,081	316,713	2.33%	29,967	27,561	8.73%
Residential averages:									
Revenue per account - \$	130.89	133.90	-2.25%	220.48	223.96	-1.55%	271.29	258.66	4.88%
Kgals per account	23.04	23.08	-0.17%	22.81	22.88	-0.31%	46.15	42.08	9.67%
Revenue per kgals - \$	5.68	5.80	-2.07%	9.67	9.79	-1.23%	5.88	6.15	-4.39%

	Month				Year-to-Date			
	2025	2024	Variance	30 Year Avg	2025	2024	Variance	30 Year Avg
Rain statistics								
Rainfall	2.15	2.44	(0.29)	2.86	13.12	19.87	(6.75)	14.95
Rain Days	6	6	-	8	39	38	1	38

Appendix

JEA
Schedule of Cash and Investments
(in thousands - unaudited) February 2025

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	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	\$ 16,135	\$ 3,089	\$ 19,224	\$ 5,003	\$ 1,297	\$ 25,524
Rate stabilization:						
Environmental	6,166	-	6,166	-	-	6,166
Purchased Power	246,000	-	246,000	-	-	246,000
Total rate stabilization funds	252,166	-	252,166	-	-	252,166
Customer deposits	52,626	-	52,626	18,936	-	71,562
General reserve	-	2,331	2,331	-	-	2,331
Self insurance reserve funds:						
Self funded health plan	20,166	-	20,166	-	-	20,166
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	30,166	-	30,166	-	-	30,166
Total unrestricted cash and investments	\$ 351,093	\$ 5,420	\$ 356,513	\$ 23,939	\$ 1,297	\$ 381,749
Restricted assets						
Renewal and replacement funds	\$ (22,229)	\$ 7,976	\$ (14,253)	\$ (41,773)	\$ 8,585	\$ (47,441)
Debt service reserve account	39,823	2,271	42,094	99,725	-	141,819
Debt service funds	40,924	8,470	49,394	46,308	1,329	97,031
Construction funds	(407)	-	(407)	261,172	14,849	275,614
Subtotal	58,111	18,717	76,828	365,432	24,763	467,023
Unrealized holding gain (loss) on investments	(1,916)	27	(1,889)	(1,328)	-	(3,217)
Other funds	-	312	312	-	-	312
Total restricted cash and investments	\$ 56,195	\$ 19,056	\$ 75,251	\$ 364,104	\$ 24,763	\$ 464,118
Total cash and investments	\$ 407,288	\$ 24,476	\$ 431,764	\$ 388,043	\$ 26,060	\$ 845,867

JEA
Schedule of Cash and Investments
(in thousands) September 2024

	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	\$ 31,093	\$ 3,031	\$ 34,124	\$ 1,701	\$ 1,809	\$ 37,634
Rate stabilization:						
Environmental	12,101	-	12,101	-	-	12,101
Purchased Power	246,000	-	246,000	-	-	246,000
DSM/Conservation	937	-	937	-	-	937
Total rate stabilization funds	259,038	-	259,038	-	-	259,038
Customer deposits	50,376	-	50,376	18,346	-	68,722
General reserve	-	1,643	1,643	-	-	1,643
Self insurance reserve funds:						
Self funded health plan	22,243	-	22,243	-	-	22,243
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	32,243	-	32,243	-	-	32,243
Total unrestricted cash and investments	\$ 372,750	\$ 4,674	\$ 377,424	\$ 20,047	\$ 1,809	\$ 399,280
Restricted assets						
Renewal and replacement funds	\$ (2,160)	\$ 6,983	\$ 4,823	\$ 26,267	\$ 11,444	\$ 42,534
Debt service reserve account	53,352	2,896	56,248	62,614	-	118,862
Debt service funds	54,774	18,206	72,980	86,549	2,595	162,124
Construction funds	-	-	-	19,770	-	19,770
Subtotal	105,966	28,085	134,051	195,200	14,039	343,290
Unrealized holding gain (loss) on investments	(811)	88	(723)	(622)	-	(1,345)
Other funds	-	312	312	-	-	312
Total restricted cash and investments	\$ 105,155	\$ 28,485	\$ 133,640	\$ 194,578	\$ 14,039	\$ 342,257
Total cash and investments	\$ 477,905	\$ 33,159	\$ 511,064	\$ 214,625	\$ 15,848	\$ 741,537

JEA
INVESTMENT PORTFOLIO REPORT
FEBRUARY 2025
(unaudited)

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<u>INVESTMENT</u>	<u>BOOK VALUE</u>	<u>YIELD</u>	<u>% OF TOTAL</u>
* Treasuries	\$ 39,333,984	4.63%	4.65%
<u>Agencies</u>			
Federal Farm Credit Bank	73,120,400	5.01%	8.65%
Federal Home Loan Bank	79,516,840	3.95%	9.41%
Federal National Mortgage Assoc.	22,080,356	4.77%	2.61%
Federal Home Loan Mortgage Corp.	16,177,750	4.83%	1.91%
Total	190,895,346	4.53%	22.58%
Municipal Bonds	75,007,142	4.15%	8.87%
Commercial Paper	60,928,434	4.62%	7.21%
U.S. Treasury Money Market Funds (1)	338,352,592	4.25%	40.02%
Agency Money Market Funds (2)	54,735,000	4.29%	6.47%
Florida Palm Fund	40,500,000	4.48%	4.79%
Florida Class Fund	15,000,000	4.31%	1.77%
Florida Prime Fund	20,500,000	4.53%	2.42%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	6,762,819	2.58%	0.80%
SJRPP	1,882,909	2.58%	0.22%
Water & Sewer, DES	1,494,969	2.58%	0.18%
Total Portfolio	\$ 845,393,195	4.35%	100.00%

Backed by Full Faith and Credit of U. S. Government

Weighted Avg. Annual Yield Excluding Bank & Money Market Funds: 4.48%

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 excluding sweep balances

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Schedule of Outstanding Indebtedness
February 2025
(unaudited)

	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric Enterprise				
<i>Electric System</i>				
Fixed Rate Senior	3.000-6.056%	2025-2044	\$ 775,030,000	\$ 18,680,000
Fixed Rate Subordinated	4.000-6.406%	2025-2039	431,930,000	10,955,000
Variable Rate Senior	3.200%	2025-2038	25,000,000	-
Variable Rate Subordinated	2.670%	2025	4,145,000	4,145,000
Other Obligations	4.400%	2027	50,000,000	-
Total Electric System	<u>4.131% (wtd avg)</u>	<u>2025-2044</u>	<u>1,286,105,000</u>	<u>33,780,000</u>
<i>Bulk Power Supply System</i>				
Fixed Rate Senior	5.450-5.920%	2025-2030	19,690,000	3,105,000
<i>St. Johns River Power Park</i>				
Fixed Rate Senior	3.000-5.450%	2025-2028	60,405,000	17,105,000
Total Electric Enterprise	<u>4.094% (wtd avg)</u>	<u>2025-2044</u>	<u>1,366,200,000</u>	<u>53,990,000</u>
Water and Sewer System				
Fixed Rate Senior	3.000-6.310%	2025-2055	1,657,830,000	32,975,000
Fixed Rate Subordinated	2.750-5.000%	2025-2040	65,790,000	14,635,000
Variable Rate Senior	2.578%	2028-2042	51,820,000	-
Variable Rate Subordinated	2.179-2.658%	2025-2038	92,385,000	1,850,000
Total Water and Sewer System	<u>4.404% (wtd avg)</u>	<u>2025-2055</u>	<u>1,867,825,000</u>	<u>49,460,000</u>
District Energy System				
Fixed Rate Senior	3.544-5.601%	2025-2055	66,025,000	1,995,000
Total District Energy System	<u>5.305% (wtd avg)</u>	<u>2025-2055</u>	<u>66,025,000</u>	<u>1,995,000</u>
Total JEA	<u>4.291% (wtd avg)</u>	<u>2025-2055</u>	<u>\$ 3,300,050,000</u>	<u>\$ 105,445,000</u>

JEA
Debt Ratio
(unaudited)

	Current YTD
Electric Enterprise	43.4%
Water and Sewer System	47.6%

JEA

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Electric System

Production Statistics

February 2025 and 2024 (unaudited)

	Month			Year-to-Date		
	2025	2024	Variance	2025	2024	Variance
Generated power:						
Steam:						
<i>Fuel oil #6</i>						
Fuel expense	\$ -	\$ 267,177	-100.00%	\$ 65,542	\$ 435,599	-84.95%
Barrels consumed	-	2,390	-100.00%	586	3,897	-84.96%
\$/ per barrel consumed	\$ -	\$ 111.79	-100.00%	\$ 111.85	\$ 111.78	0.06%
kWh generated (1)	-	1,281,375	-100.00%	394,042	2,348,169	-83.22%
Cost per MWh	\$ -	\$ 208.51	-100.00%	\$ 166.33	\$ 185.51	-10.34%
<i>Natural gas units #1-3</i>						
Fuel expense - variable	\$ 162,255	\$ 4,773,424	-96.60%	\$ 7,751,829	\$ 22,702,228	-65.85%
MMBTUs consumed	35,605	1,668,417	-97.87%	2,786,918	6,897,771	-59.60%
\$/ per MMBTU consumed	\$ 4.56	\$ 2.86	59.28%	\$ 2.78	\$ 3.29	-15.49%
kWh generated (1)	674,372	144,034,773	-99.53%	227,235,682	577,365,057	-60.64%
Cost per MWh	\$ 240.60	\$ 33.14	626.00%	\$ 34.11	\$ 39.32	-13.24%
<i>Biomass units #1-2</i>						
Fuel expense	\$ 111	\$ 145,936	-99.92%	\$ 373,361	\$ 281,131	32.81%
kWh generated	21,255	3,571,034	-99.40%	13,467,102	10,305,795	30.68%
Cost per MWh	\$ 5.23	\$ 40.87	-87.21%	\$ 27.72	\$ 27.28	1.63%
<i>Coal</i>						
Fuel expense	\$ 553,650	\$ 744,897	-25.67%	\$ 7,107,353	\$ 2,596,062	173.77%
kWh generated	2,166,241	5,161,483	-58.03%	57,804,290	19,812,017	191.76%
Cost per MWh	\$ 255.58	\$ 144.32	77.10%	\$ 122.96	\$ 131.03	-6.17%
<i>Pet coke and limestone</i>						
Fuel expense	\$ 626,726	\$ 1,307,586	-52.07%	\$ 11,526,576	\$ 12,907,498	-10.70%
kWh generated	3,188,027	14,886,182	-78.58%	212,030,715	179,420,013	18.18%
Cost per MWh	\$ 196.59	\$ 87.84	123.80%	\$ 54.36	\$ 71.94	-24.43%
Combustion turbine:						
<i>Fuel oil #2</i>						
Fuel expense	\$ 160,166	\$ 95,497	67.72%	\$ 3,675,961	\$ 591,166	521.82%
Barrels consumed	1,122	567	97.88%	33,618	3,568	842.21%
\$/ per barrel consumed	\$ 142.75	\$ 168.43	-15.24%	\$ 109.35	\$ 165.69	-34.00%
kWh generated	543,125	51,295	958.83%	15,250,813	1,340,299	1037.87%
Cost per MWh	\$ 294.90	\$ 1,861.72	-84.16%	\$ 241.03	\$ 441.07	-45.35%
<i>Natural gas (includes landfill)</i>						
Fuel expense Kennedy & landfill - variable	\$ 1,236,801	\$ 469,580	163.38%	\$ 7,324,292	\$ 2,091,983	250.11%
MMBTUs consumed	273,546	163,878	66.92%	1,822,424	653,374	178.93%
\$/ per MMBTU consumed	\$ 4.52	\$ 2.87	57.79%	\$ 4.02	\$ 3.20	25.52%
kWh generated (1)	23,413,952	14,099,236	66.07%	157,384,492	53,791,223	192.58%
Cost per MWh	\$ 52.82	\$ 33.31	58.60%	\$ 46.54	\$ 38.89	19.66%
Fuel expense BB simple - variable	\$ 1,761,840	\$ 366,133	381.20%	\$ 7,515,522	\$ 1,648,097	356.01%
MMBTUs consumed	\$ 415,251	130,022	219.37%	2,243,455	530,286	323.07%
\$/ per MMBTU consumed	\$ 4.24	\$ 2.82	50.67%	\$ 3.35	\$ 3.11	7.79%
kWh generated (1)	34,823,347	11,221,133	210.34%	191,758,303	44,917,684	326.91%
Cost per MWh	\$ 50.59	\$ 32.63	55.06%	\$ 39.19	\$ 36.69	6.82%
Fuel expense BB combined - variable	\$ 11,330,231	\$ 8,151,031	39.00%	\$ 50,987,167	\$ 46,120,340	10.55%
MMBTUs consumed	2,627,616	2,846,733	-7.70%	14,166,708	14,502,730	-2.32%
\$/ per MMBTU consumed	\$ 4.31	\$ 2.86	50.60%	\$ 3.60	\$ 3.18	13.17%
kWh generated (1)	373,843,800	412,099,703	-9.28%	2,017,318,371	2,103,231,007	-4.08%
Cost per MWh	\$ 30.31	\$ 19.78	53.23%	\$ 25.27	\$ 21.93	15.26%
Fuel expense GEC simple - variable	\$ 2,968,326	\$ 932,272	218.40%	\$ 10,436,049	\$ 4,294,811	142.99%
MMBTUs consumed	596,514	283,951	110.08%	2,626,620	1,186,818	121.32%
\$/ per MMBTU consumed	\$ 4.98	\$ 3.28	51.56%	\$ 3.97	\$ 3.62	9.79%
kWh generated	50,032,005	24,248,157	106.33%	223,944,021	100,026,345	123.89%
Cost per MWh	\$ 59.33	\$ 38.45	54.31%	\$ 46.60	\$ 42.94	8.53%
Natural gas expense - fixed	\$ 2,922,525	\$ 3,055,528	-4.35%	\$ 15,329,813	\$ 15,363,049	-0.22%
Total generated power:						
Fuel expense	\$ 21,722,630	\$ 20,309,062	6.96%	\$ 122,093,465	\$ 109,031,965	11.98%
kWh generated	488,706,124	630,654,371	-22.51%	3,116,587,831	3,092,557,609	0.78%
Cost per MWh	\$ 44.45	\$ 32.20	38.03%	\$ 39.18	\$ 35.26	11.12%

(1) Allocation of kWh generated is based upon a ratio of gas MBTU's (adjusted to oil equivalent) -

JEA
Electric System
Production Statistics (Continued)
February 2025 and 2024 (unaudited)

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	Month			Year-to-Date		
	2025	2024	Variance	2025	2024	Variance
Cost of fuels						
Natural gas	\$ 20,381,978	\$ 17,747,969	14.84%	\$ 99,344,671	\$ 92,220,508	7.73%
Petcoke	626,726	1,307,586	-52.07%	11,526,576	12,907,498	-10.70%
Coal	553,650	744,897	-25.67%	7,107,353	2,596,062	173.77%
Fuel oil #2	160,166	95,497	67.72%	3,675,961	591,166	521.82%
Fuel oil #6	-	267,177	-100.00%	65,542	435,599	-84.95%
Biomass	111	145,936	-99.92%	373,361	281,131	32.81%
Total	<u>\$ 21,722,630</u>	<u>\$ 20,309,062</u>	<u>6.96%</u>	<u>\$ 122,093,465</u>	<u>\$ 109,031,965</u>	<u>11.98%</u>
Purchased power:						
<i>FPL</i>						
Purchases	\$ 6,555,592	\$ 4,465,968	46.79%	\$ 26,276,668	\$ 23,051,551	13.99%
kWh purchased	129,055,000	113,430,000	13.78%	619,060,000	595,912,000	3.88%
Cost per MWh	\$ 50.80	\$ 39.37	29.02%	\$ 42.45	\$ 38.68	9.73%
<i>Plant Vogtle</i>						
kWh Purchased	138,877,000	69,109,000	100.95%	609,296,000	363,648,000	67.55%
<i>Fixed Costs</i>						
Purchases	\$ 17,632,391	\$ 12,714,461	38.68%	\$ 96,278,893	\$ 63,862,542	50.76%
Cost per MWh	\$ 126.96	\$ 183.98	-30.99%	\$ 158.02	\$ 175.62	-10.02%
<i>Fuel</i>						
Purchases	\$ 3,228,793	\$ (356,431)	-1005.87%	\$ 9,020,087	\$ (228,167)	-4053.29%
Cost per MWh	\$ 23.25	\$ (5.16)	-550.79%	\$ 14.80	\$ (0.63)	-2459.45%
<i>Plant Scherer</i>						
Purchases	\$ 699,111	\$ 589,384	18.62%	\$ 5,995,256	\$ 3,332,110	79.92%
<i>SJRPP</i>						
Purchases	\$ 1,724,538	\$ 1,727,323	-0.16%	\$ 8,605,214	\$ 8,750,149	-1.66%
<i>TEA Solar</i>						
Purchases	\$ 1,500,725	\$ 1,760,745	-14.77%	\$ 7,205,384	\$ 6,998,253	2.96%
kWh purchased	26,516,000	26,274,000	0.92%	132,749,000	123,369,000	7.60%
Cost per MWh	\$ 56.60	\$ 67.01	-15.55%	\$ 54.28	\$ 56.73	-4.32%
<i>TEA & other</i>						
Purchases	\$ 10,596,911	\$ 4,028,578	163.04%	\$ 58,457,993	\$ 35,532,089	64.52%
kWh purchased	118,318,231	67,941,615	74.15%	743,122,103	684,661,449	8.54%
Cost per MWh	\$ 89.56	\$ 59.29	51.05%	\$ 78.67	\$ 51.90	51.58%
Total purchased power:						
Purchases	<u>\$ 41,938,061</u>	<u>\$ 24,930,029</u>	<u>68.22%</u>	<u>\$ 211,839,496</u>	<u>\$ 141,298,528</u>	<u>49.92%</u>
kWh purchased	<u>412,766,231</u>	<u>276,754,615</u>	<u>49.15%</u>	<u>2,104,227,103</u>	<u>1,767,560,449</u>	<u>19.04%</u>
Cost per MWh	<u>\$ 101.60</u>	<u>\$ 90.08</u>	<u>12.79%</u>	<u>\$ 100.67</u>	<u>\$ 79.94</u>	<u>25.94%</u>
Subtotal - generated and purchased power:	\$ 63,660,691	\$ 45,239,091	40.72%	\$ 333,932,961	\$ 250,330,493	33.40%
Fuel interchange sales	(220,445)	(252,438)	-12.67%	(899,691)	(1,034,705)	-13.05%
Earnings of The Energy Authority	(1,159,664)	(2,887,465)	-59.84%	(3,723,969)	(4,180,821)	-10.93%
Realized and Unrealized (Gains) Losses	(1,762,886)	5,535,732	-131.85%	411,914	11,284,667	-96.35%
Fuel procurement and handling	1,506,465	1,519,901	-0.88%	6,546,200	5,988,730	9.31%
Byproduct reuse	357,297	458,960	-22.15%	1,353,335	1,660,333	-18.49%
Total generated and net purchased power:	<u>62,381,458</u>	<u>49,613,780</u>	<u>25.73%</u>	<u>337,620,749</u>	<u>264,048,696</u>	<u>27.86%</u>
Cost, net	<u>901,472,355</u>	<u>907,408,986</u>	<u>-0.65%</u>	<u>5,220,814,934</u>	<u>4,860,148,058</u>	<u>7.42%</u>
kWh generated and purchased	<u>\$ 69.20</u>	<u>\$ 54.68</u>	<u>26.56%</u>	<u>\$ 64.67</u>	<u>\$ 54.33</u>	<u>19.03%</u>
Cost per MWh	<u>\$ 69.20</u>	<u>\$ 54.68</u>	<u>26.56%</u>	<u>\$ 64.67</u>	<u>\$ 54.33</u>	<u>19.03%</u>
Reconciliation:						
Generated and purchased power per above	\$ 62,381,458	69.20		\$ 337,620,749	64.67	
SJRPP debt service	\$ (1,526,087)	(1.69)		\$ (7,612,959)	(1.46)	
SJRPP R & R	\$ (198,451)	(0.22)		\$ (992,255)	(0.19)	
Scherer power production	\$ (306,403)	(0.34)		\$ (2,613,531)	(0.50)	
Scherer R & R	\$ (392,708)	(0.44)		\$ (3,381,725)	(0.65)	
MEAG Debt Service	\$ (17,632,391)	(19.56)		\$ (96,278,893)	(18.44)	
MEAG-Prepaid Fuel	\$ (1,659,948)	(1.84)		\$ (42,774)	(0.01)	
FPL Capacity	\$ (1,400,000)	(1.55)		\$ (7,000,000)	(1.34)	
TEA Solar Capacity	\$ (449,599)	(0.50)		\$ (1,942,910)	(0.37)	
TEA and Other Capacity	\$ (3,066,522)	(3.40)		\$ (10,673,617)	(2.04)	
Rounding	\$ (0)			\$ (1)		
Energy expense per budget page	<u>\$ 35,749,348</u>	<u>\$ 43.06</u>		<u>\$ 207,082,083</u>	<u>\$ 39.66</u>	

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Electric System

	Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
February 2025 and 2024 (unaudited)	2024-25	2024-25	2024-25	%	2023-24	%
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 434,404,924	\$ 33,913,283	\$ 35,228,579	3.88%	\$ 31,848,927	10.61%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	309,362,448	25,287,286	21,823,506		27,823,655	
Other Purchased Power	123,959,172	8,541,426	13,925,842		3,283,938	
Subtotal Energy Expense	433,321,620	33,828,712	35,749,348	-5.68%	31,107,593	-14.92%
Transfer to (from) Other Regulatory Funds,	-	-	(565,823)		646,448	
Fuel Related Uncollectibles	1,083,304	84,571	45,054		94,886	
Total	434,404,924	33,913,283	35,228,579	-3.88%	31,848,927	-10.61%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	879,376,000	64,890,882	54,825,859		59,449,027	
Conservation Charge Revenue	-	-	-		(88)	
Environmental Charge Revenue	-	-	-		(7)	
Investment Income	18,069,815	1,505,818	1,354,906		2,652,453	
Natural Gas Revenue Pass Through	1,138,390	94,866	147,833		131,405	
Other Revenues	86,620,167	2,100,040	2,536,549		2,301,810	
Total	985,204,372	68,591,606	58,865,147	-14.18%	64,534,600	-8.79%
Nonfuel Related Expenses						
Non-Fuel O&M	291,470,578	19,932,854	20,798,969		20,383,633	
DSM / Conservation O&M	10,951,894	768,942	703,259		493,489	
Environmental O&M	11,289,700	1,412,463	322,335		170,043	
Rate Stabilization - DSM	(937,039)	-	-		(493,577)	
Rate Stabilization - Environmental	(11,289,700)	(1,412,463)	(322,335)		(20,178)	
Natural Gas Expense Pass Through	1,261,588	102,392	162,543		186,150	
Debt Principal - Electric System	36,625,000	3,052,083	2,815,000		2,494,583	
Debt Interest - Electric System	69,179,089	5,764,924	5,227,236		4,907,744	
R&R - Electric System	72,915,550	6,076,296	6,076,296		5,736,571	
Operating Capital Outlay	158,866,803	-	-		-	
City Contribution Expense	97,708,817	8,142,401	7,399,450		7,934,128	
Taxes & Uncollectibles	2,331,809	194,317	109,695		214,146	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	17,105,000	1,425,417	1,425,417		1,370,417	
* SJRPP D/S Interest	2,106,326	175,527	162,192		217,795	
** Other Non-Fuel Purchased Power	225,618,957	23,179,768	24,118,273		17,312,308	
Total Nonfuel Expenses	985,204,372	68,814,921	68,998,330	-0.27%	60,907,252	-13.28%
Non-Fuel Balance	-	(223,315)	(10,133,183)		3,627,348	
Total Balance	\$ -	\$ (223,315.00)	\$(10,133,183.00)		\$ 3,627,348.00	
Total Revenues	1,419,609,296	102,504,889	94,093,726	-8.21%	96,383,527	-2.38%
Total Expenses	1,419,609,296	102,728,204	104,226,909	-1.46%	92,756,179	-12.37%
KWH Sold - Territorial	12,200,000,000	900,261,958	773,924,182	-14.03%	858,871,028	-9.89%
KWH Sold - Off System	-	-	7,505,000		798,000	
	12,200,000,000	900,261,958	781,429,182	-13.20%	859,669,028	-9.10%

* Gross debt service

** Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income.

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Electric System		Year-to-Date			Prior Year-to-Date	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
February 2025 and 2024 (unaudited)	2024-25	2024-25	2024-25	%	2023-24	%
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 434,404,924	\$ 166,463,790	\$ 184,847,582	11.04%	\$ 183,932,560	0.50%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	309,362,448	120,733,722	130,404,913		127,965,695	
Other Purchased Power	123,959,172	45,314,946	76,677,170		44,455,054	
Subtotal Energy Expense	433,321,620	166,048,668	207,082,083	-24.71%	172,420,749	-20.10%
Transfer to (from) Other Regulatory Funds, Net	-	-	(22,781,403)		11,011,745	
Fuel Related Uncollectibles	1,083,304	415,122	546,902		500,066	
Total	434,404,924	166,463,790	184,847,582	-11.04%	183,932,560	-0.50%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	879,376,000	338,896,473	344,166,027		319,300,082	
Conservation Charge Revenue	-	-	-		1,017	
Environmental Charge Revenue	-	-	-		31	
Investment Income	18,069,815	7,529,090	8,109,345		9,874,095	
Natural Gas Revenue Pass Through	1,138,390	474,329	614,581		388,151	
Other Revenues	86,620,167	45,500,201	48,052,463		39,506,601	
Total	985,204,372	392,400,093	400,942,416	2.18%	369,069,977	8.64%
Nonfuel Related Expenses						
Non-Fuel O&M	291,470,578	117,808,990	113,761,467		117,099,610	
DSM / Conservation O&M	10,951,894	2,974,403	2,923,875		1,768,880	
Environmental O&M	11,289,700	9,109,813	5,825,580		481,451	
Rate Stabilization - DSM	(937,039)	(937,039)	(937,039)		(1,767,863)	
Rate Stabilization - Environmental	(11,289,700)	(9,109,813)	(5,935,122)		(92,781)	
Natural Gas Expense Pass Through	1,261,588	519,402	716,099		561,257	
Debt Principal - Electric System	36,625,000	15,260,417	14,075,000		12,472,917	
Debt Interest - Electric System	69,179,089	28,824,620	26,203,277		25,298,584	
R&R - Electric System	72,915,550	30,381,479	30,381,479		28,682,854	
Operating Capital Outlay	158,866,803	35,000,000	35,000,000		28,156,901	
Operating Capital Outlay - Environmental	-	-	-		5,488	
City Contribution Expense	97,708,817	40,712,007	36,997,249		39,670,638	
Taxes & Uncollectibles	2,331,809	971,587	803,617		1,021,631	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	17,105,000	7,127,083	7,127,083		6,852,083	
* SJRPP D/S Interest	2,106,326	877,636	810,960		1,088,012	
** Other Non-Fuel Purchased Power	225,618,957	118,630,247	120,840,918		85,638,627	
Total Nonfuel Expenses	985,204,372	398,150,832	388,594,443	2.40%	346,938,289	-12.01%
Non-Fuel Balance	-	(5,750,739)	12,347,973		22,131,688	
Total Balance	\$ -	\$ (5,750,739.00)	\$ 12,347,973.00		\$ 22,131,688.00	
Total Revenues	1,419,609,296	558,863,883	585,789,998	4.82%	553,002,537	5.93%
Total Expenses	1,419,609,296	564,614,622	573,442,025	-1.56%	530,870,849	-8.02%
KWH Sold - Territorial	12,200,000,000	4,701,671,378	4,968,987,025	5.69%	4,705,281,400	5.60%
KWH Sold - Off System	-	-	21,752,000		32,243,000	
	12,200,000,000	4,701,671,378	4,990,739,025	6.15%	4,737,524,400	5.34%

* Gross debt service

** Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income.

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Water and Sewer System

Budget vs. Actual February 2025 and 2024 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2024-25	BUDGET 2024-25	ACTUAL 2024-25	Variance %	ACTUAL 2023-24	Variance %
REVENUES						
Water & Sewer Revenues	\$ 519,149,274	\$ 38,077,474	\$ 37,075,502		\$ 38,310,195	
Capacity & Extension Fees	82,476,555	5,960,016	5,757,334		8,873,974	
Investment Income	5,542,022	471,614	448,775		220,545	
Other Income	80,116,741	2,251,770	1,824,203		2,251,930	
Total	687,284,592	46,760,874	45,105,814	-3.54%	49,656,644	-9.16%
EXPENSES						
O & M Expenses	263,483,858	19,861,116	19,565,865		19,377,118	
Debt Principal - Water & Sewer	50,230,000	4,185,833	4,278,125		5,126,170	
Debt Interest - Water & Sewer	85,995,271	7,166,273	7,463,179		4,425,241	
Rate Stabilization - Environmental	(76,186)	-	-		(223,896)	
R&R - Water & Sewer	31,122,150	2,593,513	2,593,513		2,538,254	
Operating Capital Outlay	129,427,831	-	-		-	
Operating Capital Outlay - Capacity/Extension	82,476,555	5,960,016	5,757,334		8,873,974	
Operating Capital Outlay - Environmental	76,186	-	-		223,896	
City Contribution Expense	39,715,679	3,309,640	3,007,653		2,369,934	
Uncollectibles & Fees	1,090,213	90,851	16,961		102,653	
Interlocal Agreements	3,743,035	-	(17,553)		-	
Total Expenses	687,284,592	43,167,242	42,665,077	1.16%	42,813,344	0.35%
Total Balance	\$ -	\$ 3,593,632	\$ 2,440,737		\$ 6,843,300	
Sales kgals						
Water	40,882,040	2,964,907	2,818,989	-4.92%	2,762,355	2.05%
Sewer	37,265,046	2,709,835	2,639,582	-2.59%	2,479,655	6.45%
Total	78,147,086	5,674,742	5,458,571	-3.81%	5,242,010	4.13%

Budget vs. Actual February 2025 and 2024 (unaudited)	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET 2024-25	BUDGET 2024-25	ACTUAL 2024-25	Variance %	ACTUAL 2023-24	Variance %
REVENUES						
Water & Sewer Revenues	\$ 519,149,274	\$ 203,730,866	\$ 199,786,087		\$ 196,796,168	
Capacity & Extension Fees	82,476,555	26,341,033	30,634,163		34,135,007	
Investment Income	5,542,022	2,053,612	2,341,097		757,141	
Other Income	80,116,741	10,780,176	9,700,935		15,994,520	
Total	687,284,592	242,905,687	242,462,282	-0.18%	247,682,836	-2.11%
EXPENSES						
O & M Expenses	263,483,858	106,553,933	104,891,468		100,072,142	
Debt Principal - Water & Sewer	50,230,000	20,929,167	20,644,377		23,684,502	
Debt Interest - Water & Sewer	85,995,271	35,831,363	31,636,623		24,504,553	
Rate Stabilization - Environmental	(76,186)	(76,186)	(36,771)		(329,952)	
R&R - Water & Sewer	31,122,150	12,967,563	12,967,563		12,691,271	
Operating Capital Outlay	129,427,831	-	-		5,187,161	
Operating Capital Outlay - Capacity/Extension	82,476,555	26,341,033	30,634,163		34,135,007	
Operating Capital Outlay - Environmental	76,186	76,186	36,771		329,952	
City Contribution Expense	39,715,679	16,548,200	15,038,263		11,849,671	
Uncollectibles & Fees	1,090,213	454,256	540,524		816,182	
Interlocal Agreements	3,743,035	3,743,035	3,732,407		7,227,701	
Total Expenses	687,284,592	223,368,550	220,085,388	1.47%	220,168,190	0.04%
Total Balance	\$ -	\$ 19,537,137	\$ 22,376,894		\$ 27,514,646	
Sales kgals						
Water	40,882,040	15,847,428	15,626,382	-1.39%	15,168,509	3.02%
Sewer	37,265,046	14,623,226	14,308,634	-2.15%	13,776,652	3.86%
Total	78,147,086	30,470,654	29,935,016	-1.76%	28,945,161	3.42%

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District Energy System

Budget vs. Actual February 2025 and 2024 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2024-25	BUDGET 2024-25	ACTUAL 2024-25	Variance %	ACTUAL 2023-24	Variance %
REVENUES						
Revenues	\$ 13,766,363	\$ 934,784	\$ 858,412		\$ 879,197	
Investment Income	145,609.00	12,105.00	47,031.00		14,766.00	
Total	13,911,972	946,889	905,443	-4.38%	893,963	1.28%
EXPENSES						
O & M Expenses	6,144,700	410,997	375,724		347,666	
Debt Principal - District Energy System	1,995,000	166,250	166,250		160,833	
Debt Interest - District Energy System	3,470,806	289,234	232,737		147,665	
R&R - District Energy System	654,900	54,575	54,575		53,588	
Operating Capital Outlay	1,646,566	-	-		-	
Total Expenses	13,911,972	921,056	829,286	9.96%	709,752	-16.84%
Total Balance	\$ -	\$ 25,833	\$ 76,157		\$ 184,211	

Budget vs. Actual February 2025 and 2024 (unaudited)	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET 2024-25	BUDGET 2024-25	ACTUAL 2024-25	Variance %	ACTUAL 2023-24	Variance %
REVENUES						
Revenues	\$ 13,766,363	\$ 5,482,018	\$ 5,341,670		\$ 5,124,212	
Investment Income	145,609.00	49,948.00	238,506.00		72,237.00	
Total	13,911,972	5,531,966	5,580,176	0.87%	5,196,449	7.38%
EXPENSES						
O & M Expenses	6,144,700	2,470,707	2,189,116		2,290,827	
Debt Principal - District Energy System	1,995,000	831,250	831,250		804,167	
Debt Interest - District Energy System	3,470,806	1,446,169	1,098,997		752,186	
R&R - District Energy System	654,900	272,875	272,875		267,938	
Operating Capital Outlay	1,646,566	837,042	837,042		700,000	
Total Expenses	13,911,972	5,858,043	5,229,280	10.73%	4,815,118	-8.60%
Total Balance	\$ -	\$ (326,077)	\$ 350,896		\$ 381,331	

JEA Board Agenda

MEMORANDUM**Electric, Water, and Sewer Rates**

Board Meeting Date: March 25, 2025

 Outcome: ☐ INFORMATION ONLY ☒ ACTION ☐ FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Board motion to adopt JEA Board Resolution 2025-08 adopting modifications to JEA's Electric System Tariff Documentation and Water and Sewer System Tariff Documentation and providing for the implementation of the modifications.

 Consent Agenda Item: ☐ Yes ☒ No

Presenter: Victor Blackshear, Director, Financial Planning & Rates

Chief: Ted Phillips, Chief Financial Officer

 Strategic Focus Area: ☐ DEVELOPING AN UNBEATABLE TEAM ☒ DELIVERING BUSINESS EXCELLENCE ☐ EARNING CUSTOMER LOYALTY

Background 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 pricing 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. For FY2025, the mid-year recommendation is to be effective April 1, 2025, to close the revenue gap for the FY25 Board approved budget. For FY2026, the full year of rate recommendations to be effective October 1, 2025, is to recover additional costs and reposition the rate hearings to occur after the FY2027 budget is presented in the Spring of 2026.

Financial Impact:

The Electric System is seeking to recover sufficient revenues to meet the budgeted costs for FY2025 and FY2026 through base rate adjustments. The additional revenues requested from the proposed April 1, 2025, base rate adjustments are approximately \$25.2 million and the additional revenues of \$39.7 million for FY2026 are 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 FY2025 and FY2026 through base rate adjustments. The additional revenues requested from the proposed April 1, 2025, base rate adjustments are approximately \$15.1 million for FY2025 and the additional revenues of \$22.8 million for FY2026 are from proposed October 1, 2025, base rate adjustments.

JEA Board Agenda

MEMORANDUM



Electric, Water, and Sewer Rates Cont.

Committee/Board Meeting/Workshop & Date Presented:

August 20, 2024 Finance, Governance, and Audit Meeting
October 29, 2024 Board Workshop
January 22, 2025 Finance, Governance, and Audit Meeting
February 25, 2025 Public Rate Hearing

Appendix:

Resolution 2025-08
Redline Tariffs



BOARD RESOLUTION: 2025-08

March 25, 2025

A RESOLUTION OF THE BOARD ADOPTING MODIFICATIONS TO JEA'S ELECTRIC SYSTEM TARIFF DOCUMENTATION AND WATER AND SEWER SYSTEM TARIFF DOCUMENTATION; PROVIDING FOR THE IMPLEMENTATION OF THESE MODIFICATIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the JEA Board of Directors (the Board), pursuant to duly published notice, a copy of which is attached hereto as Exhibit I, held a public hearing to consider changes to the existing Electric System Tariff Document and Water and Sewer Tariff Document to adjust base rates for multiple classes and other administrative items; and

WHEREAS, statements and documentation were presented at the public hearing, which demonstrated the requested modifications of the existing Electric Tariff Document and Water and Sewer Tariff Document; and

WHEREAS, rate matters addressed at the public hearing included adjusting basic monthly charges, energy charges, economic riders, volume charges, other commercial water and sewer charges and other administrative items; and

WHEREAS, the Board has heard all presentations, reviewed all documentation, considered all public testimony presented at the public hearing, and is fully advised of the premises; and

WHEREAS, the Board finds that the proposed modification to the Electric Tariff Document and Water and Sewer Tariff Document to be reasonable and in the best interests of JEA,

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. The Board hereby adopts the modifications to the Electric Tariff Document and Water and Sewer Tariff Document attached hereto as Exhibit II substantially in the same form as attached. The effective dates of the modifications shall be as of the dates provided in Exhibit II.
3. The Board directs the Managing Director or her designee to take any necessary administrative actions to implement the approved Electric Tariff Document and Water and Sewer Tariff Document modifications.
4. 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.
5. This Resolution shall be effective upon approval by the Board.

Dated this 25th day of March 2025.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

Electric, Water, and Sewer Rates

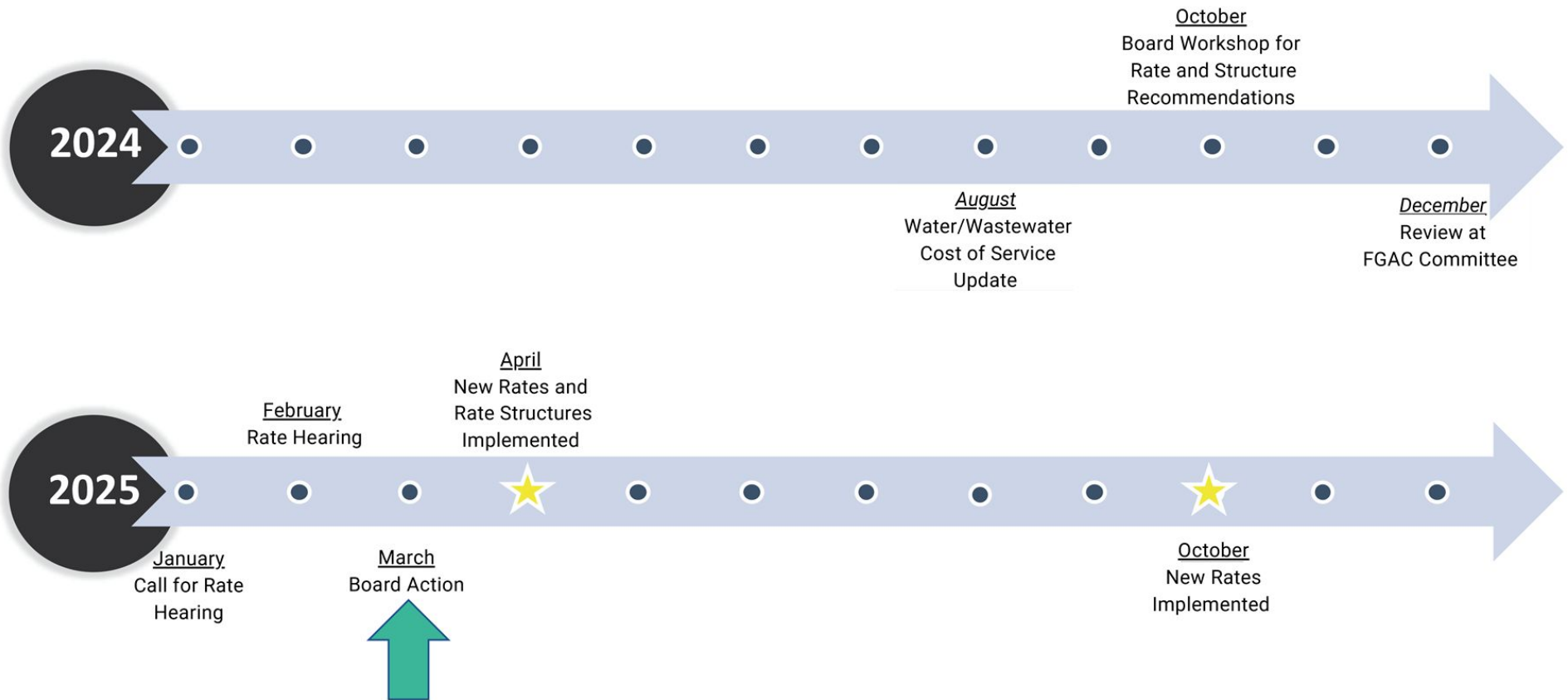
Ted Phillips, Chief Financial Officer
Victor Blackshear, Director, Financial Planning & Rates

Action

Northside Generating System



Rate Recommendations Timeline



Staff recommends the Board approve the rate recommendations and adopt Resolution 2025-08 & attached tariff documentation

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

Our rate design objectives are the continuation of rate restructuring plans that supports JEA's revenue requirements



Electric System Recommendations

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	GLSD (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



Water & Sewer System Recommendations

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 FY25 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 New 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

FY25 & FY26 Rate Restructuring Recommendations



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

The Value of Residential Energy

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



37

Hours



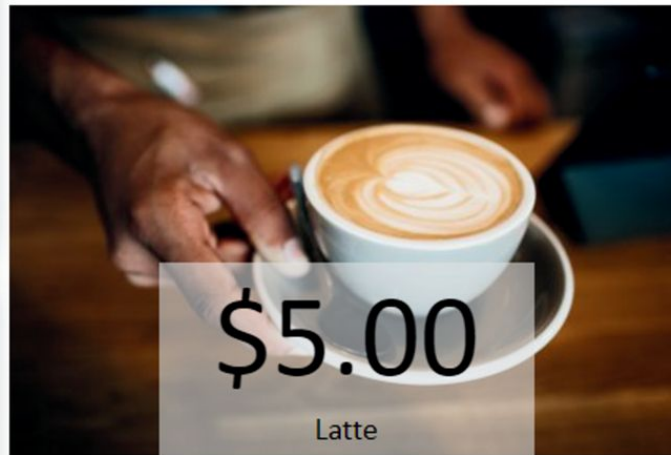
1,460

Hours



\$5.00

Latte



\$5.00 = 73 kwh of JEA Electricity

61

Hours



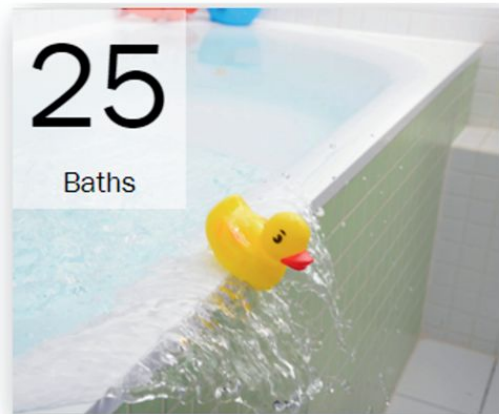
405

Hours



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

The Value of JEA's Residential Water Volume Charge



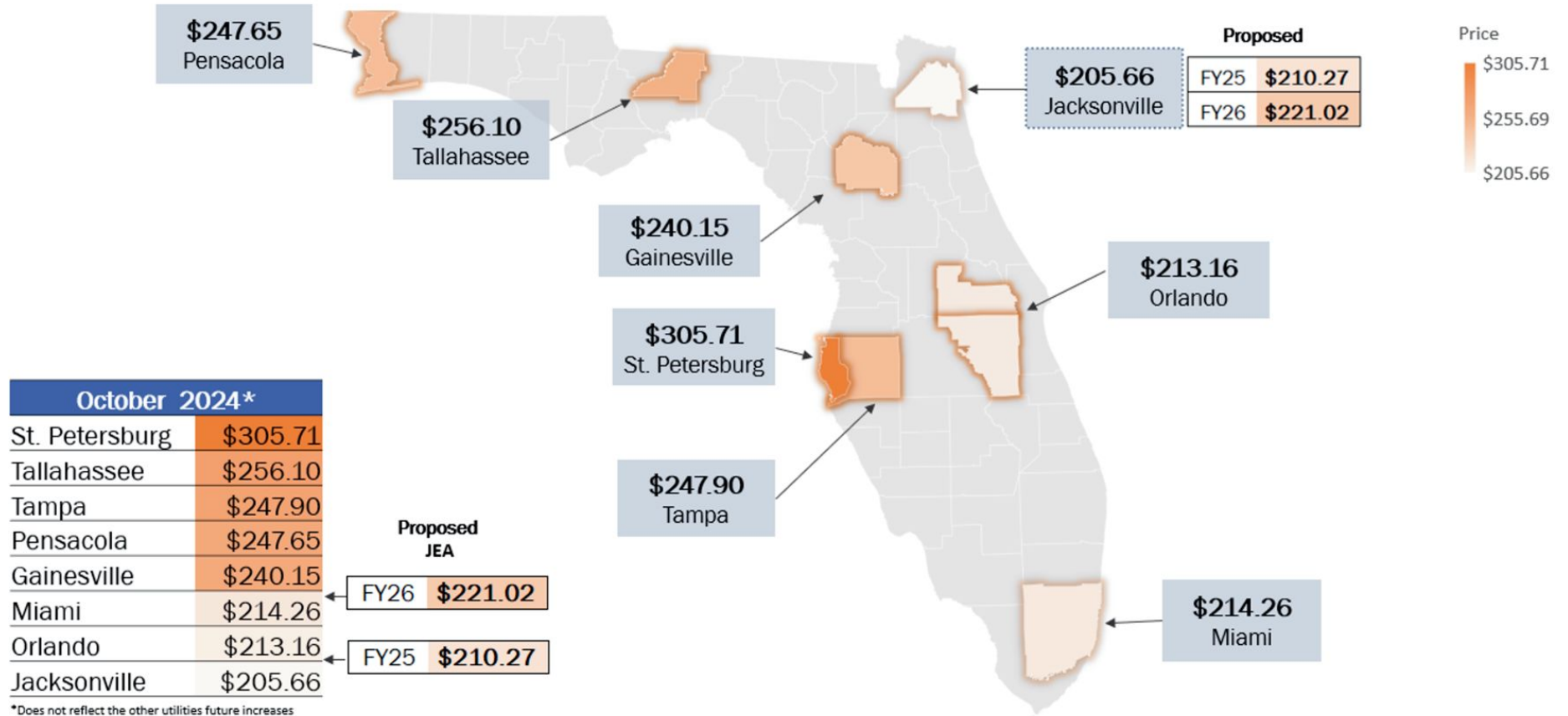
\$1.67 = 1,000 gallons of JEA Water



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

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

How will our proposed combined residential services compare with other major Florida cities?



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



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
March 25, 2025



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Second Revised Sheet No. 3.0
Canceling First Sheet No. 3.0

INDEX OF ELECTRIC SERVICE RATE SCHEDULES

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GSDT	<u>General Service Demand Time-of-Day</u> (Optional)	6.2
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GSLDT	<u>General Service Large Demand Time-of-Day</u> (Optional)	7.2
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GSXLD	<u>General Service Extra Large Demand Rider</u>	12.0
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EDP	<u>Economic Development Rider</u>	15.0
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(Continued to Sheet No. 3.1)



(Continued from Sheet No. 3.0)

CS	<u>Curtailable Service Rider</u> <u>(Closed to New Customers)</u>	17.0
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EA	<u>Energy Audits</u>	22.0
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GRT	<u>Gross Receipts Tax</u> (Franchise Area)	27.0

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CONTRACTS AND AGREEMENTS

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	<u>JEA SolarMax Rate Agreement</u> (Closed to New Customers)	30.0



RATE SCHEDULES



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: \$17.50

Energy Charge Tier 1 (First 1,000 kwh): \$0.06846 per kWh

Energy Charge Tier 2 (>1,000 kwh): \$0.08346 per kwh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$17.50 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.



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: \$23.00

Energy Charge: \$0.06670 per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$23.00 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.



Second Revised Sheet No. 5.1
Canceling First 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: \$25.00

Energy Charge:

\$0.13486 per kWh during On-Peak hours

\$0.04439 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

\$25.00 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)



(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.



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:

	<u>(COM30)</u>		<u>(COM31)</u>
Basic Monthly Charge:	\$203.00 per Month	Basic Monthly Charge:	\$203.00 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:	\$0.03313 per kWh plus Fuel Charge	Energy Charge:	\$0.07472 per kWh plus Fuel Charge

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$203.00 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)



(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.



First Revised Sheet No. 6.2
Canceling 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:

\$203.00 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:

\$0.06481 per kWh during On-Peak hours

\$0.02191 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.-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. 6.3)



First Revised Sheet No. 6.3
Canceling 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

\$203.00 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



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: \$825.00 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: \$0.02910 per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill

\$825.00 Basic Monthly Charge plus the demand charge as 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 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)

(Continued on Sheet No. 7.1)



(Continued from Sheet No. 7.0)

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.



Second Revised Sheet No. 7.2
Canceling First 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: \$825.00 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:

\$0.05215 per kWh during On-Peak hours

\$0.01915 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)



(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

\$825.00 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)



(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.



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: \$825.00 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: \$0.02910 per kWh

For the next 200 kWh per kW of Ratcheted Demand: \$0.02150 per kWh

For all energy above 550 kWh per kW of Ratcheted Demand: \$0.00899 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)



First Revised Sheet No. 7.6
Canceling 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

\$825.00 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.



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)



(Continued from Sheet No. 8.0)

Energy Charge:

For the first 300 kWh per kW of Ratcheted Demand: 1.739 cent per kWh

For the next 65 kWh per kW of Ratcheted Demand: 1.585 cent per kWh

For all energy above 365 kWh per kW of Ratcheted Demand: 1.502 cent 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 coincident peak 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 Coincident Peak Demand

The time at which the combined value of multiple service points is the highest (which is not necessarily the peak demand for each individual service point, or the time of overall JEA system peak demand). All service points eligible for coincident peak demand billing are managed via contacts between JEA and the customers.

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)



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.



First Revised Sheet No. 8.3
Canceling 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

Demand Interruptible Credit: \$5.14 per kW

Excess Reactive Demand (Kvar) Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:

\$0.01900 per kWh during On-Peak hours

\$0.01556 per kWh during Off-Peak hours

(Continued on Sheet No. 8.4)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025



(Continued from Sheet No. 8.3)

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)



(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.



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)



(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:

$$\text{SDC} = (\text{OPDC} - \text{FDC}) * \text{RAF} / 0.7$$

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).

Terms and Conditions

- (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 rate payers



First Revised Sheet No. 10.0
Canceling 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	\$6.74
SLHPS2	Standard	200W HPS	CH, FL	88	\$8.58
SLHPS3	Standard	250W HPS	CH	108	\$9.00
SLHPS4	Standard	400W MH	CH, FL	169	\$10.64
SLMHS1	Standard	100W MH	DA	47	\$11.23
SLMHS2	Standard	150W MH	PT	67	\$8.45
SLMHS3	Standard	175W MH	PT	76	\$8.65
SLMHS4	Standard	320W MH	CH, FL	130	\$9.81
SLMHS5	Standard	150W MH	DA	67	\$14.24
SLMHS6	Standard	400W MH	CH, FL	164	\$10.57
SLMHS7	Standard	175W MH	DA	76	\$14.44
SLMHE1	Historic Energy & O&M	150W MH	DA	67	\$2.80
SLMHE2	Historic Energy & O&M	175W MH	DA	76	\$3.00
SLMHE3	Energy & O&M	320W MH	CH, FL,SB	130	\$4.22
SLMHE4	Energy & O&M	400W MH	CH, FL, SB	164	\$4.98
SLLED1	Standard	40W LED	CH	15	\$6.51
SLLED2	Standard	40W LED	PT	16	\$7.28
SLLED3	Standard	115W LED	CH	41	\$7.74
SLLED4	Standard	162W LED	SB	59	\$11.79
SLLED5	Standard	275W LED	CH	99	\$10.20
SLLED6	Standard	72W LED	PT	26	\$7.82
SLLED7	Standard	100W LED	DA	36	\$9.71
SLLED8	Standard	60W LED	AC	22	\$8.06
SLLED9	Standard	150W LED	TD	54	\$11.26
SLLED10	Standard	185W LED	TD	54	\$10.20

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)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025



(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.



First Revised Sheet No. 11.0
Canceling 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 \$0.03427 per calculated KWH

Rate Code TRAF98 - \$1.40 Facilities Charge per installation, plus \$0.03427 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, 2025



RIDER SCHEDULES

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	\$23.00	\$203.00	\$825.00
Demand Charge per kW	Not Applicable	\$6.98	\$10.06
Energy Charge per kWh	\$0.05455	\$0.02392	\$0.02097
Fuel Charge	See Sheet No. 20.0	See Sheet No. 20.0	See Sheet No. 20.0
Energy Only Charge per kWh	Not Applicable	\$0.05333	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)



(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)



(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.



First Revised Sheet No. 13.0
Canceling Original Sheet No. 13.0

(For Future Use)



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 \$203.00 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

Effective April 1, 2025

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, 2028.

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 April 1, 2025



(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

Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraiser's websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

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)



(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.



EEDP
RIDER EEDP

First Revised Sheet No. 15.10
Canceling Original Sheet No. 15.10

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, 2028

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, GSDD, GSDD, GSDDT, or GSDDHLF. 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 April 1, 2025



First Revised Sheet No. 15.11
Canceling 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

Those industries identified as Target Industries by Florida Department of Commerce, JaxUSA Partnership, and the City of Jacksonville's Office of Economic Development. As of the effective date of this tariff, the industries designated as Target Industries are Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, Information Technology, Financial/Business Services and Headquarters. 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. Because the industries designated as Target Industries may change from time to time, JEA will recognize the designation in effect at the time of application.

Definition of Targeted Area

Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraisers' websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

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.

(Continued on Sheet No. 15.12)



(Continued from Sheet No. 15.11)

- (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.
- (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 Enhanced Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Enhanced 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. If the Customer fails to maintain either requirement for the Enhanced Economic Development Program but meets the requirements for the Economic Development Program (EDP) Rider, JEA may, at its discretion, downgrade the customer to the EDP Program Rider.

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.

(Continued on Sheet No. 15.13)



First Revised Sheet No. 15.13
Canceling Original Sheet No. 15.13

(Continued from Sheet No. 15.12)

- (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 Enhanced 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.



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, 2028.

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)



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.



CS
RIDER CS

Second Revised Sheet No. 17.0
Canceling First Sheet No. 17.0

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: \$1650.00 per month

Demand Interruptible Credit: \$5.14 per kW

Option A:

Demand Charge: \$14.41 per kW

Energy Charge: As stated in the applicable rate schedule

Option B:

Demand Charge: \$14.41 per kW

Energy Charge: \$0.02582 per kWh

(Continued on Sheet No. 17.1)



(Continued from Sheet No. 17.0)

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

\$1,650.00 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)



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)



(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-curtable demand, then penalty charges will be assessed. The amount above the non-curtable 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-curtable 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 Curtable Service Rider will preclude the election of any other JEA Rider for the Curtable 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 Curtable 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.



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: \$1,650.00 per month

Demand Interruptible Credit: \$5.14 per kW

Option A & B:

Demand Charge: As stated in the applicable rate schedule

Energy Charge: As stated in the applicable rate schedule

(Continued on 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

\$1,650.00 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

$$\text{Average Load Factor} = \frac{12 \text{ month average consumption (kWh)}}{12 \text{ month average demand (kW)} \times 730 (\text{Hours per month})}$$

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)



(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)



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, customers will be notified electronically no later than 4:00 pm Eastern Time of the time periods which interruption will be in effect for the following day.



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.



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.



CHARGES, ENERGY AUDITS, AND POLICIES



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/



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.



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.



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:

$BD = \text{Maximum measured 15-minute demand (kW)} \times (TPF / PF)$

PF = power factor calculated per the following formula

$$PF = \cos(\text{ATAN}(\text{kVar}/\text{kW}))$$

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.



TAXES AND FEES



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:

$$\frac{\text{(Franchise Fee)}}{\text{(1 - Gross Receipts Tax - Franchise Fee)}} =$$

$$\frac{.06}{\text{(1 - .025 - .06)}} = \frac{.06}{0.915} =$$

.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.



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



GRT

Gross Receipts Tax (Non-Franchise Area)

Legal Chapter 203, Florida Statutes.

Authority

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:

$$\begin{array}{rcl}
 & \text{(Gross Receipts Tax)} & \\
 \hline
 & & = \\
 & \text{(1 - Gross Receipts Tax)} & \\
 \\
 \begin{array}{rcl}
 .025 & & .025 \\
 \hline
 & = & \hline
 (1 - .025) & & 0.975
 \end{array} & & =
 \end{array}$$

.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.



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:

$$\begin{array}{rcl}
 & \text{(Gross Receipts Tax)} & \\
 \hline
 & & = \\
 & (1 - \text{Gross Receipts Tax} - \text{Franchise Fee}) & \\
 \\
 & .025 & .025 \\
 \hline
 & = & = \\
 & (1 - .025 - .06) & 0.915
 \end{array}$$

.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.



DISCLAIMER



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.



CONTRACTS AND AGREEMENTS



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*

*Contracts with self-renewing clauses



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:

- 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:

- 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:

- 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.
- 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.
- 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.
- The Customer's ability to continue receiving the JEA SolarMax Rider terminates upon the termination of this Agreement.

(Continued on Sheet No. 30.1)



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 duly authorized representatives to be effective as of the day and year first written above.

Rates and Terms Accepted:

<p>_____</p> <p>Customer (print or type name of Organization)</p> <p>_____</p> <p>Signature (Authorized Representative)</p> <p>_____</p> <p>(Print or type name)</p> <p>Title: _____</p>	<p style="text-align: center;">JEA</p> <p>_____</p> <p>_____</p> <p>(Signature)</p> <p>_____</p> <p>(Print or type name)</p> <p>Title: _____</p>
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VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023



~~Second-Third~~ Revised Sheet No. 1.0
Cancelling ~~First-Second~~ Sheet 1.0

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~~ March 25, 2025

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 202~~5~~⁴



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Second Revised Sheet No. 3.0
Canceling First Sheet No. 3.0

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TAXES AND FEES

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RATE SCHEDULES



~~First-Second~~ Revised Sheet No. 4.0
Canceling ~~Original-First~~ 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~~17.50

Energy Charge Tier 1 (First 1,000 kwh): \$0.06821 per kWh

Energy Charge Tier 2 (>1,000 kwh): \$0.08346 per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$~~15.75~~17.50 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.



~~First-Second~~ Revised Sheet No. 5.0
Canceling ~~Original-First~~ 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~~23.00

Energy Charge: \$0.~~06276~~06670 per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$~~23~~1.00 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.



~~First-Second~~ Revised Sheet No. 5.1
Canceling ~~Original-First~~ 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: \$2~~45~~.00

Energy Charge:

\$0.~~12690-13486~~ per kWh during On-Peak hours

\$0.~~04177-04439~~ 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

\$~~2425~~.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, 202~~5~~⁴



(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.



~~First~~ ~~Second~~ Revised Sheet No. 6.0
Canceling ~~First~~ ~~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:

	<u>(COM30)</u>		<u>(COM31)</u>
Basic Monthly Charge:	\$ 185 <u>203</u> .00 per Month	Basic Monthly Charge:	\$ 185 <u>203</u> .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 <u>03313</u> per kWh plus Fuel Charge	Energy Charge:	\$0. 07510 <u>07472</u> per kWh plus Fuel Charge

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$~~185~~203.00 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)



(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 First Revised Sheet No. 6.2
 Canceling 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~~²⁰³.00 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~~^{0.06481} per kWh during On-Peak hours

\$~~0.02202~~^{0.02191} 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.-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. 6.3)



Original First Revised Sheet No. 6.3
 Canceling 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~~203.00 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



~~First~~ ~~Second~~ Revised Sheet No. 7.0
Canceling ~~First~~ ~~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: \$~~825750~~.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: \$0.02~~910588~~ per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill

\$~~825750~~.00 Basic Monthly Charge plus the demand charge as 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 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)

(Continued on Sheet No. 7.1)



(Continued from Sheet No. 7.0)

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.



~~First-Second~~ Revised Sheet No. 7.2
Canceling ~~Original-First~~ 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~~825.00 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~~05215 per kWh during On-Peak hours

~~\$0.01703~~01915 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)



Original First Revised Sheet No. 7.3
 Canceling 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~~825.00 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)



(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.



~~First-Second~~ Revised Sheet No.7.5
Canceling ~~Original-First~~ 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~~825.00 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~~02910 per kWh

For the next 200 kWh per kW of Ratcheted Demand: \$0.~~01912~~02150 per kWh

For all energy above 550 kWh per kW of Ratcheted Demand: \$0.008~~9900~~ 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)



[First Revised Sheet No. 7.6](#)
[Canceling 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~~825.00 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.



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)



~~First-Second~~ Revised Sheet No. 8.1
Canceling ~~Original-First~~ Sheet No. 8.1

(Continued from Sheet No. 8.0)

Energy Charge:

For the first 300 kWh per kW of Ratcheted Demand: ~~1.470cent~~ 739 cent per kWh

For the next 65 kWh per kW of Ratcheted Demand: ~~1.340cent~~ 585 cent per kWh

For all energy above 365 kWh per kW of Ratcheted Demand: ~~1.270cent~~ 502 cent 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 coincident peak 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 Coincident Peak Demand

T is the time at which the combined value of multiple service points is the highest (which is not necessarily the peak demand for each individual service point, or the time of overall JEA system peak demand). All service points eligible for coincident peak demand billing are managed via contacts between JEA and the customers.

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.



~~First~~ ~~Second~~ Revised Sheet No. 8.1
Canceling ~~Original~~ ~~First~~ Sheet No. 8.1

(Continued on Sheet No. 8.2)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~September~~ ~~April~~ 1, 2025 ~~54~~



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.



~~Original First Revised~~ Sheet No. 8.3
~~Cancelling 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

Demand Interruptible Credit: \$5.14 per kW

Excess Reactive Demand (Kvar) Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:

~~\$0.01300-01900~~ per kWh during On-Peak hours

~~\$0.01006-01556~~ per kWh during Off-Peak hours

VICTOR BLACKSHEAR, DIRECTOR
 FINANCIAL PLANNING AND ANALYSIS

Effective ~~September-April 1, 2024-2025~~



~~Original First Revised~~ Sheet No. 8.3
~~Canceling Original Sheet No. 8.3~~

(Continued on Sheet No. 8.4)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~September-April 1, 2024-2025~~



(Continued from Sheet No. 8.39)

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)



(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.



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)



(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:

$$\text{SDC} = (\text{OPDC} - \text{FDC}) * \text{RAF} / 0.7$$

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).

Terms and Conditions

- (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 rate payers



Original-First Revised Sheet No. 10.0
Canceling Original Sheet No. 10.0

SL

RATE SCHEDULE SLStreet LightingAvailable

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	\$6.74 \$6.42
SLHPS2	Standard	200W HPS	CH, FL	88	\$8.58 \$7.59
SLHPS3	Standard	250W HPS	CH	108	\$9.00 \$7.78
SLHPS4	Standard	400W MH	CH, FL	169	\$10.64 \$8.73
SLMHS1	Standard	100W MH	DA	47	\$11.23 \$10.70
SLMHS2	Standard	150W MH	PT	67	\$8.45 \$7.69
SLMHS3	Standard	175W MH	PT	76	\$8.65 \$7.79
SLMHS4	Standard	320W MH	CH, FL	130	\$9.81 \$8.34
SLMHS5	Standard	150W MH	DA	67	\$14.24 \$13.49
SLMHS6	Standard	400W MH	CH, FL	164	\$10.57 \$8.72
SLMHS7	Standard	175W MH	DA	76	\$14.44 \$13.59
SLMHE1	Historic Energy & O&M	150W MH	DA	67	\$2.80 \$2.04
SLMHE2	Historic Energy & O&M	175W MH	DA	76	\$3.00 \$2.14
SLMHE3	Energy & O&M	320W MH	CH, FL,SB	130	\$4.22 \$2.75
SLMHE4	Energy & O&M	400W MH	CH, FL, SB	164	\$4.98 \$3.13
SLLED1	Standard	40W LED	CH	15	\$6.51 \$6.34
SLLED2	Standard	40W LED	PT	16	\$7.28 \$7.10
SLLED3	Standard	115W LED	CH	41	\$7.74 \$7.28
SLLED4	Standard	162W LED	SB	59	\$11.79 \$11.13
SLLED5	Standard	275W LED	CH	99	\$10.20 \$9.08
SLLED6	Standard	72W LED	PT	26	\$7.82 \$7.53
SLLED7	Standard	100W LED	DA	36	\$9.71 \$9.30
SLLED8	Standard	60W LED	AC	22	\$8.06 \$7.81
SLLED9	Standard	150W LED	TD	54	\$11.26 \$10.65
<u>SLLED10</u>	<u>Standard</u>	<u>185W LED</u>	<u>TD</u>	<u>54</u>	<u>\$10.20</u>

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)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 20235



(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.



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 \$0.03~~427233~~ per calculated KWH

Rate Code TRAF98 - \$1.40 Facilities Charge per installation, plus \$0.03~~427050~~ 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.



RIDER SCHEDULES



First-Second Revised Sheet No. 12.0
Canceling Original-First 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	\$2 13 .00	\$ 185 203.00	\$ 825 750.00
Demand Charge per kW	Not Applicable	\$6.98	\$10.06
Energy Charge per kWh	\$0. 05 133 05455	\$0.02392	\$0. 01 865 02097
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. 05 160 05333	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)



~~First~~ Second Revised Sheet No. 12.0
Canceling ~~Original~~ First Sheet No. 12.0

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025~~5~~4



(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)



(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.



First Revised Sheet No. 13.0
Canceling Original Sheet No. 13.0

(For Future Use)



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~~203.00 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.



[First Revised Sheet No. 14.0](#)
[Canceling](#) Original Sheet No. 14.0

(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)

(S)(f) _____



~~First-Second~~ Revised Sheet No. 15.0
 Canceling ~~Original-First~~ 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~~58~~.

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

VICTOR BLACKSHEAR, DIRECTOR
 FINANCIAL PLANNING AND ANALYSIS

Effective ~~August 29, 2023~~ April 1, 2025



~~First~~~~Second~~ Revised Sheet No. 15.0
Canceling ~~Original~~~~First~~ Sheet No.
15.0

(Continued on Sheet No. 15.01)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~August 29, 2023~~~~April 1, 2025~~



(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

Identified as the City of Jacksonville's Areas-in-City's Economically Distressed Areas ~~map~~ and industrial-zoned properties as defined by the city and/or county property appraiser's websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

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.



First Revised Sheet No. 15.01
Canceling Original Sheet No. 15.01

(Continued on Sheet No. 15.02)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~August 29, 2023~~ April 1, 2025



(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.



EEDP
RIDER EEDP

Original-First Revised Sheet No. 15.10
Canceling Original Sheet No. 15.10

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~~58~~

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, GSDD, GSDD, GSDD, or GSDDHLLF. 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~~ April 1, 2025



Original-First Revised Sheet No. 15.11
 Canceling 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 Those industries identified as Target Industries by Enterprise Florida, Inc., Florida Department of Commerce, JaxUSA Partnership, and the City of Jacksonville's Office of Economic Development. As of the effective date of this tariff, the industries designated as Target Industries are as~~ Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, ~~Information Technology~~, Financial/Business Services and ~~HQ~~Headquarters. 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. ~~Because the industries designated as Target Industries may change from time to time, JEA will recognize the designation in effect at the time of application.~~

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. Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraisers' websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.~~

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.



~~Original-First Revised~~ Sheet No. 15.11
~~Canceled Original Sheet No. 15.11~~

(Continued on Sheet No. 15.12)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~August 29, 2023~~ April 1, 2025



First Revised Sheet No. 15.12
 Canceling Original Sheet No. 15.12

(Continued from Sheet No. 15.11)

- (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.
- (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 Enhanced Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Enhanced 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. If the Customer fails to maintain either requirement for the Enhanced Economic Development Program but meets the requirements for the Economic Development Program (EDP) Rider, JEA may, at its discretion, downgrade the customer to the EDP Program Rider.

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.

(Continued on Sheet No. 15.13)



~~Original-First Revised~~ Sheet No. 15.13
~~Canceled Original Sheet No. 15.13~~

(Continued from Sheet No. 15.12)

- (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 Enhanced 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-Second~~ Revised Sheet No. 16.0
Canceling ~~Original-First~~ 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, 202~~8~~⁵.

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)

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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.



CS
RIDER CS

~~First-Second~~ Revised Sheet No. 17.0
Canceling ~~Original-First~~ Sheet No. 17.0

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~~650.00 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: ~~As stated in the applicable rate schedule \$0.02588~~ 02910 per kWh

Option B:—Peaking Price Separately Listed

Demand Charge: \$14.41 per kW

Energy Charge: \$0.~~02005~~ 02582 per kWh

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Effective April 1, 202~~4~~5



~~First-Second~~ Revised Sheet No. 17.0
Canceling ~~Original-First~~ Sheet No. 17.0

(Continued on Sheet No. 17.1)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 202~~4~~⁵



~~First~~ Second Revised Sheet No. 17.1
Canceling ~~Original~~ First 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~~650.00 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)



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)



(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-curtable demand, then penalty charges will be assessed. The amount above the non-curtable 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-curtable 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 Curtable Service Rider will preclude the election of any other JEA Rider for the Curtable 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 Curtable 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.



~~First-Second~~ Revised Sheet No. 18.0
Canceling ~~Original-First~~ 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~~650.00 per month

Demand Interruptible Credit: \$5.14 per kW

~~The customer may elect either of the following two price options:~~

~~Option A & B—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):~~



~~First~~ Second Revised Sheet No. 18.0
Canceling ~~Original~~ First Sheet No. 18.0

~~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)~~ GSLD (Sheet No. 7.0)

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)



~~First-Second~~ Revised Sheet No. 18.1
Canceling ~~Original-First~~ 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~~650.00 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

Average Load Factor =
$$\frac{12 \text{ month average consumption (kWh)}}{12 \text{ month average demand (kW)} \times 730 (\text{Hours per month})}$$

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)



(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)



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, customers will be notified electronically no later than 4:00 pm Eastern Time of the time periods which interruption will be in effect for the following day.



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.



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.



CHARGES, ENERGY AUDITS, AND POLICIES



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/



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.



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.



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:

$$BD = \text{Maximum measured 15-minute demand (kW)} \times (TPF / PF)$$

PF = power factor calculated per the following formula

$$PF = \cos(\text{ATAN}(\text{kVar}/\text{kW}))$$

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.



TAXES AND FEES



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:

$$\frac{\text{(Franchise Fee)}}{(1 - \text{Gross Receipts Tax} - \text{Franchise Fee})} =$$

$$\frac{.06}{(1 - .025 - .06)} = \frac{.06}{0.915} =$$

.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.



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



GRT

Gross Receipts Tax (Non-Franchise Area)

Legal Chapter 203, Florida Statutes.

Authority

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:

$$\begin{array}{rcl}
 & \text{(Gross Receipts Tax)} & \\
 \hline
 & & = \\
 & \text{(1 - Gross Receipts Tax)} & \\
 \\
 \begin{array}{rcl}
 .025 & & .025 \\
 \hline
 & = & \\
 (1 - .025) & & 0.975
 \end{array} & & =
 \end{array}$$

.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.



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:

$$\begin{array}{rcl}
 & \text{(Gross Receipts Tax)} & \\
 \hline
 & & = \\
 & (1 - \text{Gross Receipts Tax} - \text{Franchise Fee}) & \\
 & & \\
 & .025 & = \quad .025 \\
 \hline
 & & = \\
 & (1 - .025 - .06) & \quad 0.915
 \end{array}$$

.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.



DISCLAIMER



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.



CONTRACTS AND AGREEMENTS



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



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:

- 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:

- 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:

- 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.
- 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.
- 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.
- The Customer's ability to continue receiving the JEA SolarMax Rider terminates upon the termination of this Agreement.

(Continued on Sheet No. 30.1)



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 duly authorized representatives to be effective as of the day and year first written above.

Rates and Terms Accepted:

<p>_____</p> <p>Customer (print or type name of Organization)</p> <p>_____</p> <p>Signature (Authorized Representative)</p> <p>_____</p> <p>(Print or type name)</p> <p>Title: _____</p>	<p style="text-align: center;">JEA</p> <p>_____</p> <p>_____</p> <p>(Signature)</p> <p>_____</p> <p>(Print or type name)</p> <p>Title: _____</p>
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VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023



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
March 25, 2025



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Second Revised Sheet No. 3.0
Canceling First Sheet No. 3.0

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GSLDT	<u>General Service Large Demand Time-of-Day</u> (Optional)	7.2
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(Continued from Sheet No. 3.0)

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CONTRACTS AND AGREEMENTS

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	<u>JEA SolarMax Rate Agreement</u> (Closed to New Customers)	30.0



RATE SCHEDULES



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: \$19.25

Energy Charge Tier 1 (First 1,000 kwh): \$0.07237 per kWh

Energy Charge Tier 2 (>1,000 kwh): \$0.08987 per kwh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$19.25 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.



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: \$25.00

Energy Charge: \$0.06813 per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$25.00 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.



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: \$25.00

Energy Charge:

\$0.13776 per kWh during On-Peak hours

\$0.04535 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

\$25.00 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)



(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.



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:

	<u>(COM30)</u>		<u>(COM31)</u>
Basic Monthly Charge:	\$223.00 per Month	Basic Monthly Charge:	\$223.00 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:	\$0.03286 per kWh plus Fuel Charge	Energy Charge:	\$0.07411 per kWh plus Fuel Charge

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$223.00 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)



(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.



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:

\$223.00 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:

\$0.06428 per kWh during On-Peak hours

\$0.02173 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.-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. 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

\$223.00 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



Second Revised Sheet No. 6.3
Canceling First Sheet No. 6.3

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective October 1, 2025



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: \$925.00 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: \$0.02898 per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill

\$925.00 Basic Monthly Charge plus the demand charge as 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 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)

(Continued on Sheet No. 7.1)



(Continued from Sheet No. 7.0)

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.



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: \$925.00 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:

\$0.05193 per kWh during On-Peak hours

\$0.01696 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)



(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

\$925.00 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)



(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.



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: \$925.00 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: \$0.02898 per kWh

For the next 200 kWh per kW of Ratcheted Demand: \$0.02141 per kWh

For all energy above 550 kWh per kW of Ratcheted Demand: \$0.00899 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)



(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

\$925.00 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.



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)



(Continued from Sheet No. 8.0)

Energy Charge:

For the first 300 kWh per kW of Ratcheted Demand: 1.762 cent per kWh

For the next 65 kWh per kW of Ratcheted Demand: 1.599 cent per kWh

For all energy above 365 kWh per kW of Ratcheted Demand: 1.511 cent 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 coincident peak 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 Coincident Peak Demand

The time at which the combined value of multiple service points is the highest (which is not necessarily the peak demand for each individual service point, or the time of overall JEA system peak demand). All service points eligible for coincident peak demand billing are managed via contacts between JEA and the customers.

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)



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.



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

Demand Interruptible Credit: \$5.14 per kW

Excess Reactive Demand (Kvar) Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:

\$0.01984 per kWh during On-Peak hours

\$0.01680 per kWh during Off-Peak hours

(Continued on Sheet No. 8.4)



(Continued from Sheet No. 8.3)

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)



(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.



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)



(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:

$$\text{SDC} = (\text{OPDC} - \text{FDC}) * \text{RAF} / 0.7$$

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).

Terms and Conditions

- (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 rate payers



Second Revised Sheet No. 10.0
Canceling First 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	\$7.09
SLHPS2	Standard	200W HPS	CH, FL	88	\$9.65
SLHPS3	Standard	250W HPS	CH	108	\$10.31
SLHPS4	Standard	400W MH	CH, FL	169	\$12.69
SLMHS1	Standard	100W MH	DA	47	\$11.80
SLMHS2	Standard	150W MH	PT	67	\$9.26
SLMHS3	Standard	175W MH	PT	76	\$9.57
SLMHS4	Standard	320W MH	CH, FL	130	\$11.38
SLMHS5	Standard	150W MH	DA	67	\$15.05
SLMHS6	Standard	400W MH	CH, FL	164	\$12.55
SLMHS7	Standard	175W MH	DA	76	\$15.36
SLMHE1	Historic Energy & O&M	150W MH	DA	67	\$3.61
SLMHE2	Historic Energy & O&M	175W MH	DA	76	\$3.92
SLMHE3	Energy & O&M	320W MH	CH, FL,SB	130	\$5.79
SLMHE4	Energy & O&M	400W MH	CH, FL, SB	164	\$6.96
SLLED1	Standard	40W LED	CH	15	\$6.69
SLLED2	Standard	40W LED	PT	16	\$7.47
SLLED3	Standard	115W LED	CH	41	\$8.24
SLLED4	Standard	162W LED	SB	59	\$12.51
SLLED5	Standard	275W LED	CH	99	\$11.39
SLLED6	Standard	72W LED	PT	26	\$8.14
SLLED7	Standard	100W LED	DA	36	\$10.14
SLLED8	Standard	60W LED	AC	22	\$8.33
SLLED9	Standard	150W LED	TD	54	\$11.92
SLLED10	Standard	185W LED	TD	54	\$11.39

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)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective October 1, 2025



(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.



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 \$0.03633 per calculated KWH

Rate Code TRAF98 - \$1.40 Facilities Charge per installation, plus \$0.03633 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.



RIDER SCHEDULES

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	\$25.00	\$223.00	\$925.00
Demand Charge per kW	Not Applicable	\$6.98	\$10.06
Energy Charge per kWh	\$0.05572	\$0.02372	\$0.02088
Fuel Charge	See Sheet No. 20.0	See Sheet No. 20.0	See Sheet No. 20.0
Energy Only Charge per kWh	Not Applicable	\$0.05289	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)



(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)



(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.



First Revised Sheet No. 13.0
Canceling Original Sheet No. 13.0

(For Future Use)



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 \$223.00 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.



Second Revised Sheet No. 14.0
Canceling First Sheet No. 14.0

- (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)

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, 2028.

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 April 1, 2025



(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

Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraiser's websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

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 Customer's 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)



(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.



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, 2028.

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 April 1, 2025



(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

Those industries identified as Target Industries by Florida Department of Commerce, JaxUSA Partnership and the City of Jacksonville's Office of Economic Development. As of the effective date of this tariff, the industries designated as Target Industries are Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, Information Technology, Financial/Business Services and Headquarters. 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. Because the industries designated as Target Industries may change from time to time, JEA will recognize the designation in effect at the time of application.

Definition of Targeted Area

Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraisers' websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

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.

(Continued on Sheet No. 15.12)



(Continued from Sheet No. 15.11)

- (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.
- (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 Enhanced Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Enhanced Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP. If the Customer fails to maintain either requirement for the Enhanced Economic Development Program but meets the requirements for the Economic Development Program (EDP) Rider, JEA may, at its discretion, downgrade the customer to the EDP Program Rider.
- (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.

(Continued on Sheet No. 15.13)



First Revised Sheet No. 15.13
Canceling Original Sheet No. 15.13

(Continued from Sheet No. 15.12)

- (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 Enhanced 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.



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, 2028.

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)



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.



CS
RIDER CS

Third Revised Sheet No. 17.0
Canceling Second Sheet No. 17.0

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: \$1,800.00 per month

Demand Interruptible Credit: \$5.14 per kW

Option A:

Demand Charge: \$14.41 per kW

Energy Charge: As stated in the applicable rate schedule

Option B:

Demand Charge: \$14.41 per kW

Energy Charge: As stated in the applicable rate schedule

(Continued on Sheet No. 17.1)



(Continued from Sheet No. 17.0)

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

\$1,800.00 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)



(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.

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.
- (f) If the maximum 15-minute kW demand established during any period of requested curtailment exceeds the customer's non-curtable demand, then penalty charges will be assessed. The amount above the non-curtable 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-curtable 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.



Second Revised Sheet No. 17.2
Canceling First Sheet No. 17.2

(Continued on Sheet No. 17.3)



First Revised Sheet No. 17.3
Canceling Original Sheet No. 17.3

(Continued from Sheet No. 17.2)

- (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.

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.



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: \$1,800.00 per month

Demand Interruptible Credit: \$5.14 per kW

Option A & B:

Demand Charge: As stated in the applicable rate schedule

Energy Charge: As stated in the applicable rate schedule

(Continued on 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

\$1,800.00 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

$$\text{Average Load Factor} = \frac{12 \text{ month average consumption (kWh)}}{12 \text{ month average demand (kW)} \times 730 (\text{Hours per month})}$$

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)



(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.

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.
- (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.

(Continued on Sheet No. 18.3)



First Revised Sheet No. 18.3
Canceling Original Sheet No. 18.3

(Continued from Sheet No. 18.2)

- (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, 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.



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.



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.



CHARGES, ENERGY AUDITS, AND POLICIES



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/



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.



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.



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:

$BD = \text{Maximum measured 15-minute demand (kW)} \times (TPF / PF)$

PF = power factor calculated per the following formula

$$PF = \cos(\text{ATAN}(\text{kVar}/\text{kW}))$$

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.



TAXES AND FEES



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:

$$\frac{\text{(Franchise Fee)}}{(1 - \text{Gross Receipts Tax} - \text{Franchise Fee})} =$$

$$\frac{.06}{(1 - .025 - .06)} = \frac{.06}{0.915} =$$

.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.



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



GRT

Gross Receipts Tax (Non-Franchise Area)

Legal Chapter 203, Florida Statutes.

Authority

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:

$$\begin{array}{rcl}
 & \text{(Gross Receipts Tax)} & \\
 \hline
 & & = \\
 & \text{(1 - Gross Receipts Tax)} & \\
 \\
 \begin{array}{rcl}
 .025 & & .025 \\
 \hline
 & = & \hline
 (1 - .025) & & 0.975
 \end{array} & & =
 \end{array}$$

.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.



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:

$$\begin{array}{rcl}
 & \text{(Gross Receipts Tax)} & \\
 \hline
 & & = \\
 & (1 - \text{Gross Receipts Tax} - \text{Franchise Fee}) & \\
 & & \\
 & .025 & = \quad .025 \\
 \hline
 & & = \\
 & (1 - .025 - .06) & \quad 0.915
 \end{array}$$

.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.



DISCLAIMER



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.



CONTRACTS AND AGREEMENTS



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*

*Contracts with self-renewing clauses



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:

- 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:

- 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:

- 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.
- 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.
- 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.
- The Customer's ability to continue receiving the JEA SolarMax Rider terminates upon the termination of this Agreement.

(Continued on Sheet No. 30.1)



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 duly authorized representatives to be effective as of the day and year first written above.

Rates and Terms Accepted:

<p>_____</p> <p>Customer (print or type name of Organization)</p> <p>_____</p> <p>Signature (Authorized Representative)</p> <p>_____</p> <p>(Print or type name)</p> <p>Title: _____</p>	<p style="text-align: center;">JEA</p> <p>_____</p> <p>_____</p> <p>(Signature)</p> <p>_____</p> <p>(Print or type name)</p> <p>Title: _____</p>
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VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023



~~Third-Fourth~~ Revised Sheet No. 1.0
Cancelling ~~Second-Third~~ Sheet 1.0

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
March 25, 2025

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~April-October~~ 1, 2025

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RATE SCHEDULES



~~Second-Third~~ Revised Sheet No. 4.0
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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: \$~~17.50~~19.25

Energy Charge Tier 1 (First 1,000 kwh): \$~~0.06846~~0.07237 per kWh

Energy Charge Tier 2 (>1,000 kwh): \$~~0.08346~~0.08987 per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$~~17.50~~19.25 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.



~~Second-Third~~ Revised Sheet No. 5.0
Canceling ~~First-Second~~ 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: \$~~23~~25.00

Energy Charge: \$0.~~06670~~06813 per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$~~23~~25.00 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.



~~Second-Third~~ Revised Sheet No. 5.1
Canceling ~~First-Second~~ 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: \$25.00

Energy Charge:

\$0.~~13486~~~~13776~~ per kWh during On-Peak hours

\$0.~~04439~~~~04535~~ 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

\$25.00 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)



(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.



~~Second-Third~~ Revised Sheet No. 6.0
Canceling ~~First-Second~~ 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:

	<u>(COM30)</u>		<u>(COM31)</u>
Basic Monthly Charge:	\$ 22 3.00 per Month	Basic Monthly Charge:	\$ 22 3.00 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. 03313-03286 per kWh plus Fuel Charge	Energy Charge:	\$0. 07472-07411 per kWh plus Fuel Charge

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0)

Minimum Bill

\$~~203223~~.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)



(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.



First-Second_Revised Sheet No. 6.2
Canceling ~~Original~~ First_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:

\$~~203~~223.00 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:

\$~~0.06481~~06428 per kWh during On-Peak hours

\$~~0.02191~~02173 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.-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. 6.3)



~~First-Second~~ Revised Sheet No. 6.3
Canceling ~~Original-First~~ 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

\$2~~02~~3.00 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-October~~ 1, 2025



~~First~~ Second Revised Sheet No. 6.3
Canceling ~~Original~~ First Sheet No. 6.3

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~April~~ October 1, 2025



~~Second-Third~~ Revised Sheet No. 7.0
Canceling ~~First-Second~~ 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: \$~~98~~25.00 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.~~02910~~02898 per kWh

Fuel Charge

As stated in the Fuel Charge (Sheet No. 20.0).

Minimum Bill

\$~~825~~925.00 Basic Monthly Charge plus the demand charge as 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 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)

(Continued on Sheet No. 7.1)



(Continued from Sheet No. 7.0)

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.



~~Second-Third~~ Revised Sheet No. 7.2
Canceling ~~First-Second~~ 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: ~~\$825~~925.00 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:

~~\$0.05215~~05193 per kWh during On-Peak hours

~~\$0.01915~~01696 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)



~~First-Second~~ Revised Sheet No. 7.3
Canceling ~~Original-First~~ 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

~~\$825~~925.00 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)



(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.



~~Second-Third~~ Revised Sheet No.7.5
Canceling ~~First-Second~~ 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: \$~~825925~~.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.~~02910~~~~02898~~ per kWh

For the next 200 kWh per kW of Ratcheted Demand: \$0.~~02150~~~~02141~~ per kWh

For all energy above 550 kWh per kW of Ratcheted Demand: \$0.00899 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)



~~First~~Second Revised Sheet No. 7.6
Canceling ~~Original~~First 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

\$~~825~~925.00 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.



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)



~~Second-Third~~ Revised Sheet No. 8.1
Canceling ~~First-Second~~ Sheet No. 8.1

(Continued from Sheet No. 8.0)

Energy Charge:

For the first 300 kWh per kW of Ratcheted Demand: ~~1.739-762~~ cent per kWh
For the next 65 kWh per kW of Ratcheted Demand: ~~1.585-599~~ cent per kWh
For all energy above 365 kWh per kW of Ratcheted Demand: ~~1.502-511~~ cent 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 coincident peak 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 Coincident Peak Demand

The time at which the combined value of multiple service points is the highest (which is not necessarily the peak demand for each individual service point, or the time of overall JEA system peak demand). All service points eligible for coincident peak demand billing are managed via contacts between JEA and the customers.

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)



(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.



~~First-Second~~ Revised Sheet No. 8.3
Canceling ~~Original-First~~ 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

Demand Interruptible Credit: \$5.14 per kW

Excess Reactive Demand (Kvar) Charge: As stated in the Excess Reactive Demand (KVAR) Policy (Sheet No. 23.0)

Energy Charge:

\$0.~~01900~~~~01984~~ per kWh during On-Peak hours

\$0.~~01556~~~~01680~~ per kWh during Off-Peak hours

(Continued on Sheet No. 8.4)

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(Continued from Sheet No. 8.3)

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)



(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.



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)



(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:

$$\text{SDC} = (\text{OPDC} - \text{FDC}) * \text{RAF} / 0.7$$

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).

Terms and Conditions

- (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 rate payers



~~First-Second~~ Revised Sheet No. 10.0
 Canceling ~~Original-First~~ Sheet No. 10.0

SL

RATE SCHEDULE SLStreet LightingAvailable

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	\$6.74 <u>7.09</u>
SLHPS2	Standard	200W HPS	CH, FL	88	\$8.58 <u>9.65</u>
SLHPS3	Standard	250W HPS	CH	108	\$9.00 <u>10.31</u>
SLHPS4	Standard	400W MH	CH, FL	169	\$10.64 <u>12.69</u>
SLMHS1	Standard	100W MH	DA	47	\$11.23 <u>11.80</u>
SLMHS2	Standard	150W MH	PT	67	\$8.45 <u>9.26</u>
SLMHS3	Standard	175W MH	PT	76	\$8.65 <u>9.57</u>
SLMHS4	Standard	320W MH	CH, FL	130	\$9.81 <u>11.38</u>
SLMHS5	Standard	150W MH	DA	67	\$14.24 <u>15.05</u>
SLMHS6	Standard	400W MH	CH, FL	164	\$10.57 <u>12.55</u>
SLMHS7	Standard	175W MH	DA	76	\$14.44 <u>15.36</u>
SLMHE1	Historic Energy & O&M	150W MH	DA	67	\$2.80 <u>3.61</u>
SLMHE2	Historic Energy & O&M	175W MH	DA	76	\$3.00 <u>3.92</u>
SLMHE3	Energy & O&M	320W MH	CH, FL,SB	130	\$4.22 <u>5.79</u>
SLMHE4	Energy & O&M	400W MH	CH, FL, SB	164	\$4.98 <u>6.96</u>
SLLED1	Standard	40W LED	CH	15	\$6.54 <u>6.69</u>
SLLED2	Standard	40W LED	PT	16	\$7.28 <u>7.47</u>
SLLED3	Standard	115W LED	CH	41	\$7.74 <u>8.24</u>
SLLED4	Standard	162W LED	SB	59	\$11.79 <u>12.51</u>
SLLED5	Standard	275W LED	CH	99	\$10.20 <u>11.39</u>
SLLED6	Standard	72W LED	PT	26	\$7.82 <u>8.14</u>
SLLED7	Standard	100W LED	DA	36	\$9.71 <u>10.14</u>
SLLED8	Standard	60W LED	AC	22	\$8.06 <u>8.33</u>
SLLED9	Standard	150W LED	TD	54	\$11.26 <u>11.92</u>
SLLED10	Standard	185W LED	TD	54	\$10.20 <u>11.39</u>

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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(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.



~~First~~ Second Revised Sheet No. 11.0
Canceling ~~Original-First~~ 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.~~03427~~ 03633 per calculated KWH

Rate Code TRAF98 - \$1.40 Facilities Charge per installation, plus \$0.~~03427~~ 03633 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.

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RIDER SCHEDULES



~~Second-Third~~ Revised Sheet No. 12.0
Canceling ~~First-Second~~ 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	\$ 23 <u>25</u> .00	\$ 203 <u>223</u> .00	\$ 825 <u>925</u> .00
Demand Charge per kW	Not Applicable	\$6.98	\$10.06
Energy Charge per kWh	\$0. 05455 <u>05572</u>	\$0. 02392 <u>02372</u>	\$0. 02097 <u>02088</u>
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. 05333 <u>05289</u>	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)



(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)



(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.



First Revised Sheet No. 13.0
Canceling Original Sheet No. 13.0

(For Future Use)



No. 14.0

~~First-Second~~ Revised Sheet No. 14.0
Canceling ~~Original-First~~ Sheet

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 \$~~203~~223.00 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.

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~~First~~ Second Revised Sheet No. 14.0
Canceling ~~Original~~ First Sheet

- (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)


 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, 2028.

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)

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Effective April 1, 2025



(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

Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraiser's websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

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 Customer's 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)



(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.



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, 2028.

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
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Effective April 1, 2025



(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

Those industries identified as Target Industries by Florida Department of Commerce, JaxUSA Partnership and the City of Jacksonville's Office of Economic Development. As of the effective date of this tariff, the industries designated as Target Industries are Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, Information Technology, Financial/Business Services and Headquarters. 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. Because the industries designated as Target Industries may change from time to time, JEA will recognize the designation in effect at the time of application.

Definition of Targeted Area

Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraisers' websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

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.

(Continued on Sheet No. 15.12)



(Continued from Sheet No. 15.11)

- (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.
- (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 Enhanced Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Enhanced Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP. If the Customer fails to maintain either requirement for the Enhanced Economic Development Program but meets the requirements for the Economic Development Program (EDP) Rider, JEA may, at its discretion, downgrade the customer to the EDP Program Rider.
- (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.

(Continued on Sheet No. 15.13)



First Revised Sheet No. 15.13
Canceling Original Sheet No. 15.13

(Continued from Sheet No. 15.12)

- (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 Enhanced 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.



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, 2028.

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)



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.



CS
RIDER CS

~~Second-Third~~ Revised Sheet No. 17.0
Canceling ~~First-Second~~ Sheet No. 17.0

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: \$~~16501.800~~.00 per month

Demand Interruptible Credit: \$5.14 per kW

Option A:

Demand Charge: \$14.41 per kW

Energy Charge: As stated in the applicable rate schedule

Option B:

Demand Charge: \$14.41 per kW

Energy Charge: ~~\$0.02582 per kWh~~ As stated in the applicable rate schedule

(Continued on Sheet No. 17.1)

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Effective ~~April-October~~ 1, 2025



~~Second-Third~~ Revised Sheet No. 17.1
Canceling ~~First-Second~~ Sheet No. 17.1

(Continued from Sheet No. 17.0)

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

\$~~1,650~~1,800.00 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)



~~First-Second~~ Revised Sheet No. 17.2
Canceling ~~Original-First~~ 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.
- (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

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~~First-Second~~ Revised Sheet No. 17.2
Canceling ~~Original-First~~ Sheet No. 17.2

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.

(Continued on Sheet No. 17.3)



First Revised Sheet No. 17.3
Canceling Original Sheet No. 17.3

(Continued from Sheet No. 17.2)

- (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.

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.



~~Second-Third~~ Revised Sheet No. 18.0
Canceling ~~First-Second~~ 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: \$~~1,650~~1,800.00 per month

Demand Interruptible Credit: \$5.14 per kW

Option A & B:

Demand Charge: As stated in the applicable rate schedule

Energy Charge: As stated in the applicable rate schedule

(Continued on Sheet No. 18.1)



~~Second-Third~~ Revised Sheet No. 18.1
Canceling ~~First-Second~~ 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,~~650~~800.00 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

Average Load Factor =
$$\frac{12 \text{ month average consumption (kWh)}}{12 \text{ month average demand (kW)} \times 730 (\text{Hours per month})}$$

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)



~~First-Second~~ Revised Sheet No. 18.2
 Canceling ~~Original-First~~ 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

- 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.
- Service hereunder shall be subject to the Rules and Regulations of JEA.
- 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.
- 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.
- 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.
- Election of JEA's Interruptible Service Rider will preclude the election of any other JEA Rider.



~~First~~ ~~Second~~ Revised Sheet No. 18.2
Canceling ~~Original~~ ~~First~~ Sheet No. 18.2

(Continued on Sheet No. 18.3)

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Effective ~~April~~ ~~October~~ 1, 2024



First Revised Sheet No. 18.3
Canceling Original Sheet No. 18.3

(Continued from Sheet No. 18.2)

- (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, 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.



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.



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.



CHARGES, ENERGY AUDITS, AND POLICIES



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/



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.



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.



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:

$BD = \text{Maximum measured 15-minute demand (kW)} \times (TPF / PF)$

PF = power factor calculated per the following formula

$$PF = \cos(\text{ATAN}(\text{kVar}/\text{kW}))$$

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.



TAXES AND FEES



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:

$$\frac{\text{(Franchise Fee)}}{\text{(1 - Gross Receipts Tax - Franchise Fee)}} =$$

$$\frac{.06}{\text{(1 - .025 - .06)}} = \frac{.06}{0.915} =$$

.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.



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



GRT

Gross Receipts Tax (Non-Franchise Area)

Legal Chapter 203, Florida Statutes.

Authority

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:

$$\begin{array}{rcl}
 & \text{(Gross Receipts Tax)} & \\
 \hline
 & & = \\
 & \text{(1 - Gross Receipts Tax)} & \\
 \\
 \begin{array}{rcl}
 .025 & & .025 \\
 \hline
 & = & \hline
 (1 - .025) & & 0.975
 \end{array} & & =
 \end{array}$$

.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.



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:

$$\begin{array}{rcl}
 & \text{(Gross Receipts Tax)} & \\
 \hline
 & & = \\
 & (1 - \text{Gross Receipts Tax} - \text{Franchise Fee}) & \\
 \\
 & .025 & .025 \\
 \hline
 & = & = \\
 & (1 - .025 - .06) & 0.915
 \end{array}$$

.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.



DISCLAIMER



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.



CONTRACTS AND AGREEMENTS



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*

*Contracts with self-renewing clauses



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:

- 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:

- 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:

- 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.
- 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.
- 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.
- The Customer's ability to continue receiving the JEA SolarMax Rider terminates upon the termination of this Agreement.

(Continued on Sheet No. 30.1)



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 duly authorized representatives to be effective as of the day and year first written above.

Rates and Terms Accepted:

<p>_____</p> <p>Customer (print or type name of Organization)</p> <p>_____</p> <p>Signature (Authorized Representative)</p> <p>_____</p> <p>(Print or type name)</p> <p>Title: _____</p>	<p style="text-align: center;">JEA</p> <p>_____</p> <p>_____</p> <p>(Signature)</p> <p>_____</p> <p>(Print or type name)</p> <p>Title: _____</p>
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VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2023

WATER AND SEWER SYSTEM TARIFF DOCUMENT



225 N. Pearl St.
Jacksonville, Florida 32202
(904) 665-6000

DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail and wholesale potable and reclaimed water and sewer services to major portions of Duval County and some portions of St. Johns, Clay, and Nassau Counties.

Approved by the JEA Board

March 25, 2025



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CONNECTION AND MAINTENANCE FEES

101 – Backflow Prevention Devices

Backflow prevention devices and device testing are required by JEA's Cross-Connection Control Policy. Residential Irrigation service customers participating in the JEA Residential Irrigation Backflow Testing Program (RIBTP) will receive a service charge for backflow preventer testing once every two (2) years. Commercial service customers, participating in JEA's commercial testing program, will receive a service charge for backflow preventer testing once every year.

Testing Fee is a backflow preventer testing charge of the actual cost of labor and materials or a maximum of \$50.00 applied to each residential irrigation service connection or commercial service connection participating in JEA's Residential Irrigation Backflow Testing Program (RIBTP) or commercial testing program.

Maintenance Fee is a backflow preventer maintenance charge applied to customers requesting backflow maintenance or installation service from JEA, as part of the RIBTP or commercial testing program. The maintenance charge will equal JEA's cost to provide the requested service.

102 –Meter Tap Fees and Meter Set Fees for New Service Connections

- a) **Water (Potable, Irrigation, Reclaimed) Fees.** JEA shall have the right to determine, connect, or set appropriately sized meters after a consideration of the minimum and maximum quantities of water to be delivered to any and all connections served by JEA's water system. JEA shall charge and collect at the time application is made or a plumbing permit is received. Installation costs according to the following schedule:

Tap Size (inches)	Size of Service Size (inches)	Meter Size (inches)	Tap Fee	Meter Set Fee
1	3/4	3/4	\$1,360	\$300
1	1	1	\$1,360	\$320
2	1-1/2	1-1/2	\$1,770	\$1,010
2	2	2	\$1,770	\$1,150
No new 5/8" metered services available				

Tap fees for new service connections larger than 2" in diameter shall be based upon the cost by service size of the installation to JEA but not less than \$1,770. Meter set fee for new connections larger than 2" in diameter shall be based upon the cost by meter size of the installation to JEA or \$1,150, whichever is greater.



- b) **Increase in Meter Size.** The charge for increasing the size of an existing meter shall include the meter set fee and tap fee for the new meter as listed in section 102(a), plus the incremental plant capacity fees and the incremental line extension fees as determined in Section 105 for the new larger meter minus the corresponding amounts depicted for the existing meter.

- c) **Decrease in Meter Size.** Customers requesting to downsize their existing metered service must submit the request to JEA for approval. The customer must provide a basis for the downsize meter request to show that the meter was improperly oversized to begin with or that the facilities behind the meter have changed. The justification that supports the smaller service and/or meter size must come from a professional with the same certification level as was provided in the determination of the original service size.

For downsizing an existing service with 1 ½' or greater meter size: The charge shall be at minimum the meter set fee and tap fee for the smaller meter as listed in section 102(a) for new metered service connections of the prevailing tariff. JEA will make a size reduction at the tap and reduce the service line size. The costs include removal of bypass valves, valve boxes or vaults for existing meter services 3" or greater. If JEA estimates the cost of a customer request to downsize a metered service with an existing 1 ½" or greater meter size is greater than the average cost of either the tap fee or meter set fee listed in section 102(a), JEA will charge the customer the estimated cost.

For downsizing an existing 1" meter to a ¾" meter: A uniform meter downsize charge of \$500 will be assessed in lieu of a separate meter set fee and tap fee, where JEA may elect to install any of the following: a smaller tap service line reducer bushing or flow restriction orifice.

- d) **Precedent.** JEA shall set forth rules to implement the provisions of this subsection. To the extent this subsection conflicts with the provisions of JEA Water and Sewer Rules and Regulations, this section shall take precedent.



103 – Sewer Tap Charges and Sewer Tap Extension Fees

A sewer tap charge for all connections to JEA’s sewer system shall be paid in advance by the user in an amount according to the following schedule:

Connection Size	Fee
6 inches	\$8,330
>6 inches	Actual Cost

For all sewer connections where there is no unpaved parkway or where other than a standard 6" "Y" connection to the sewer is used -- an amount equal to a) the cost by installation size to JEA or b) \$8,330, whichever is greater. In these cases, the user shall deposit with JEA, in advance, the estimated cost of the connections as determined by JEA.

A sewer tap extension fee is applicable for premises that have had active sewer service within the recent 10 years, a sewer locate has been completed within 9 months, and the existing sewer tap is required to be extended to the property line.

Extension Size	Fee
All Sizes	\$2,894

104 – Special Connections

In the event an application for water or sewer connection is received and the cost of installation, due to unusual circumstances, is determined by JEA to be substantially more than the charges set forth in this part, the installation charge shall be at actual cost to JEA or the standard cost, whichever is greater.

Temporary water service shall be metered and charges imposed by Section 102(a) shall apply

105 – Water and Sewer Capacity Charge and Surcharges

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

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



b) **Plant and Line Extension Growth Capacity Charges.** The charges shall be calculated as follows:

1. **Water (Potable and Irrigation).** The minimum charge for a new water connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below, plus the line extension growth capacity charge.

Plant Capacity Fees for Residential and Commercial

** Potable & reclaimed water considered the same for irrigation*

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$4.68
Water (without irrigation)	
¾"	\$1,170.00
1"	\$1,404.00
1 ½"	\$2,106.00
Water (with irrigation)	
¾"	\$936.00
1"	\$1,170.00
1 ½"	\$1,404.00
Irrigation	
¾"	\$1,053.00
1"	\$1,521.00
1 ½"	\$3,276.00

For existing water connections, there will be a charge per gallon of additional average daily water capacity stated above as estimated and approved by JEA plus the line extension growth capacity charge. The schedules below provide line extension growth capacity charges by meter size. Services greater than 1 ½" and those that have more fixture units than allowed by meter size will be charged based on the estimated average daily flow.

Line Extension Growth Capacity Charge

(Effective January 1, 2006 - current)

Meter Size	Residential	Commercial
5/8"	N/A	N/A
3/4"	\$1,695	\$1,695
1"	\$2,000	\$2,500
1 ½"	\$2,175	\$2,500
2"	\$2,350	\$2,500
3"	N/A	\$5,000
4"	N/A	\$5,000
6"	N/A	\$5,000
8"	N/A	\$5,000
10"	N/A	\$10,000
12"	N/A	\$10,000
20"	N/A	\$20,000



2. **Sewer.** The minimum charge for a new sewer connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below.

Plant Capacity Fees for Residential and Commercial

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$25.57
Sewer	
$\frac{3}{4}$ "	\$5,114.00
1"	\$6,392.50
1 $\frac{1}{2}$ "	\$7,671.00

For existing sewer connections, there will be a charge per gallon of additional average daily sewer capacity as estimated and approved by JEA as stated above.

For industrial or process waste there shall be a charge per gallon for each gallon of daily production flow or the average of all production shift flows (whichever presents the greater requirement for volumetric capacity of the treatment unit), stated above as estimated to the satisfaction of JEA where the character of the waste does not exceed 300 parts per million, by weight, of suspended solids, or chemical oxygen demand not exceeding 650 parts per million, by weight.

- c) **Sewer capacity surcharge.** In addition to the stated sewer capacity charge, there is an additional surcharge when the character of the sewage, waters or wastes from a manufacturing or industrial plant, business or commercial location or building or premises proposing to connect to JEA's sewer system has a five-day chemical oxygen demand of greater than 650 parts per million, by weight, or contains more than 300 parts per million, by weight, of suspended solids, or both, as determined from the application of the owner, which shall fully disclose to the satisfaction of JEA the character of the waste to be accepted. This additional surcharge shall be computed as follows:

$$\text{SCS} = ((\text{COD}-650) \times \text{Qmgd} \times 8.34\#/\text{gallons} \times \$188/\text{pound}) + ((\text{SS}-300) \times \text{Qmgd} \times 8.34\#/\text{gallons} \times \$82/\text{pounds})$$

Where:

SCS = Sewer Capacity Surcharge

Qmgd = Daily production flow or the average of all production shift flows (whichever presents the greatest requirement for volumetric and/or organic capacity) in million gallons a day

COD = Chemical Oxygen Demand in parts per million

SS = Suspended Solids in parts per million

- d) **Fees for Bulk Reclaimed water capacity** will not be charged for bulk reclaimed water sales.



e) **Transfer of Capacity.** JEA may consider transferring capacity (Annual Average Daily Flow – AADF). This section applies to capacity transfer requests from process facilities relocating, facilities on the same property, and qualifying customers within the boundaries of the Downtown Investment Authority.

1. **Process Facilities.** The following terms and conditions will apply:

1. The transfer must be made by a commercial or industrial customer who is relocating process equipment or process facilities from one location in JEA's service area to another location within JEA's service area.
2. Only capacity (AADF) related to the process equipment or process facilities located within a geographically contiguous customer complex with an annual average daily process flow greater than 25,000 gallons per day can be considered for the transfer from the predecessor location to the successor location. The AADF will be calculated from the past 12 monthly billing cycle records. The capacity (AADF) related to domestic plumbing fixture units will not be considered for the transfer and will remain with the property location.
3. Transfer of capacity (AADF) will be contingent on the customer removing and/or demolishing the process facilities at the predecessor location. JEA will review and approve the demolition plan submitted by the customer's registered Florida Professional Engineer (P.E.). JEA may grant the customer up to 36 months to remove or demolish the process facilities after receiving the transfer request approval letter from JEA.
4. The amount of capacity (AADF) to be transferred to the successor process facilities must be based on AADF methodology submitted by the customer's P.E. versus the fixture unit method used for domestic plumbing.
5. The customer's P.E. shall certify and supply an itemized breakout and summary of domestic plumbing fixture units that will remain at the predecessor location after removal of the process equipment and process facilities. The P.E. shall certify and supply projected flows at the successor location.
6. The entity (owner or tenant) of a property requesting transfer of capacity (AADF) will be required to demonstrate they are the entity that paid for or has the right to the capacity requested for transfer.
7. If the customer was leasing the predecessor facility from a property owner, the transfer request by the lessee will be considered only if the customer provides JEA a signed release stating the property owner acknowledges and will not contest the transfer of capacity (AADF) related to process equipment and facilities from the property.
8. Any request for transfer of capacity (AADF) must be made prior to the operation of the new process equipment or process facilities that will be using the water or sewer services that might qualify for the capacity transfer.



9. If the transfer request is for an amount of capacity (AADF) less than the amount assessed at the predecessor location, the remaining capacity may be utilized for up to 60 months from the transfer request approval. If the transfer request is for an amount of capacity less than the amount initially assessed at the successor location, then the difference will need to be paid at prevailing rates to JEA in conjunction with acceptance of the JEA transfer request approval letter.
 10. The transfer of capacity (AADF) will be a one-time event, whereas no subsequent transfer of previously transferred capacity (AADF) will be considered.
 11. The incremental flow capacity and wastewater characteristics corresponding to the proposed transfer of capacity (AADF) does not cause JEA to modify or enhance a sewer treatment facility in order to be in compliance with Florida Department of Environmental Protection regulations.
2. **Same Property.** The following terms and conditions will apply:
1. Transfer of capacity (AADF) applies to all property within JEA's service territory.
 2. In the case where no record of capacity is available, a fixture count of the existing facility will determine the amount of capacity available for transfer.
 3. Transfer of capacity (AADF) will be allowed at no additional cost. Additional capacity required for the new facility must be paid to JEA at prevailing rates. If the transfer request is for an amount of capacity (AADF) less than the amount assessed to the existing facility, the remaining capacity may be utilized for up to 60 months from the transfer request approval.
 4. The existing facility, upon which the new facility will be built, must be demolished.
 5. There are no restrictions on the amount of the capacity or flow of the existing or new facility.
3. **Within the Downtown Investment Authority (DIA) Boundaries.** The following terms and conditions will apply:
1. Boundaries for the DIA are defined in Jacksonville City Ordinance 2012-364 which may be revised in the future.
 2. The transfer request must be made by a commercial or industrial customer who is relocating within the DIA boundary.
 3. Qualifying customers must have an AADF at the predecessor facility greater than 1,000 gallons per day as determined by one of the methods in the following hierarchy:
 - A. Proof of Paid Capacity
 - B. Flows derived from fixture unit count as certified by a P. E.
 - C. Flows derived from JEA billing records



4. The P.E. shall certify and supply projected flows at the successor location.
 5. Transfer of capacity (AADF) from the predecessor facility will be allowed at no additional cost. Additional capacity required for the successor facility must be paid to JEA at prevailing rates. If the transfer request is for an amount of capacity (AADF) less than the amount assessed on the predecessor facility, the remaining capacity may be utilized for up to 60 months from the transfer request approval.
 6. The entity (owner or tenant) of a property requesting transfer of capacity (AADF) will be required to demonstrate they are the entity that paid for or has the right to the capacity requested for transfer.
 7. If the customer was leasing the predecessor facility from a property owner, the transfer request by the lessee will be considered only if the lessee provides JEA a release signed by the property owner stating the owner acknowledges and will not contest the transfer of capacity (AADF).
 8. If the predecessor facility, from which the capacity was transferred, is not demolished, the owner must record a deed restriction with the Duval County Clerk of the Court. The deed restriction must state that the predecessor facility no longer contains the transferred capacity allotment, which obligates payment of capacity fees at prevailing rates for future use or construction.
- f) **Capacity Charge Exceptions.** No water or sewer capacity charges, other than any additional charges listed below, if applicable, shall be due at the time of connection with respect to property.
1. As to which there has been paid to JEA a water and/or sewer capacity charge.
 2. Previously served by an investor/community-owned public utility company which has been acquired by JEA.



g) Additional charge(s). If:

1. JEA shall determine that the estimated average daily flow(s) of a user made at the time of initial connection to JEA's water and/or sewer system was erroneous, or that the description of the character of the waste in the application was erroneous; or
2. The use of the property served by JEA's water and/or sewer system changes because of: the construction of new dwellings, commercial or industrial facilities; additions to existing dwellings, commercial or industrial facilities; change in use from single family to multi-family residential; or increased, expanded or changed operations:
 1. so as to increase the number of gallons of sewage discharge by more than 20% over the number of the unit values or gallons of discharge at the most recent of either the time of payment of the last sewer capacity charge or the date when customer's sewer service provider was acquired by JEA; or
 2. so as to increase by more than 10% its COD or suspended solids loading measured in pounds a day; or
 3. so as to increase the number of gallons of water usage by more than 20% over the number of unit values or gallons of usage at the most recent of either the time of payment of the last water capacity charge or the date when customer's water service provider was acquired by JEA.

Then an additional charge resulting from the erroneous estimates or change in property use shall be due and payable at the time JEA shall determine that an erroneous estimate was made or at the time of the change in property use, regardless of whether a water and/or sewer capacity charge was ever imposed or paid at the time of initial connection to the system. The additional charge shall be calculated according to the same prevailing rates as described in 105 and shall be based on flow or on the excess COD or suspended solids loading as applicable, over that on which the previous sewer capacity charge was based.



- h) **Use of funds – Capacity fees and line extension charges.** Revenues derived from the Water/Sewer capacity fees and Water/Sewer line extension charges are to be placed in Water/Sewer capacity and line extension capital improvement funds. The funds are used for qualifying capital expenditures related to growth and expansion, to pay debt service and/or debt pay down on qualifying capital expenditures initially funded through bond issuance.

Qualifying expenditures for the Water/Sewer capacity fees include:

1. Treatment plants and capacity expansion
2. Treatment plant configuration
3. Wastewater master pump stations and force mains directly upstream of the wastewater plant

Qualifying expenditures for the Water/Sewer Line Extension Growth Charges for backbone transmission facilities include:

1. Water mains providing transmission capacity to the distribution grid
2. Water re-pump stations
3. Remote storage facilities
4. Force mains providing transmission capacity to the collection system
5. Interceptor (trunk) gravity lines



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

201 – Residential Rates

Basic Monthly Charge

Meter Size	Water	Sewer	Potable Irrigation	Reclaim Irrigation ⁽¹⁾
5/8"	\$13.24	\$15.86	\$13.24	\$12.60
3/4"	\$17.67	\$21.61	\$17.67	\$18.90
1"	\$26.53	\$33.10	\$26.53	\$31.50
1 ½"	\$48.70	\$61.83	\$48.70	\$63.00
2"	\$75.29	\$96.31	\$75.29	\$100.80

(1) Non-bulk irrigation service agreement with reclaimed water will be charged an additional \$6.00 monthly fee regardless of meter size to cover costs due to regulatory requirements.

Volume Charge per Thousand Gallons (kgal)

Tier	Water	Sewer	Potable Irrigation	Reclaim Irrigation
1-4 kgal	\$1.34			
5-8 kgal	\$2.99			
9-15 kgal	\$5.13			
>15 kgal	\$6.45			
All kgal		\$4.88		
1-7 kgal			\$4.02	
>7 kgal			\$6.03	
1-14 kgal				\$2.97
>14 kgal				\$5.97



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

202 – Commercial Rates

Basic Monthly Charge

Meter Size	Water	Sewer	Potable Irrigation ⁽¹⁾	Reclaim Irrigation ^(2,3)	Bulk Reclaim Irrigation
5/8"	\$13.24	\$37.08	\$13.24	\$12.60	\$13.24
3/4"	\$17.67	\$53.43	\$17.67	\$18.90	\$17.67
1"	\$26.53	\$86.14	\$26.53	\$31.50	\$26.53
1 1/2"	\$48.70	\$167.90	\$48.70	\$63.00	\$48.70
2"	\$75.29	\$266.03	\$75.29	\$100.80	\$75.29
3"	\$159.52	\$576.74	\$159.52	\$201.60	\$159.52
4"	\$270.34	\$985.58	\$270.34	\$315.00	\$270.34
6"	\$602.79	\$2,212.09	\$602.79	\$630.00	\$602.79
8"	\$713.61	\$2,620.92	\$713.61	\$1,008.00	\$713.61
10"	\$1,866.13	\$6,872.82	\$1,866.13	\$1,974.55	\$1,866.13
12"	\$2,353.73	\$8,671.70	\$2,353.73	\$3,691.55	\$2,353.73
20"	\$4,706.00	\$12,163.62	\$4,706.00	\$7,726.50	\$4,706.00

- (1) Includes Multi-Family Potable Irrigation
 (2) Includes Multi-Family Reclaim Irrigation Service
 (3) Non-bulk irrigation service agreement with reclaimed water will be charged an additional \$6.00 monthly fee regardless of meter size to cover costs due to regulatory requirements.

Volume Charge per Thousand Gallons (kgal)

Tier	Water	Sewer	Limited Service Sewer ⁽¹⁾	Potable Irrigation ⁽²⁾	Reclaim Irrigation ⁽³⁾	Bulk Reclaim Irrigation
All kgal	\$3.06					
All kgal		\$4.88				
All kgal			\$3.90			
1-7 kgal				\$3.49		
>7 kgal				\$4.69		
1-14 kgal					\$3.81	
>14 kgal					\$4.33	
All kgal						\$0.28 ⁽⁴⁾

- (1) No new Limited Service Sewer accounts shall be allowed
 (2) Includes Multi-Family Potable Irrigation
 (3) Includes Multi-Family Reclaimed Irrigation Service
 Rates apply in accordance with JEA standard bulk reclaimed water service agreement until such time as JEA may no longer offer reclaimed water service under such agreement.



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

203 – Multi-Family Rates

Basic Monthly Charge – Small Meter Sizes

Meter Size	Water	Sewer
5/8"	\$13.24	\$15.86
3/4"	\$17.67	\$21.61

Basic Monthly Charge – All Other Meter Sizes

Meter Size	Water	Sewer
1"	\$51.93	\$79.69
1 ½"	\$99.48	\$155.01
2"	\$156.55	\$245.39
3"	\$337.26	\$531.60
4"	\$575.04	\$908.20
6"	\$1,288.39	\$2,037.98
8"	\$1,526.17	\$2,414.57
10"	\$3,999.08	\$6,331.15
12"	\$5,045.32	\$7,988.16
20"	\$9,295.50	\$13,624.56

Note: For Multi-Family Potable Irrigation or Reclaim Irrigation Basic Monthly Charges, Section 202 Commercial Potable Irrigation and Reclaimed Irrigation rates will apply.

Volume Charge per Thousand Gallons (kgal) – Small Meter Sizes

Tier	Water	Sewer
1-4 kgal	\$1.34	
5-8 kgal	\$2.99	
9-15 kgal	\$5.13	
>15 kgal	\$6.45	
All kgal		\$4.88

Volume Charge per Thousand Gallons (kgal) – All Other Meter Sizes

Tier	Water	Sewer
All kgal	\$2.47	
All kgal		\$4.88

Note: For Multi-Family Potable Irrigation or Reclaim Irrigation volume charges, Section 202 Commercial Potable Irrigation and Reclaimed Irrigation rates will apply .



CHARGES FOR FIRE PROTECTION WATER SERVICE

301 - Fire Protection Charges

Unmetered connection to JEA's water system for the purpose of providing service on a standby basis for fire protection, there shall be a monthly charge according to the following schedule:

Size of Branch (inches)	Monthly Charge
4 or less	\$6.83
6	\$19.83
8	\$42.27
10 or greater	\$76.01

- a) **Closed Unmetered connection** use shall be limited to the interior of buildings only with a physically separate fire protection system with no external connections or standpipes with access to potable water.

Other water and sewer services to a fire protection customer may be terminated because of nonpayment of fire protection charges. No connection shall be made to the system for a use other than fire protection. The requesting party shall be responsible for all costs incurred in the construction of the connection to JEA's water main.

There shall be no connection of the system with another water source, unless a backflow prevention device, approved pursuant to JEA Rules and Regulations for Water and Sewer Service is installed. No suction of a pump may be attached to a connection of JEA except for health or safety reasons and with the written approval of the JEA. Buildings that are to be served by a closed unmetered connection, specifically designed for fire protection, at the owner's expense, install and maintain a water flow meter with transmitting unit (MTU), as prescribed by JEA Rules and Regulations for Water and Sewer Service. This flow meter shall be installed on the unmetered water connection fire line detector check assembly. The MTU shall be set to transmit potential consumption nightly, in off peak hours. The building owner/customer must certify any flow detected is water used specifically in the extinguishment or control of fires within the building and not domestic consumption. In the event of noncompliance by the customer with a provision of this section, JEA shall cause the discontinuance of service until the customer makes application and payment for installation of the proper size meter and applicable rate for metered services.



- b) **Open Unmetered connection** to JEA's water system, where a customer could access water through standpipes or other firefighting connections to JEA's water system, for the purpose of providing service on a standby basis for fire protection on which the customer has purchased and installed a water flow monitoring device as prescribed by JEA rules and Regulations for Water and Sewer Service.

Volume Charges for water, used in fire protection or testing purposes, as estimated by JEA, shall be billed at prevailing rates as established in Section 202. The requesting party shall be responsible for all costs, including costs of meter removal and installation of a detector-check, incurred in the construction of the connection to JEA's water main.

Other water and sewer service to a fire protection customer may be terminated because of non-payment of fire protection charges.

There shall be no connection of the system with another water source, unless a backflow prevention device, approved pursuant to appropriate sections of JEA Rules and Regulations for Water and Sewer Service, is installed. No suction of a pump may be attached to a connection of JEA except for health or safety reasons and with the written approval of JEA. In the event of non-compliance by the customer with a provision of this subsection, JEA shall cause the discontinuance of service until the customer makes application and payment for installation of the proper size meter and applicable rate for meter service.

Water used for municipal purposes other than the extinguishment of fires and all water used by another political subdivision or political agencies, state and federal, shall be subject to the rate schedule set forth in this document.



RETAIL SERVICE CHARGES

401 –Retail Services Charges

- a) To physically locate a sewer connection, the charge is \$491.00
- b) JEA will conduct fire hydrant flow tests when requested. The fee for this service will be \$82.00
- c) 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 share in the cost of the testing according to the following schedule:
 - 1. \$40.00 for a field test of a meter up to 1 inch
 - 2. \$85.00 for a field test of a meter between 1 ½ and 2 inches
 - 3. \$125.00 for a field test of a meter greater than 2 inches
- d) The fee for reconnection of sewer services which have been discontinued for nonpayment of sewer service charges shall be \$400.00 or actual cost for labor and materials.
- e) The fee to start a water, sewer, or a water/sewer service shall be \$10.00
- f) The fee to start a potable irrigation or reclaimed irrigation service shall be \$10.00
- g) The fee for reconnection following disconnection for delinquency shall be \$14.00 per service
- h) The charge for the reactivation of a residential irrigation service, including reclaimed, within six months of a customer requested disconnect at the same service address by the same customer shall be \$125.00
- i) The charge for the reactivation of a commercial irrigation service, including reclaimed, within six months of a customer requested disconnect at the same service address by the same customer shall be \$250.00



CONDITIONS FOR SEWER SERVICE

501 – Condition for Service

- a) Each applicant for a sewer connection between JEA's sewer system and a lot or parcel of land which is supplied water by a private system or well shall have a meter, approved by JEA, installed and maintained at the expense of the applicant and his successors in interest. The meter shall be located in the water line at a convenient location for reading and for measuring the water which enters the sewer system. In these cases the sewer service charge shall be based upon the reading of the meter made by JEA's meter readers. Each sewer only customer class with unmetered water or inoperative meter shall be charged at the average monthly water usage rate for the prior calendar year for that customer class as the consumption amount.

- b) On sewer credit accounts, the water meter shall be JEA-owned and installed by the owner, tenant, occupant or his agent under the direct supervision of JEA, and the owner, tenant or occupant shall pay those inspection, delivery, material and administrative costs as determined by JEA or which are required by, and shall be subject to, the terms and requirements of sections 102. This paragraph does not apply to owners, tenants or occupants of lots or parcels of land which are connected to JEA water and sewer system and also have a cross-connection to another water supply. The maximum credit that can be given for an existing sewer credit account is 75% of the total water billed for the account on which the credit is to be given. No new sewer credit accounts shall be allowed.

- c) Effective October 1, 1988, all owners, tenants, and occupants shall be required to provide for the installation and use of JEA-owned water meters in all water systems, regardless of whether the meter is or was installed for the purposes of establishing a charge or a credit.

502 – Sewer Surcharge

In all cases where the character of the sewage, waters or waste from a manufacturing or industrial plant, business or commercial location, building or premises has a chemical oxygen demand (COD) of more than 650 parts per million by weight or contains more than 300 parts per million by weight of suspended solids (SS), or both, and the sewage, waters or waste are accepted into the sewage system for treatment, the discharger shall pay to JEA a rate, fee or charge, designated as a surcharge. Surcharge shall be in addition to any sewer service charge which might be based upon the customer's premises as set forth in this Water & Sewer Rate Document. JEA reserves the right to deny any discharger treatment capacity based on JEA's determination that additional organic loading above 650/ppm COD, 300/ppm suspended solids or additional hydraulic load, or any combination of the above, will hamper or reduce the effective operations of the treatment facility.



The surcharge shall consist of an amount calculated according to the following formula:

$$S = V_s \times \{ \$0.001468 (\text{COD} - 650) + \$0.001526 (\text{SS} - 300) \}$$

Where:

S = surcharge in dollars

V_s = sewage volume in kgal

\$0.001468 = unit charge factor for COD based on 17.6 cents per pound of COD;

COD = chemical oxygen demand strength index in parts per million by weight

650 = allowable COD strength under normal volume charges in parts per million by weight

\$0.001526 = unit charge factor for suspended solids based upon 18.3 cents per pound of suspended solids

SS = suspended solids strength index

The amount of the surcharge for the use of JEA's sewer system shall be separately stated as a part of the total sewer service charge for the billing period and shall be payable, collectible and enforceable in the manner provided for sewer service charges. Unless otherwise required by JEA for compliance with local, State and federal law or regulations, each customer to which this surcharge applies shall submit, on a monthly basis, a laboratory analysis of such scope as to permit JEA to render an accurate billing of this charge as provided herein.

Each sewer customer to which this surcharge could apply that does not submit a laboratory analysis shall be charged a sewer surcharge based upon the average surcharge factors of other customers who have the same property use code as assigned by the Duval County Property Appraiser's Office or based upon factors assigned by JEA until reporting of actual surcharge factors are provided by the sewer customer.

503 – Scavenger and Leachate Hauled Waste

Scavenger waste, as described in JEA Rules and Regulations for Water and Sewer Service, may be disposed of at a JEA sewage treatment plant after approval of JEA at a charge of \$6.30 for each 100 gallons of waste based on the full capacity of each vehicle for each discharge. There shall be a minimum fee of \$30.00 for each discharge.

Leachate waste may be disposed of at a JEA sewage treatment plant after approval of JEA at a charge of \$6.30 per 100 gallons of waste based on the full capacity of each vehicle for each discharge.



CONDITIONS FOR RECLAIMED SERVICE

601 – Availability and Requirements for Service

This service will only be provided where service is available, with a physically separate reclaimed water irrigation system. Bulk service will be available to large commercial and industrial users where JEA reclaimed water system is closely available. Retail service for residential and commercial service will be available in Developments of Regional Impact (DRIs), in areas served by JEA, where service is available, with a physically separate reclaimed water irrigation system. No connection to JEA's potable water system by valve or any other means will be allowed. Certification that no interconnection exists must be provided to JEA before any service connections are made. All areas where reclaimed water is being used must be clearly marked as non-potable water. Any customer whose reclaimed water system is in violation of any regulation or procedure shall be subject to immediate discontinuance of reclaimed water service. Such discontinuance shall not relieve any person of liability for any payments due to JEA.

602 – Connection Fees, etc.

Connection, reconnection, tap, and construction fees and rates shall be in accordance with applicable sections of the Water and Sewer Rate Document.



BILLING

701 – Customer Installed Meters

If a meter installed and maintained by an owner, occupant or tenant upon which the sewer service charges imposed by this Water and Sewer Rate document is found to be defective for any reason whatsoever, the owner, occupant or tenant shall immediately correct the defect and have the meter tested by JEA at his expense. In these cases, JEA reserves the right to render an average or estimated bill for the period that the meter was defective, based upon previous consumption on the meter.

702 – Pool Fill Credits

Any metered user to whom sewer charges are regularly rendered and through whose meter a swimming, family swimming, or public pool receives water from JEA water system and whose pool capacity has been documented to JEA by the pool contractor, builder or homeowner at the time the building permit for the pool was issued shall have the right to fill the pool for the first time without application of the sewer charge to the quantity of water used to fill the pool. Furthermore, a metered user, as defined herein above, who is required to drain his pool in order to facilitate needed repair shall have the right to refill the pool after the repair has been completed without application of the sewer charge to the quantity of water used to refill the pool, provided that the necessity to drain the pool for repair and the pool's capacity in gallons is certified to JEA by the pool contractor or other person doing the repair prior to draining the pool. The certification shall be under oath and must have attached to it the permit issued by the Chief, Building and Zoning Inspection Division for any repairs. The right to fill the pool for the first time or to refill the pool after necessary repair may be exercised by the making of a written request to and upon forms available from JEA. The written request shall include such documented proof as required and as satisfactory to JEA, of the pool's capacity in gallons. The written request shall also include an affidavit (on the form provided by JEA) signed by the user, and water meter readings both immediately before and after the filling or refilling of the pool with dates and times of readings noted. All written requests shall be furnished to JEA no later than 30 days after completion of the filling or refilling. Upon receipt of a proper written request, JEA shall cause an appropriate credit to be made to the user's account.

703 – Utility Agreements

JEA serves a limited number of customers wherein it provides water service and a second party utility company provides sewer service, and vice versa. On some occasions, customers receiving water and sewer service from two different utilities pay only the water bill and not the sewer service bill. Curtailment of sewer service alone is extremely expensive in that sewer lines to customers typically do not have cut-off valves, necessitating that the sewer line be dug out and plugged. To accomplish the same protocol that is undertaken for customers who receive both water and sewer service by JEA, JEA is authorized to execute an agreement (containing appropriate hold harmless provisions as approved by the office of the General Counsel) with second party utility companies (which reciprocate) providing for the termination of water service for customers who do not pay the fees for sewer service. Said termination of water service shall afford notice and appeal rights conforming to those provided to customers receiving both water and sewer service from JEA.



704 – Special Services, Terms, Conditions and Rates

JEA and the customer may agree for JEA to provide special services, including related water, sewer and energy services, and for terms of service up to ten (10) years in length. Services could include the repayment to JEA over time of the capital costs incurred to connect new customers to the water and/or sewer system. Prices for special services, terms or conditions shall be based on cost. JEA's provision of special services, terms, and conditions requires execution of a contract between JEA and the customer, in which all special services, terms, and conditions shall be specified. Contract approval authorizations shall be as established in applicable JEA Management Directives, Policies or Procedures.

705 – Applicable Taxes and Fees

City of Jacksonville Service	Applicable Fees	Applicable Taxes
Water	3% Franchise Fee	10% Public Service Tax
Sewer	3% Franchise Fee	
Potable Irrigation	3% Franchise Fee	10% Public Service Tax
COD/TSS	3% Franchise Fee	
Reclaimed Irrigation	None	10% Public Service Tax
Capacity Fee	None	
Tap & Meter Fees	None	
Line Extension Growth Capacity Charge	None	

Nassau, St. Johns, Clay Counties Service	Applicable Fees	Applicable Taxes
Water	None	None
Sewer	None	None
Potable Irrigation	None	None
COD/TSS	None	None
Reclaimed Irrigation	None	None
Capacity Fee	None	None
Tap & Meter Fees	None	None
Line Extension Growth Capacity Charge	None	None

WATER AND SEWER SYSTEM TARIFF DOCUMENT



225 N. Pearl St.
Jacksonville, Florida 32202
(904) 665-6000

DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail and wholesale potable and reclaimed water and sewer services to major portions of Duval County and some portions of St. Johns, Clay, and Nassau Counties.

Approved by the JEA Board

February ~~March 25~~, 2024 2025



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704	<u>Special Services, Terms, Conditions and Rates</u>	<u>23</u>
705	<u>Applicable Taxes and Fees</u>	<u>23</u>



CONNECTION AND MAINTENANCE FEES

101 – Backflow Prevention Devices

Backflow prevention devices and device testing are required by JEA's Cross-Connection Control Policy. Residential Irrigation service customers participating in the JEA Residential Irrigation Backflow Testing Program (RIBTP) will receive a service charge for backflow preventer testing once every two (2) years. Commercial service customers, participating in JEA's commercial testing program, will receive a service charge for backflow preventer testing once every year.

Testing Fee is a backflow preventer testing charge of the actual cost of labor and materials or a maximum of \$50.00 applied to each residential irrigation service connection or commercial service connection participating in JEA's Residential Irrigation Backflow Testing Program (RIBTP) or commercial testing program.

Maintenance Fee is a backflow preventer maintenance charge applied to customers requesting backflow maintenance or installation service from JEA, as part of the RIBTP or commercial testing program. The maintenance charge will equal JEA's cost to provide the requested service.

102 – Meter Tap Fees and Meter Set Fees for New Service Connections

- a) **Water (Potable, Irrigation, Reclaimed) Fees.** JEA shall have the right to determine, connect, or set appropriately sized meters after a consideration of the minimum and maximum quantities of water to be delivered to any and all connections served by JEA's water system. JEA shall charge and collect at the time application is made or a plumbing permit is received. Installation costs according to the following schedule:

Tap Size (inches)	Size of Service Size (inches)	Meter Size (inches)	Tap Fee	Meter Set Fee
1	3/4	3/4	\$1,360	\$300
1	1	1	\$1,360	\$320
2	1-1/2	1-1/2	\$1,770	\$1,010
2	2	2	\$1,770	\$1,150
No new 5/8" metered services available				

Tap fees for new service connections larger than 2" in diameter shall be based upon the cost by service size of the installation to JEA but not less than \$1,770. Meter set fee for new connections larger than 2" in diameter shall be based upon the cost by meter size of the installation to JEA or \$1,150, whichever is greater.



- b) **Increase in Meter Size.** The charge for increasing the size of an existing meter shall include the meter set fee and tap fee for the new meter as listed in section 102(a), plus the incremental plant capacity fees and the incremental line extension fees as determined in Section 105 for the new larger meter minus the corresponding amounts depicted for the existing meter.

- c) **Decrease in Meter Size.** Customers requesting to downsize their existing metered service must submit the request to JEA for approval. The customer must provide a basis for the downsize meter request to show that the meter was improperly oversized to begin with or that the facilities behind the meter have changed. The justification that supports the smaller service and/or meter size must come from a professional with the same certification level as was provided in the determination of the original service size.

For downsizing an existing service with 1 ½' or greater meter size: The charge shall be at minimum the meter set fee and tap fee for the smaller meter as listed in section 102(a) for new metered service connections of the prevailing tariff. JEA will make a size reduction at the tap and reduce the service line size. The costs include removal of bypass valves, valve boxes or vaults for existing meter services 3" or greater. If JEA estimates the cost of a customer request to downsize a metered service with an existing 1 ½" or greater meter size is greater than the average cost of either the tap fee or meter set fee listed in section 102(a), JEA will charge the customer the estimated cost.

For downsizing an existing 1" meter to a ¾" meter: A uniform meter downsize charge of \$500 will be assessed in lieu of a separate meter set fee and tap fee, where JEA may elect to install any of the following: a smaller tap service line reducer bushing or flow restriction orifice.

- d) **Precedent.** JEA shall set forth rules to implement the provisions of this subsection. To the extent this subsection conflicts with the provisions of JEA Water and Sewer Rules and Regulations, this section shall take precedent.



103 – Sewer Tap Charges and Sewer ~~Line~~-Tap Extension Fees

A [sewer tap](#) charge for all connections to JEA’s sewer system shall be paid in advance by the user in an amount according to the following schedule:

Connection Size	Fee
6 inches	\$8,330
>6 inches	Actual Cost

For all sewer connections where there is no unpaved parkway or where other than a standard 6" "Y" connection to the sewer is used -- an amount equal to a) the cost by installation size to JEA or b) \$8,330, whichever is greater. In these cases, the user shall deposit with JEA, in advance, the estimated cost of the connections as determined by JEA.

[A sewer tap extension fee is applicable for premises that have had active sewer service within the recent 10 years, a sewer locate has been completed within 9 months, and the existing sewer tap is required to be extended to the property line.](#)

Extension Size	Fee
All Sizes	\$2,894

104 – Special Connections

In the event an application for water or sewer connection is received and the cost of installation, due to unusual circumstances, is determined by JEA to be substantially more than the charges set forth in this part, the installation charge shall be at actual cost to JEA or the standard cost, whichever is greater.

Temporary water service shall be metered and charges imposed by Section 102(a) shall apply

105 – Water and Sewer Capacity Charge and Surcharges

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

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



b) **Plant and Line Extension Growth Capacity Charges.** The charges shall be calculated as follows:

1. **Water (Potable and Irrigation).** The minimum charge for a new water connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below, plus the line extension growth capacity charge.

Plant Capacity Fees for Residential and Commercial

** Potable & reclaimed water considered the same for irrigation*

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$4.68
Water (without irrigation)	
¾"	\$1,170.00
1"	\$1,404.00
1 ½"	\$2,106.00
Water (with irrigation)	
¾"	\$936.00
1"	\$1,170.00
1 ½"	\$1,404.00
Irrigation	
¾"	\$1,053.00
1"	\$1,521.00
1 ½"	\$3,276.00

For existing water connections, there will be a charge per gallon of additional average daily water capacity stated above as estimated and approved by JEA plus the line extension growth capacity charge. The schedules below provide line extension growth capacity charges by meter size. Services greater than 1 ½" and those that have more fixture units than allowed by meter size will be charged based on the estimated average daily flow.

Line Extension Growth Capacity Charge

(Effective January 1, 2006 – current)

Meter Size	Residential	Commercial
5/8"	N/A	N/A
3/4"	\$1,695	\$1,695
1"	\$2,000	\$2,500
1 ½"	\$2,175	\$2,500
2"	\$2,350	\$2,500
3"	N/A	\$5,000
4"	N/A	\$5,000
6"	N/A	\$5,000
8"	N/A	\$5,000
10"	N/A	\$10,000
12"	N/A	\$10,000
20"	N/A	\$20,000



2. **Sewer.** The minimum charge for a new sewer connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below.

Plant Capacity Fees for Residential and Commercial

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$25.57
Sewer	
$\frac{3}{4}$ "	\$5,114.00
1"	\$6,392.50
1 $\frac{1}{2}$ "	\$7,671.00

For existing sewer connections, there will be a charge per gallon of additional average daily sewer capacity as estimated and approved by JEA as stated above.

For industrial or process waste there shall be a charge per gallon for each gallon of daily production flow or the average of all production shift flows (whichever presents the greater requirement for volumetric capacity of the treatment unit), stated above as estimated to the satisfaction of JEA where the character of the waste does not exceed 300 parts per million, by weight, of suspended solids, or chemical oxygen demand not exceeding 650 parts per million, by weight.

- c) **Sewer capacity surcharge.** In addition to the stated sewer capacity charge, there is an additional surcharge when the character of the sewage, waters or wastes from a manufacturing or industrial plant, business or commercial location or building or premises proposing to connect to JEA's sewer system has a five-day chemical oxygen demand of greater than 650 parts per million, by weight, or contains more than 300 parts per million, by weight, of suspended solids, or both, as determined from the application of the owner, which shall fully disclose to the satisfaction of JEA the character of the waste to be accepted. This additional surcharge shall be computed as follows:

$$\text{SCS} = ((\text{COD}-650) \times \text{Qmgd} \times 8.34\#/\text{gallons} \times \$188/\text{pound}) + ((\text{SS}-300) \times \text{Qmgd} \times 8.34\#/\text{gallons} \times \$82/\text{pounds})$$

Where:

SCS = Sewer Capacity Surcharge

Qmgd = Daily production flow or the average of all production shift flows (whichever presents the greatest requirement for volumetric and/or organic capacity) in million gallons a day

COD = Chemical Oxygen Demand in parts per million

SS = Suspended Solids in parts per million

- d) **Fees for Bulk Reclaimed water capacity** will not be charged for bulk reclaimed water sales.



e) **Transfer of Capacity.** JEA may consider transferring capacity (Annual Average Daily Flow – AADF). This section applies to capacity transfer requests from process facilities relocating, facilities on the same property, and qualifying customers within the boundaries of the Downtown Investment Authority.

1. **Process Facilities.** The following terms and conditions will apply:

1. The transfer must be made by a commercial or industrial customer who is relocating process equipment or process facilities from one location in JEA's service area to another location within JEA's service area.
2. Only capacity (AADF) related to the process equipment or process facilities located within a geographically contiguous customer complex with an annual average daily process flow greater than 25,000 gallons per day can be considered for the transfer from the predecessor location to the successor location. The AADF will be calculated from the past 12 monthly billing cycle records. The capacity (AADF) related to domestic plumbing fixture units will not be considered for the transfer and will remain with the property location.
3. Transfer of capacity (AADF) will be contingent on the customer removing and/or demolishing the process facilities at the predecessor location. JEA will review and approve the demolition plan submitted by the customer's registered Florida Professional Engineer (P.E.). JEA may grant the customer up to 36 months to remove or demolish the process facilities after receiving the transfer request approval letter from JEA.
4. The amount of capacity (AADF) to be transferred to the successor process facilities must be based on AADF methodology submitted by the customer's P.E. versus the fixture unit method used for domestic plumbing.
5. The customer's P.E. shall certify and supply an itemized breakout and summary of domestic plumbing fixture units that will remain at the predecessor location after removal of the process equipment and process facilities. The P.E. shall certify and supply projected flows at the successor location.
6. The entity (owner or tenant) of a property requesting transfer of capacity (AADF) will be required to demonstrate they are the entity that paid for or has the right to the capacity requested for transfer.
7. If the customer was leasing the predecessor facility from a property owner, the transfer request by the lessee will be considered only if the customer provides JEA a signed release stating the property owner acknowledges and will not contest the transfer of capacity (AADF) related to process equipment and facilities from the property.
8. Any request for transfer of capacity (AADF) must be made prior to the operation of the new process equipment or process facilities that will be using the water or sewer services that might qualify for the capacity transfer.



9. If the transfer request is for an amount of capacity (AADF) less than the amount assessed at the predecessor location, the remaining capacity may be utilized for up to 60 months from the transfer request approval. If the transfer request is for an amount of capacity less than the amount initially assessed at the successor location, then the difference will need to be paid at prevailing rates to JEA in conjunction with acceptance of the JEA transfer request approval letter.
 10. The transfer of capacity (AADF) will be a one-time event, whereas no subsequent transfer of previously transferred capacity (AADF) will be considered.
 11. The incremental flow capacity and wastewater characteristics corresponding to the proposed transfer of capacity (AADF) does not cause JEA to modify or enhance a sewer treatment facility in order to be in compliance with Florida Department of Environmental Protection regulations.
2. **Same Property.** The following terms and conditions will apply:
 1. Transfer of capacity (AADF) applies to all property within JEA's service territory.
 2. In the case where no record of capacity is available, a fixture count of the existing facility will determine the amount of capacity available for transfer.
 3. Transfer of capacity (AADF) will be allowed at no additional cost. Additional capacity required for the new facility must be paid to JEA at prevailing rates. If the transfer request is for an amount of capacity (AADF) less than the amount assessed to the existing facility, the remaining capacity may be utilized for up to 60 months from the transfer request approval.
 4. The existing facility, upon which the new facility will be built, must be demolished.
 5. There are no restrictions on the amount of the capacity or flow of the existing or new facility.
 3. **Within the Downtown Investment Authority (DIA) Boundaries.** The following terms and conditions will apply:
 1. Boundaries for the DIA are defined in Jacksonville City Ordinance 2012-364 which may be revised in the future.
 2. The transfer request must be made by a commercial or industrial customer who is relocating within the DIA boundary.
 3. Qualifying customers must have an AADF at the predecessor facility greater than 1,000 gallons per day as determined by one of the methods in the following hierarchy:
 - A. Proof of Paid Capacity
 - B. Flows derived from fixture unit count as certified by a P. E.
 - C. Flows derived from JEA billing records



4. The P.E. shall certify and supply projected flows at the successor location.
 5. Transfer of capacity (AADF) from the predecessor facility will be allowed at no additional cost. Additional capacity required for the successor facility must be paid to JEA at prevailing rates. If the transfer request is for an amount of capacity (AADF) less than the amount assessed on the predecessor facility, the remaining capacity may be utilized for up to 60 months from the transfer request approval.
 6. The entity (owner or tenant) of a property requesting transfer of capacity (AADF) will be required to demonstrate they are the entity that paid for or has the right to the capacity requested for transfer.
 7. If the customer was leasing the predecessor facility from a property owner, the transfer request by the lessee will be considered only if the lessee provides JEA a release signed by the property owner stating the owner acknowledges and will not contest the transfer of capacity (AADF).
 8. If the predecessor facility, from which the capacity was transferred, is not demolished, the owner must record a deed restriction with the Duval County Clerk of the Court. The deed restriction must state that the predecessor facility no longer contains the transferred capacity allotment, which obligates payment of capacity fees at prevailing rates for future use or construction.
- f) **Capacity Charge Exceptions.** No water or sewer capacity charges, other than any additional charges listed below, if applicable, shall be due at the time of connection with respect to property.
1. As to which there has been paid to JEA a water and/or sewer capacity charge.
 2. Previously served by an investor/community-owned public utility company which has been acquired by JEA.



g) Additional charge(s). If:

1. JEA shall determine that the estimated average daily flow(s) of a user made at the time of initial connection to JEA's water and/or sewer system was erroneous, or that the description of the character of the waste in the application was erroneous; or
2. The use of the property served by JEA's water and/or sewer system changes because of: the construction of new dwellings, commercial or industrial facilities; additions to existing dwellings, commercial or industrial facilities; change in use from single family to multi-family residential; or increased, expanded or changed operations:
 1. so as to increase the number of gallons of sewage discharge by more than 20% over the number of the unit values or gallons of discharge at the most recent of either the time of payment of the last sewer capacity charge or the date when customer's sewer service provider was acquired by JEA; or
 2. so as to increase by more than 10% its COD or suspended solids loading measured in pounds a day; or
 3. so as to increase the number of gallons of water usage by more than 20% over the number of unit values or gallons of usage at the most recent of either the time of payment of the last water capacity charge or the date when customer's water service provider was acquired by JEA.

Then an additional charge resulting from the erroneous estimates or change in property use shall be due and payable at the time JEA shall determine that an erroneous estimate was made or at the time of the change in property use, regardless of whether a water and/or sewer capacity charge was ever imposed or paid at the time of initial connection to the system. The additional charge shall be calculated according to the same prevailing rates as described in 105 and shall be based on flow or on the excess COD or suspended solids loading as applicable, over that on which the previous sewer capacity charge was based.



- h) **Use of funds – Capacity fees and line extension charges.** Revenues derived from the Water/Sewer capacity fees and Water/Sewer line extension charges are to be placed in Water/Sewer capacity and line extension capital improvement funds. The funds are used for qualifying capital expenditures related to growth and expansion, to pay debt service and/or debt pay down on qualifying capital expenditures initially funded through bond issuance.

Qualifying expenditures for the Water/Sewer capacity fees include:

1. Treatment plants and capacity expansion
2. Treatment plant configuration
3. Wastewater master pump stations and force mains directly upstream of the wastewater plant

Qualifying expenditures for the Water/Sewer Line Extension Growth Charges for backbone transmission facilities include:

1. Water mains providing transmission capacity to the distribution grid
2. Water re-pump stations
3. Remote storage facilities
4. Force mains providing transmission capacity to the collection system
5. Interceptor (trunk) gravity lines



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

201 - Residential Rates

* Potable & reclaimed water considered the same for irrigation

Basic Monthly Charge

Meter Size	Water	Sewer	Potable Irrigation ^{*(1)}	Reclaim Irrigation ⁽¹⁾
5/8"	\$12.60 13.24	\$14.10 15.86	\$12.60 13.24	\$12.60
3/4"	\$18.90 17.67	\$21.15 61	\$18.90 17.67	\$18.90
1"	\$31.50 26.53	\$35.25 33.10	\$31.50 26.53	\$31.50
1 1/2"	\$63.00 48.70	\$70.50 61.83	\$63.00 48.70	\$63.00
2"	\$100.80 75.29	\$112.80 96.31	\$100.80 75.29	\$100.80
3"	\$201.60 159.52	\$225.60 191.78	\$201.60 159.52	

(1)

(1) — Non-bulk irrigation service agreement with reclaimed water will be charged an additional \$6.00 monthly fee regardless of meter size to cover costs due to regulatory requirements.

Volume Charge per Thousand Gallons (kgal)

Tier	Water	Sewer	Potable Irrigation [*]	Reclaim Irrigation
1-6 kgal	\$1.30 1.34			
7-20 kgal	\$2.97 2.99			
>20 kgal	\$5.97 5.13			
>15 kgal	\$6.45			
All kgal		\$4.88		
1-7 kgal	\$1.30	\$5.31 4.88	\$4.02	
All kgal				
>7 kgal	\$7.00 20	\$6.39	\$6.03	
1-14 kgal	\$1.30		\$2.97 4.02	\$2.97
14-7 kgal			\$5.97 6.03	
>14 kgal				\$5.97



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

202 - Commercial Rates

* Potable & reclaimed water considered the same for irrigation

Basic Monthly Charge

Basic Monthly Charge

Meter Size	Water	Sewer	Potable Irrigation*(1,2)	Reclaim Irrigation(2,3)	Bulk Reclaim Irrigation
5/8"	\$12.60 13.24	\$21.15 37.08	\$12.60 13.24	\$12.60	\$13.24 12.60
3/4"	\$18.90 17.67	\$31.73 53.43	\$18.90 17.67	\$18.90	\$17.67 18.90
1"	\$31.50 26.53	\$52.88 86.14	\$31.50 26.53	\$31.50	\$26.53 31.50
1 1/2"	\$63.00 48.70	\$105.75 167.90	\$63.00 48.70	\$63.00	\$48.70 63.00
2"	\$100.80 75.29	\$169.20 266.03	\$100.80 75.29	\$100.80	\$75.29 100.80
3"	\$201.60 159.52	\$338.40 576.76	\$201.60 159.52	\$201.60	\$159.52 201.60
4"	\$315.00 270.34	\$528.75 985.50	\$315.00 270.34	\$315.00	\$270.34 315.00
6"	\$630.00 602.79	\$1,057.50 2,212.09	\$630.00 602.79	\$630.00	\$602.79 630.00
8"	\$1,008.00 713.61	\$1,692.00 2,620.92	\$1,008.00 713.61	\$1,008.00	\$713.61 1,008.00
10"	\$1,974.55 1,866.13	\$2,432.25 6,872.82	\$1,974.55 1,866.13	\$1,974.55	\$1,866.13 1,974.55
12"	\$3,691.55 2,353.73	\$4,547.25 8,671.70	\$3,691.55 2,353.73	\$3,691.55	\$2,353.73 3,691.55
20"	\$7,726.50 4,706.00	\$9,517.50 12,163.62	\$7,726.50 4,706.00	\$7,726.50	\$4,706.00 7,726.50

(1) ~~(1) Includes Multi-Family Irrigation and~~ Includes Multi-Family Potable Irrigation

(2) Includes Multi-Family Reclaim Irrigationed Service

(3) Non-bulk irrigation service agreement with reclaimed water will be charged an additional

\$6.00 monthly fee regardless of meter size to cover costs due to regulatory requirements.

Volume Charge per Thousand Gallons (kgal)

Tier	Water	Sewer	Limited Service Sewer(1,2)	Potable Irrigation*(2,4)	Reclaim Irrigation(3)	Bulk Reclaim Irrigatione
All kgal	\$1.86 3.06					
All kgal		\$6.39 4.88				
All kgal			\$5.11 3.90			



1-14.7	\$3.81	<u>\$3.49</u>
kgal		
>14.7	\$4.33	<u>\$4.69</u>
kgal		
<u>1-14</u>		<u>\$3.81</u>
kgal		
<u>>14 kgal</u>		<u>\$4.33</u>
<u>All kgal</u>		<u>\$0.28⁽⁴⁾</u>
All kgal	All kgal	\$0.28 <u>14(3)</u> \$0.28 <u>(4)</u>

(1) ~~Includes Multi-Family Irrigation and Multi-Family Reclaimed Service~~

(1) No new Limited Service Sewer accounts shall be allowed

(2) Includes Multi-Family Potable Irrigation

(3) Includes Multi-Family Reclaimed Irrigation Service

~~Rates apply in accordance with JEA standard bulk reclaimed water service agreement until such time as JEA may no longer offer reclaimed water service under such agreement.~~ (2)

~~No new Limited Service Sewer accounts shall be allowed.~~

(3) ~~Bulk Reclaimed rate per kgal for bulk reclaimed irrigation customers that are relinquishing, suspending, or foregoing an application for a Consumptive Use Permit or ground water withdrawals from SJRWMD. Rates apply in accordance with JEA standard bulk reclaimed water service agreement until such time as JEA may no longer offer reclaimed water service under such agreement.~~

(4) ~~Bulk Reclaimed rate per kgal for all other bulk reclaimed irrigation customers. Rates apply in accordance with JEA standard bulk reclaimed water service agreement until such time as JEA may no longer offer reclaimed water service under such agreement.~~



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

203 – Multi-Family Rates

Basic Monthly Charge – Small Meter Sizes

<u>Meter Size</u>	<u>Water</u>	<u>Sewer</u>
<u>5/8"</u>	<u>\$13.24</u>	<u>\$15.86</u>
<u>3/4"</u>	<u>\$17.67</u>	<u>\$21.61</u>

Basic Monthly Charge – All Other Meter Sizes

<u>Meter Size</u>	<u>Water</u>	<u>Sewer</u>
<u>1"</u>	<u>\$51.93</u>	<u>\$79.69</u>
<u>1 ½"</u>	<u>\$99.48</u>	<u>\$155.01</u>
<u>2"</u>	<u>\$156.55</u>	<u>\$245.39</u>
<u>3"</u>	<u>\$337.26</u>	<u>\$531.60</u>
<u>4"</u>	<u>\$575.04</u>	<u>\$908.20</u>
<u>6"</u>	<u>\$1,288.39</u>	<u>\$2,037.98</u>
<u>8"</u>	<u>\$1,526.17</u>	<u>\$2,414.57</u>
<u>10"</u>	<u>\$3,999.08</u>	<u>\$6,331.15</u>
<u>12"</u>	<u>\$5,045.32</u>	<u>\$7,988.16</u>
<u>20"</u>	<u>\$9,295.50</u>	<u>\$13,624.56</u>

Note: For Multi-Family Potable Irrigation or Reclaim Irrigation Basic Monthly Charges, Section 202 Commercial Potable Irrigation and Reclaimed Irrigation rates will apply.

Volume Charge per Thousand Gallons (kgal) – Small Meter Sizes

<u>Tier</u>	<u>Water</u>	<u>Sewer</u>
<u>1-4 kgal</u>	<u>\$1.34</u>	
<u>5-8 kgal</u>	<u>\$2.99</u>	
<u>9-15 kgal</u>	<u>\$5.13</u>	
<u>>15 kgal</u>	<u>\$6.45</u>	
<u>All kgal</u>		<u>\$4.88</u>

Basic Monthly Charge

Meter Size	Water	Sewer
<u>5/8" ⁽⁺⁾</u>	<u>\$18.4113.24</u>	<u>\$24.6815.86</u>
<u>3/4" ⁽⁺⁾</u>	<u>\$27.6217.67</u>	<u>\$37.0121.61</u>
<u>1"</u>	<u>\$46.0351.93</u>	<u>\$61.6979.69</u>
<u>1 ½"</u>	<u>\$92.0599.48</u>	<u>\$123.38155.01</u>



2"	<u>\$147,281</u><u>56.55</u>	<u>\$197,402</u><u>45.39</u>
3"	<u>\$294,563</u><u>37.26</u>	<u>\$394,805</u><u>31.60</u>
4"	<u>\$460,255</u><u>75.04</u>	<u>\$616,889</u><u>08.20</u>
6"	<u>\$920,501,288.39</u>	<u>\$1,233,752,037.98</u>
8"	<u>\$1,472,801,526.17</u>	<u>\$1,974,002,414.57</u>
10"	<u>\$2,117,153,999.08</u>	<u>\$2,837,636,331.15</u>
12"	<u>\$3,958,155,045.32</u>	<u>\$5,305,137,988.16</u>
20"	<u>\$8,284,509,295.50</u>	<u>\$11,103,7513,624.56</u>

Note: For Multi-Family Irrigation Basic Monthly Charges, Section 202 Commercial Irrigation and Reclaimed rates will apply.

Volume Charge per Thousand Gallons (kgal) – All Other Meter Sizes

Tier	Water	Sewer
All kgal-⁽¹⁾	<u>\$1,372.47</u>	
All kgal		<u>\$6,394.88</u>

Note: For Multi-Family Potable Irrigation or Reclaim Irrigation volume charges, Section 202 Commercial Potable Irrigation and Reclaimed Irrigation rates will apply ~~Commercial Irrigation and Reclaimed rates will apply.~~

~~(1) Multi Family 5/8" and 3/4" meter sizes will be billed the same as residential rates.~~



CHARGES FOR FIRE PROTECTION WATER SERVICE

301 - Fire Protection Charges

~~Closed~~ **Unmetered connection** to JEA's water system for the purpose of providing service on a standby basis for fire protection, there shall be a monthly charge according to the following schedule: ~~there shall be a charge according to the following schedule for each year or portion thereof of the services provided:~~

a)

Size of Branch (inches)	Monthly Charge
4 or less	\$5.58 <u>6.83</u>
6	\$11.08 <u>19.83</u>
8	\$22.83 <u>42.27</u>
10 or greater	\$40.67 <u>76.01</u>

a) **Closed Unmetered connection** ~~It's~~ use shall be limited to the interior of buildings only with a physically separate fire protection system with no external connections or standpipes with access to potable water.

~~The charge shall be billed on a monthly basis.~~

Other water and sewer services to a fire protection customer may be terminated because of nonpayment of fire protection charges. No connection shall be made to the system for a use other than fire protection. The requesting party shall be responsible for all costs incurred in the construction of the connection to JEA's water main.

There shall be no connection of the system with another water source, unless a backflow prevention device, approved pursuant to JEA Rules and Regulations for Water and Sewer Service is installed. No suction of a pump may be attached to a connection of JEA except for health or safety reasons and with the written approval of the JEA. Buildings that are to be served by a closed unmetered connection, specifically designed for fire protection, at the owner's expense, install and maintain a water flow meter with transmitting unit (MTU), as prescribed by JEA Rules and Regulations for Water and Sewer Service. This flow meter shall be installed on the unmetered water connection fire line detector check assembly. The MTU shall be set to transmit potential consumption nightly, in off peak hours. The building owner/customer must certify any flow detected is water used specifically in the extinguishment or control of fires within the building and not domestic consumption. In the event of noncompliance by the customer with a provision of this section, JEA shall cause the discontinuance of service until the customer makes application and payment for installation of the proper size meter and applicable rate for metered services.



- b) **Open Unmetered connection** to JEA's water system, where a customer could access water through standpipes or other firefighting connections to JEA's water system, for the purpose of providing service on a standby basis for fire protection on which the customer has purchased and installed a water flow monitoring device as prescribed by JEA rules and Regulations for Water and Sewer Service, ~~there shall be a monthly charge according to the following schedule:~~

Size of Branch (inches)	Monthly Charge
4 or less	\$21.006.83
6	\$28.0019.83
8	\$42.0042.27
10 or greater	\$55.0076.01

Volume Charges for water, used in fire protection or testing purposes, as estimated by JEA, shall be billed at prevailing rates as established in Section 202. The requesting party shall be responsible for all costs, including costs of meter removal and installation of a detector-check, incurred in the construction of the connection to JEA's water main.

Other water and sewer service to a fire protection customer may be terminated because of non-payment of fire protection charges.

There shall be no connection of the system with another water source, unless a backflow prevention device, approved pursuant to appropriate sections of JEA Rules and Regulations for Water and Sewer Service, is installed. No suction of a pump may be attached to a connection of JEA except for health or safety reasons and with the written approval of JEA. In the event of non-compliance by the customer with a provision of this subsection, JEA shall cause the discontinuance of service until the customer makes application and payment for installation of the proper size meter and applicable rate for meter service.

Water used for municipal purposes other than the extinguishment of fires and all water used by another political subdivision or political agencies, state and federal, shall be subject to the rate schedule set forth in this document.



RETAIL SERVICE CHARGES

401 –Retail Services Charges

- a) To physically locate a sewer connection, the charge is \$491.00
- b) JEA will conduct fire hydrant flow tests when requested. The fee for this service will be \$82.00
- c) 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 share in the cost of the testing according to the following schedule:
 - 1. \$40.00 for a field test of a meter up to 1 inch
 - 2. \$85.00 for a field test of a meter between 1 ½ and 2 inches
 - 3. \$125.00 for a field test of a meter greater than 2 inches
- d) The fee for reconnection of sewer services which have been discontinued for nonpayment of sewer service charges shall be \$400.00 or actual cost for labor and materials.
- e) The fee to start a water, sewer, or a water/sewer service shall be \$10.00
- f) The fee to start a potable irrigation or reclaimed irrigation service shall be \$10.00
- g) The fee for reconnection following disconnection for delinquency shall be \$14.00 per service
- h) The charge for the reactivation of a residential irrigation service, including reclaimed, within six months of a customer requested disconnect at the same service address by the same customer shall be \$125.00
- i) The charge for the reactivation of a commercial irrigation service, including reclaimed, within six months of a customer requested disconnect at the same service address by the same customer shall be \$250.00



CONDITIONS FOR SEWER SERVICE

501 – Condition for Service

- a) Each applicant for a sewer connection between JEA's sewer system and a lot or parcel of land which is supplied water by a private system or well shall have a meter, approved by JEA, installed and maintained at the expense of the applicant and his successors in interest. The meter shall be located in the water line at a convenient location for reading and for measuring the water which enters the sewer system. In these cases the sewer service charge shall be based upon the reading of the meter made by JEA's meter readers. Each sewer only customer class with unmetered water or inoperative meter shall be charged at the average monthly water usage rate for the prior calendar year for that customer class as the consumption amount.
- b) On sewer credit accounts, the water meter shall be JEA-owned and installed by the owner, tenant, occupant or his agent under the direct supervision of JEA, and the owner, tenant or occupant shall pay those inspection, delivery, material and administrative costs as determined by JEA or which are required by, and shall be subject to, the terms and requirements of sections 102. This paragraph does not apply to owners, tenants or occupants of lots or parcels of land which are connected to JEA water and sewer system and also have a cross-connection to another water supply. The maximum credit that can be given for an existing sewer credit account is 75% of the total water billed for the account on which the credit is to be given. No new sewer credit accounts shall be allowed.
- c) Effective October 1, 1988, all owners, tenants, and occupants shall be required to provide for the installation and use of JEA-owned water meters in all water systems, regardless of whether the meter is or was installed for the purposes of establishing a charge or a credit.

502 – Sewer Surcharge

In all cases where the character of the sewage, waters or waste from a manufacturing or industrial plant, business or commercial location, building or premises has a chemical oxygen demand (COD) of more than 650 parts per million by weight or contains more than 300 parts per million by weight of suspended solids (SS), or both, and the sewage, waters or waste are accepted into the sewage system for treatment, the discharger shall pay to JEA a rate, fee or charge, designated as a surcharge. Surcharge shall be in addition to any sewer service charge which might be based upon the customer's premises as set forth in this Water & Sewer Rate Document. JEA reserves the right to deny any discharger treatment capacity based on JEA's determination that additional organic loading above 650/ppm COD, 300/ppm suspended solids or additional hydraulic load, or any combination of the above, will hamper or reduce the effective operations of the treatment facility.



The surcharge shall consist of an amount calculated according to the following formula:

$$S = V_s \times \{ \$0.00\text{146808031} (\text{COD} - 650) + \$0.00\text{152609810} (\text{SS} - 300) \}$$

Where:

S = surcharge in dollars

V_s = sewage volume in kgal

$\$0.00\text{146808031}$ = unit charge factor for COD based on 17.69.629 cents per pound of COD;

COD = chemical oxygen demand strength index in parts per million by weight

650 = allowable COD strength under normal volume charges in parts per million by weight

$\$0.00\text{152609810}$ = unit charge factor for suspended solids based upon 18.31.763 cents per pound of suspended solids

SS = suspended solids strength index

The amount of the surcharge for the use of JEA's sewer system shall be separately stated as a part of the total sewer service charge for the billing period and shall be payable, collectible and enforceable in the manner provided for sewer service charges. Unless otherwise required by JEA for compliance with local, State and federal law or regulations, each customer to which this surcharge applies shall submit, on a monthly basis, a laboratory analysis of such scope as to permit JEA to render an accurate billing of this charge as provided herein.

Each sewer customer to which this surcharge could apply that does not submit a laboratory analysis shall be charged a sewer surcharge based upon the average surcharge factors of other customers who have the same property use code as assigned by the Duval County Property Appraiser's Office or based upon factors assigned by JEA until reporting of actual surcharge factors are provided by the sewer customer.

503 – ~~Scavenger and Leachate Hauled Waste~~ **Scavenger Waste Charges**

Scavenger waste, as described in JEA Rules and Regulations for Water and Sewer Service, may be disposed of at a JEA sewage treatment plant after approval of JEA ~~and with prior payment at~~ of a charge of ~~\$4.496.30~~ for each 100 gallons of waste based on the full capacity of each vehicle for each discharge. There shall be a minimum fee of \$-30.00 for each discharge.

Leachate waste may be disposed of at a JEA sewage treatment plant after approval of JEA at a charge of \$6.30 per 100 gallons of waste based on the full capacity of each vehicle for each discharge.

~~Leachate waste may be disposed of at a JEA sewage treatment plant after approval of JEA at a charge of \$5.166.30 per 100 gallons of waste based on the full capacity of each vehicle for each discharge.~~



CONDITIONS FOR RECLAIMED SERVICE

601 – Availability and Requirements for Service

This service will only be provided where service is available, with a physically separate reclaimed water irrigation system. Bulk service will be available to large commercial and industrial users where JEA reclaimed water system is closely available. Retail service for residential and commercial service will be available in Developments of Regional Impact (DRIs), in areas served by JEA, where service is available, with a physically separate reclaimed water irrigation system. No connection to JEA's potable water system by valve or any other means will be allowed. Certification that no interconnection exists must be provided to JEA before any service connections are made. All areas where reclaimed water is being used must be clearly marked as non-potable water. Any customer whose reclaimed water system is in violation of any regulation or procedure shall be subject to immediate discontinuance of reclaimed water service. Such discontinuance shall not relieve any person of liability for any payments due to JEA.

602 – Connection Fees, etc.

Connection, reconnection, tap, and construction fees and rates shall be in accordance with applicable sections of the Water and Sewer Rate Document.



BILLING

701 – Customer Installed Meters

If a meter installed and maintained by an owner, occupant or tenant upon which the sewer service charges imposed by this Water and Sewer Rate document is found to be defective for any reason whatsoever, the owner, occupant or tenant shall immediately correct the defect and have the meter tested by JEA at his expense. In these cases, JEA reserves the right to render an average or estimated bill for the period that the meter was defective, based upon previous consumption on the meter.

702 – Pool Fill Credits

Any metered user to whom sewer charges are regularly rendered and through whose meter a swimming, family swimming, or public pool receives water from JEA water system and whose pool capacity has been documented to JEA by the pool contractor, builder or homeowner at the time the building permit for the pool was issued shall have the right to fill the pool for the first time without application of the sewer charge to the quantity of water used to fill the pool. Furthermore, a metered user, as defined herein above, who is required to drain his pool in order to facilitate needed repair shall have the right to refill the pool after the repair has been completed without application of the sewer charge to the quantity of water used to refill the pool, provided that the necessity to drain the pool for repair and the pool's capacity in gallons is certified to JEA by the pool contractor or other person doing the repair prior to draining the pool. The certification shall be under oath and must have attached to it the permit issued by the Chief, Building and Zoning Inspection Division for any repairs. The right to fill the pool for the first time or to refill the pool after necessary repair may be exercised by the making of a written request to and upon forms available from JEA. The written request shall include such documented proof as required and as satisfactory to JEA, of the pool's capacity in gallons. The written request shall also include an affidavit (on the form provided by JEA) signed by the user, and water meter readings both immediately before and after the filling or refilling of the pool with dates and times of readings noted. All written requests shall be furnished to JEA no later than 30 days after completion of the filling or refilling. Upon receipt of a proper written request, JEA shall cause an appropriate credit to be made to the user's account.

703 – Utility Agreements

JEA serves a limited number of customers wherein it provides water service and a second party utility company provides sewer service, and *vice versa*. On some occasions, customers receiving water and sewer service from two different utilities pay only the water bill and not the sewer service bill. Curtailment of sewer service alone is extremely expensive in that sewer lines to customers typically do not have cut-off valves, necessitating that the sewer line be dug out and plugged. To accomplish the same protocol that is undertaken for customers who receive both water and sewer service by JEA, JEA is authorized to execute an agreement (containing appropriate hold harmless provisions as approved by the office of the General Counsel) with second party utility companies (which reciprocate) providing for the termination of water service for customers who do not pay the fees for sewer service. Said termination of water service shall afford notice and appeal rights conforming to those provided to customers receiving both water and sewer service from JEA.



704 – Special Services, Terms, Conditions and Rates

JEA and the customer may agree for JEA to provide special services, including related water, sewer and energy services, and for terms of service up to ten (10) years in length. Services could include the repayment to JEA over time of the capital costs incurred to connect new customers to the water and/or sewer system. Prices for special services, terms or conditions shall be based on cost. JEA's provision of special services, terms, and conditions requires execution of a contract between JEA and the customer, in which all special services, terms, and conditions shall be specified. Contract approval authorizations shall be as established in applicable JEA Management Directives, Policies or Procedures.

705 – Applicable Taxes and Fees

City of Jacksonville Service	Applicable Fees	Applicable Taxes
Water	3% Franchise Fee	10% Public Service Tax
Sewer	3% Franchise Fee	
Potable Irrigation	3% Franchise Fee	10% Public Service Tax
COD/TSS	3% Franchise Fee	
Reclaimed Irrigation	None	10% Public Service Tax
Capacity Fee	None	
Tap & Meter Fees	None	
Line Extension Growth Capacity Charge	None	

Nassau, St. Johns, Clay Counties Service	Applicable Fees	Applicable Taxes
Water	None	None
Sewer	None	None
Potable Irrigation	None	None
COD/TSS	None	None
Reclaimed Irrigation	None	None
Capacity Fee	None	None
Tap & Meter Fees	None	None
Line Extension Growth Capacity Charge	None	None

WATER AND SEWER SYSTEM TARIFF DOCUMENT



225 N. Pearl St.
Jacksonville, Florida 32202
(904) 665-6000

DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail and wholesale potable and reclaimed water and sewer services to major portions of Duval County and some portions of St. Johns, Clay, and Nassau Counties.

Approved by the JEA Board
March 25, 2025



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CONNECTION AND MAINTENANCE FEES

101 – Backflow Prevention Devices

Backflow prevention devices and device testing are required by JEA's Cross-Connection Control Policy. Residential Irrigation service customers participating in the JEA Residential Irrigation Backflow Testing Program (RIBTP) will receive a service charge for backflow preventer testing once every two (2) years. Commercial service customers, participating in JEA's commercial testing program, will receive a service charge for backflow preventer testing once every year.

Testing Fee is a backflow preventer testing charge of the actual cost of labor and materials or a maximum of \$50.00 applied to each residential irrigation service connection or commercial service connection participating in JEA's Residential Irrigation Backflow Testing Program (RIBTP) or commercial testing program.

Maintenance Fee is a backflow preventer maintenance charge applied to customers requesting backflow maintenance or installation service from JEA, as part of the RIBTP or commercial testing program. The maintenance charge will equal JEA's cost to provide the requested service.

102 – Meter Tap Fees and Meter Set Fees for New Service Connections

- a) **Water (Potable, Irrigation, Reclaimed) Fees.** JEA shall have the right to determine, connect, or set appropriately sized meters after a consideration of the minimum and maximum quantities of water to be delivered to any and all connections served by JEA's water system. JEA shall charge and collect at the time application is made or a plumbing permit is received. Installation costs according to the following schedule:

Tap Size (inches)	Size of Service Size (inches)	Meter Size (inches)	Tap Fee	Meter Set Fee
1	3/4	3/4	\$1,360	\$300
1	1	1	\$1,360	\$320
2	1-1/2	1-1/2	\$1,770	\$1,010
2	2	2	\$1,770	\$1,150
No new 5/8" metered services available				

Tap fees for new service connections larger than 2" in diameter shall be based upon the cost by service size of the installation to JEA but not less than \$1,770. Meter set fee for new connections larger than 2" in diameter shall be based upon the cost by meter size of the installation to JEA or \$1,150, whichever is greater.



- b) **Increase in Meter Size.** The charge for increasing the size of an existing meter shall include the meter set fee and tap fee for the new meter as listed in section 102(a), plus the incremental plant capacity fees and the incremental line extension fees as determined in Section 105 for the new larger meter minus the corresponding amounts depicted for the existing meter.

- c) **Decrease in Meter Size.** Customers requesting to downsize their existing metered service must submit the request to JEA for approval. The customer must provide a basis for the downsize meter request to show that the meter was improperly oversized to begin with or that the facilities behind the meter have changed. The justification that supports the smaller service and/or meter size must come from a professional with the same certification level as was provided in the determination of the original service size.

For downsizing an existing service with 1 ½' or greater meter size: The charge shall be at minimum the meter set fee and tap fee for the smaller meter as listed in section 102(a) for new metered service connections of the prevailing tariff. JEA will make a size reduction at the tap and reduce the service line size. The costs include removal of bypass valves, valve boxes or vaults for existing meter services 3" or greater. If JEA estimates the cost of a customer request to downsize a metered service with an existing 1 ½" or greater meter size is greater than the average cost of either the tap fee or meter set fee listed in section 102(a), JEA will charge the customer the estimated cost.

For downsizing an existing 1" meter to a ¾" meter: A uniform meter downsize charge of \$500 will be assessed in lieu of a separate meter set fee and tap fee, where JEA may elect to install any of the following: a smaller tap service line reducer bushing or flow restriction orifice.

- d) **Precedent.** JEA shall set forth rules to implement the provisions of this subsection. To the extent this subsection conflicts with the provisions of JEA Water and Sewer Rules and Regulations, this section shall take precedent.



103 – Sewer Tap Charges and Sewer Tap Extension Fees

A charge for all connections to JEA’s sewer system shall be paid in advance by the user in an amount according to the following schedule:

Connection Size	Fee
6 inches	\$8,330
>6 inches	Actual Cost

For all sewer connections where there is no unpaved parkway or where other than a standard 6" "Y" connection to the sewer is used -- an amount equal to a) the cost by installation size to JEA or b) \$8,330, whichever is greater. In these cases, the user shall deposit with JEA, in advance, the estimated cost of the connections as determined by JEA.

A sewer tap extension fee is applicable for premises that have had active sewer service within the recent 10 years, a sewer locate has been completed within 9 months, and the existing sewer tap is required to be extended to the property line.

Extension Size	Fee
All Sizes	\$2,894

104 – Special Connections

In the event an application for water or sewer connection is received and the cost of installation, due to unusual circumstances, is determined by JEA to be substantially more than the charges set forth in this part, the installation charge shall be at actual cost to JEA or the standard cost, whichever is greater.

Temporary water service shall be metered and charges imposed by Section 102(a) shall apply

105 – Water and Sewer Capacity Charge and Surcharges

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

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



b) **Plant and Line Extension Growth Capacity Charges.** The charges shall be calculated as follows:

1. **Water (Potable and Irrigation).** The minimum charge for a new water connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below, plus the line extension growth capacity charge.

Plant Capacity Fees for Residential and Commercial

** Potable & reclaimed water considered the same for irrigation*

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$4.68
Water (without irrigation)	
¾"	\$1,170.00
1"	\$1,404.00
1 ½"	\$2,106.00
Water (with irrigation)	
¾"	\$936.00
1"	\$1,170.00
1 ½"	\$1,404.00
Irrigation	
¾"	\$1,053.00
1"	\$1,521.00
1 ½"	\$3,276.00

For existing water connections, there will be a charge per gallon of additional average daily water capacity stated above as estimated and approved by JEA plus the line extension growth capacity charge. The schedules below provide line extension growth capacity charges by meter size. Services greater than 1 ½" and those that have more fixture units than allowed by meter size will be charged based on the estimated average daily flow.

Line Extension Growth Capacity Charge

(Effective January 1, 2006 - current)

Meter Size	Residential	Commercial
5/8"	N/A	N/A
3/4"	\$1,695	\$1,695
1"	\$2,000	\$2,500
1 ½"	\$2,175	\$2,500
2"	\$2,350	\$2,500
3"	N/A	\$5,000
4"	N/A	\$5,000
6"	N/A	\$5,000
8"	N/A	\$5,000
10"	N/A	\$10,000
12"	N/A	\$10,000
20"	N/A	\$20,000



2. **Sewer.** The minimum charge for a new sewer connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below.

Plant Capacity Fees for Residential and Commercial

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$25.57
Sewer	
$\frac{3}{4}$ "	\$5,114.00
1"	\$6,392.50
1 $\frac{1}{2}$ "	\$7,671.00

For existing sewer connections, there will be a charge per gallon of additional average daily sewer capacity as estimated and approved by JEA as stated above.

For industrial or process waste there shall be a charge per gallon for each gallon of daily production flow or the average of all production shift flows (whichever presents the greater requirement for volumetric capacity of the treatment unit), stated above as estimated to the satisfaction of JEA where the character of the waste does not exceed 300 parts per million, by weight, of suspended solids, or chemical oxygen demand not exceeding 650 parts per million, by weight.

- c) **Sewer capacity surcharge.** In addition to the stated sewer capacity charge, there is an additional surcharge when the character of the sewage, waters or wastes from a manufacturing or industrial plant, business or commercial location or building or premises proposing to connect to JEA's sewer system has a five-day chemical oxygen demand of greater than 650 parts per million, by weight, or contains more than 300 parts per million, by weight, of suspended solids, or both, as determined from the application of the owner, which shall fully disclose to the satisfaction of JEA the character of the waste to be accepted. This additional surcharge shall be computed as follows:

$$\text{SCS} = ((\text{COD}-650) \times \text{Qmgd} \times 8.34\#/\text{gallons} \times \$188/\text{pound}) + ((\text{SS}-300) \times \text{Qmgd} \times 8.34\#/\text{gallons} \times \$82/\text{pounds})$$

Where:

SCS = Sewer Capacity Surcharge

Qmgd = Daily production flow or the average of all production shift flows (whichever presents the greatest requirement for volumetric and/or organic capacity) in million gallons a day

COD = Chemical Oxygen Demand in parts per million

SS = Suspended Solids in parts per million

- d) **Fees for Bulk Reclaimed water capacity** will not be charged for bulk reclaimed water sales.



e) **Transfer of Capacity.** JEA may consider transferring capacity (Annual Average Daily Flow – AADF). This section applies to capacity transfer requests from process facilities relocating, facilities on the same property, and qualifying customers within the boundaries of the Downtown Investment Authority.

1. **Process Facilities.** The following terms and conditions will apply:

1. The transfer must be made by a commercial or industrial customer who is relocating process equipment or process facilities from one location in JEA's service area to another location within JEA's service area.
2. Only capacity (AADF) related to the process equipment or process facilities located within a geographically contiguous customer complex with an annual average daily process flow greater than 25,000 gallons per day can be considered for the transfer from the predecessor location to the successor location. The AADF will be calculated from the past 12 monthly billing cycle records. The capacity (AADF) related to domestic plumbing fixture units will not be considered for the transfer and will remain with the property location.
3. Transfer of capacity (AADF) will be contingent on the customer removing and/or demolishing the process facilities at the predecessor location. JEA will review and approve the demolition plan submitted by the customer's registered Florida Professional Engineer (P.E.). JEA may grant the customer up to 36 months to remove or demolish the process facilities after receiving the transfer request approval letter from JEA.
4. The amount of capacity (AADF) to be transferred to the successor process facilities must be based on AADF methodology submitted by the customer's P.E. versus the fixture unit method used for domestic plumbing.
5. The customer's P.E. shall certify and supply an itemized breakout and summary of domestic plumbing fixture units that will remain at the predecessor location after removal of the process equipment and process facilities. The P.E. shall certify and supply projected flows at the successor location.
6. The entity (owner or tenant) of a property requesting transfer of capacity (AADF) will be required to demonstrate they are the entity that paid for or has the right to the capacity requested for transfer.
7. If the customer was leasing the predecessor facility from a property owner, the transfer request by the lessee will be considered only if the customer provides JEA a signed release stating the property owner acknowledges and will not contest the transfer of capacity (AADF) related to process equipment and facilities from the property.
8. Any request for transfer of capacity (AADF) must be made prior to the operation of the new process equipment or process facilities that will be using the water or sewer services that might qualify for the capacity transfer.



9. If the transfer request is for an amount of capacity (AADF) less than the amount assessed at the predecessor location, the remaining capacity may be utilized for up to 60 months from the transfer request approval. If the transfer request is for an amount of capacity less than the amount initially assessed at the successor location, then the difference will need to be paid at prevailing rates to JEA in conjunction with acceptance of the JEA transfer request approval letter.
 10. The transfer of capacity (AADF) will be a one-time event, whereas no subsequent transfer of previously transferred capacity (AADF) will be considered.
 11. The incremental flow capacity and wastewater characteristics corresponding to the proposed transfer of capacity (AADF) does not cause JEA to modify or enhance a sewer treatment facility in order to be in compliance with Florida Department of Environmental Protection regulations.
2. **Same Property.** The following terms and conditions will apply:
1. Transfer of capacity (AADF) applies to all property within JEA's service territory.
 2. In the case where no record of capacity is available, a fixture count of the existing facility will determine the amount of capacity available for transfer.
 3. Transfer of capacity (AADF) will be allowed at no additional cost. Additional capacity required for the new facility must be paid to JEA at prevailing rates. If the transfer request is for an amount of capacity (AADF) less than the amount assessed to the existing facility, the remaining capacity may be utilized for up to 60 months from the transfer request approval.
 4. The existing facility, upon which the new facility will be built, must be demolished.
 5. There are no restrictions on the amount of the capacity or flow of the existing or new facility.
3. **Within the Downtown Investment Authority (DIA) Boundaries.** The following terms and conditions will apply:
1. Boundaries for the DIA are defined in Jacksonville City Ordinance 2012-364 which may be revised in the future.
 2. The transfer request must be made by a commercial or industrial customer who is relocating within the DIA boundary.
 3. Qualifying customers must have an AADF at the predecessor facility greater than 1,000 gallons per day as determined by one of the methods in the following hierarchy:
 - A. Proof of Paid Capacity
 - B. Flows derived from fixture unit count as certified by a P. E.
 - C. Flows derived from JEA billing records



4. The P.E. shall certify and supply projected flows at the successor location.
 5. Transfer of capacity (AADF) from the predecessor facility will be allowed at no additional cost. Additional capacity required for the successor facility must be paid to JEA at prevailing rates. If the transfer request is for an amount of capacity (AADF) less than the amount assessed on the predecessor facility, the remaining capacity may be utilized for up to 60 months from the transfer request approval.
 6. The entity (owner or tenant) of a property requesting transfer of capacity (AADF) will be required to demonstrate they are the entity that paid for or has the right to the capacity requested for transfer.
 7. If the customer was leasing the predecessor facility from a property owner, the transfer request by the lessee will be considered only if the lessee provides JEA a release signed by the property owner stating the owner acknowledges and will not contest the transfer of capacity (AADF).
 8. If the predecessor facility, from which the capacity was transferred, is not demolished, the owner must record a deed restriction with the Duval County Clerk of the Court. The deed restriction must state that the predecessor facility no longer contains the transferred capacity allotment, which obligates payment of capacity fees at prevailing rates for future use or construction.
- f) **Capacity Charge Exceptions.** No water or sewer capacity charges, other than any additional charges listed below, if applicable, shall be due at the time of connection with respect to property.
1. As to which there has been paid to JEA a water and/or sewer capacity charge.
 2. Previously served by an investor/community-owned public utility company which has been acquired by JEA.



g) Additional charge(s). If:

1. JEA shall determine that the estimated average daily flow(s) of a user made at the time of initial connection to JEA's water and/or sewer system was erroneous, or that the description of the character of the waste in the application was erroneous; or
2. The use of the property served by JEA's water and/or sewer system changes because of: the construction of new dwellings, commercial or industrial facilities; additions to existing dwellings, commercial or industrial facilities; change in use from single family to multi-family residential; or increased, expanded or changed operations:
 1. so as to increase the number of gallons of sewage discharge by more than 20% over the number of the unit values or gallons of discharge at the most recent of either the time of payment of the last sewer capacity charge or the date when customer's sewer service provider was acquired by JEA; or
 2. so as to increase by more than 10% its COD or suspended solids loading measured in pounds a day; or
 3. so as to increase the number of gallons of water usage by more than 20% over the number of unit values or gallons of usage at the most recent of either the time of payment of the last water capacity charge or the date when customer's water service provider was acquired by JEA.

Then an additional charge resulting from the erroneous estimates or change in property use shall be due and payable at the time JEA shall determine that an erroneous estimate was made or at the time of the change in property use, regardless of whether a water and/or sewer capacity charge was ever imposed or paid at the time of initial connection to the system. The additional charge shall be calculated according to the same prevailing rates as described in 105 and shall be based on flow or on the excess COD or suspended solids loading as applicable, over that on which the previous sewer capacity charge was based.



- h) **Use of funds – Capacity fees and line extension charges.** Revenues derived from the Water/Sewer capacity fees and Water/Sewer line extension charges are to be placed in Water/Sewer capacity and line extension capital improvement funds. The funds are used for qualifying capital expenditures related to growth and expansion, to pay debt service and/or debt pay down on qualifying capital expenditures initially funded through bond issuance.

Qualifying expenditures for the Water/Sewer capacity fees include:

1. Treatment plants and capacity expansion
2. Treatment plant configuration
3. Wastewater master pump stations and force mains directly upstream of the wastewater plant

Qualifying expenditures for the Water/Sewer Line Extension Growth Charges for backbone transmission facilities include:

1. Water mains providing transmission capacity to the distribution grid
2. Water re-pump stations
3. Remote storage facilities
4. Force mains providing transmission capacity to the collection system
5. Interceptor (trunk) gravity lines



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

201 – Residential Rates

Basic Monthly Charge

Meter Size	Water	Sewer	Potable Irrigation	Reclaim Irrigation ⁽¹⁾
5/8"	\$13.60	\$17.03	\$13.60	\$12.60
3/4"	\$18.23	\$23.37	\$18.23	\$18.90
1"	\$27.48	\$36.06	\$27.48	\$31.50
1 ½"	\$50.63	\$67.77	\$50.63	\$63.00
2"	\$78.40	\$105.83	\$78.40	\$100.80

(1) Non-bulk irrigation service agreement with reclaimed water will be charged an additional \$6.00 monthly fee regardless of meter size to cover costs due to regulatory requirements.

Volume Charge per Thousand Gallons (kgal)

Tier	Water	Sewer	Potable Irrigation	Reclaim Irrigation
1-4 kgal	\$1.34			
5-8 kgal	\$2.99			
9-15 kgal	\$5.13			
>15 kgal	\$6.45			
All kgal		\$5.17		
1-7 kgal			\$4.08	
>7 kgal			\$6.13	
1-14 kgal				\$2.97
>14 kgal				\$5.97



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

202 – Commercial Rates

Basic Monthly Charge

Meter Size	Water	Sewer	Potable Irrigation ⁽¹⁾	Reclaim Irrigation ^(2,3)	Bulk Reclaim Irrigation
5/8"	\$13.60	\$37.08	\$13.60	\$12.60	\$13.60
3/4"	\$18.23	\$53.43	\$18.23	\$18.90	\$18.23
1"	\$27.48	\$86.14	\$27.48	\$31.50	\$27.48
1 1/2"	\$50.63	\$167.90	\$50.63	\$63.00	\$50.63
2"	\$78.40	\$266.03	\$78.40	\$100.80	\$78.40
3"	\$166.35	\$576.74	\$166.35	\$201.60	\$166.35
4"	\$282.08	\$985.58	\$282.08	\$315.00	\$282.08
6"	\$629.25	\$2,212.09	\$629.25	\$630.00	\$629.25
8"	\$744.97	\$2,620.92	\$744.97	\$1,008.00	\$744.97
10"	\$1,948.50	\$6,872.82	\$1,948.50	\$1,974.55	\$1,948.50
12"	\$2,457.68	\$8,671.70	\$2,457.68	\$3,691.55	\$2,457.68
20"	\$4,706.00	\$12,163.62	\$4,706.00	\$7,726.50	\$4,706.00

(1) Includes Multi-Family Potable Irrigation

(2) Includes Multi-Family Reclaim Irrigation Service

(3) Non-bulk irrigation service agreement with reclaimed water will be charged an additional \$6.00 monthly fee regardless of meter size to cover costs due to regulatory requirements.

Volume Charge per Thousand Gallons (kgal)

Tier	Water	Sewer	Limited Service Sewer ⁽¹⁾	Potable Irrigation ⁽²⁾	Reclaim Irrigation ⁽³⁾	Bulk Reclaimed
All kgal	\$3.06					
All kgal		\$5.17				
All kgal			\$4.14			
1-7 kgal				\$3.99		
>7 kgal				\$5.36		
1-14 kgal					\$3.81	
>14 kgal					\$4.33	
All kgal						\$0.28 ⁽⁴⁾

(1) No new Limited Service Sewer accounts shall be allowed

(2) Includes Multi-Family Potable Irrigation

(3) Includes Multi-Family Reclaimed Irrigation Service

(4) Rates apply in accordance with JEA standard bulk reclaimed water service agreement until such time as JEA may no longer offer reclaimed water service under such agreement.



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

203 – Multi-Family Rates

Basic Monthly Charge – Small Meter Sizes

Meter Size	Water	Sewer
5/8"	\$13.60	\$17.03
3/4"	\$18.23	\$23.37

Basic Monthly Charge – All Other Meter Sizes

Meter Size	Water	Sewer
1"	\$51.93	\$79.69
1 ½"	\$99.48	\$155.01
2"	\$156.55	\$245.39
3"	\$337.26	\$531.60
4"	\$575.04	\$908.20
6"	\$1,288.39	\$2,037.98
8"	\$1,526.17	\$2,414.57
10"	\$3,999.08	\$6,331.15
12"	\$5,045.32	\$7,988.16
20"	\$9,295.50	\$13,624.56

Note: For Multi-Family Potable Irrigation or Reclaim Irrigation Basic Monthly Charges, Section 202 Commercial Potable Irrigation and Reclaimed Irrigation rates will apply.

Volume Charge per Thousand Gallons (kgal) – Small Meter Sizes

Tier	Water	Sewer
1-4 kgal	\$1.34	
5-8 kgal	\$2.99	
9-15 kgal	\$5.13	
>15 kgal	\$6.45	
All kgal		\$5.17

Volume Charge per Thousand Gallons (kgal) – All Other Meter Sizes

Tier	Water	Sewer
All kgal	\$2.47	
All kgal		\$5.17

Note: For Multi-Family Potable Irrigation or Reclaim Irrigation volume charges, Section 202 Commercial Potable Irrigation and Reclaimed Irrigation rates will apply .



CHARGES FOR FIRE PROTECTION WATER SERVICE

301 - Fire Protection Charges

Unmetered connection to JEA's water system for the purpose of providing service on a standby basis for fire protection, there shall be a monthly charge according to the following schedule:

Size of Branch (inches)	Monthly Charge
4 or less	\$7.17
6	\$20.83
8	\$44.38
10 or greater	\$79.81

- a) **Closed Unmetered connection** use shall be limited to the interior of buildings only with a physically separate fire protection system with no external connections or standpipes with access to potable water.

Other water and sewer services to a fire protection customer may be terminated because of nonpayment of fire protection charges. No connection shall be made to the system for a use other than fire protection. The requesting party shall be responsible for all costs incurred in the construction of the connection to JEA's water main.

There shall be no connection of the system with another water source, unless a backflow prevention device, approved pursuant to JEA Rules and Regulations for Water and Sewer Service is installed. No suction of a pump may be attached to a connection of JEA except for health or safety reasons and with the written approval of the JEA. Buildings that are to be served by a closed unmetered connection, specifically designed for fire protection, at the owner's expense, install and maintain a water flow meter with transmitting unit (MTU), as prescribed by JEA Rules and Regulations for Water and Sewer Service. This flow meter shall be installed on the unmetered water connection fire line detector check assembly. The MTU shall be set to transmit potential consumption nightly, in off peak hours. The building owner/customer must certify any flow detected is water used specifically in the extinguishment or control of fires within the building and not domestic consumption. In the event of noncompliance by the customer with a provision of this section, JEA shall cause the discontinuance of service until the customer makes application and payment for installation of the proper size meter and applicable rate for metered services.



- b) **Open Unmetered connection** to JEA's water system, where a customer could access water through standpipes or other firefighting connections to JEA's water system, for the purpose of providing service on a standby basis for fire protection on which the customer has purchased and installed a water flow monitoring device as prescribed by JEA rules and Regulations for Water and Sewer Service.

Volume Charges for water, used in fire protection or testing purposes, as estimated by JEA, shall be billed at prevailing rates as established in Section 202. The requesting party shall be responsible for all costs, including costs of meter removal and installation of a detector-check, incurred in the construction of the connection to JEA's water main.

Other water and sewer service to a fire protection customer may be terminated because of non-payment of fire protection charges.

There shall be no connection of the system with another water source, unless a backflow prevention device, approved pursuant to appropriate sections of JEA Rules and Regulations for Water and Sewer Service, is installed. No suction of a pump may be attached to a connection of JEA except for health or safety reasons and with the written approval of JEA. In the event of non-compliance by the customer with a provision of this subsection, JEA shall cause the discontinuance of service until the customer makes application and payment for installation of the proper size meter and applicable rate for meter service.

Water used for municipal purposes other than the extinguishment of fires and all water used by another political subdivision or political agencies, state and federal, shall be subject to the rate schedule set forth in this document.



RETAIL SERVICE CHARGES

401 –Retail Services Charges

- a) To physically locate a sewer connection, the charge is \$491.00
- b) JEA will conduct fire hydrant flow tests when requested. The fee for this service will be \$82.00
- c) 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 share in the cost of the testing according to the following schedule:
 - 1. \$40.00 for a field test of a meter up to 1 inch
 - 2. \$85.00 for a field test of a meter between 1 ½ and 2 inches
 - 3. \$125.00 for a field test of a meter greater than 2 inches
- d) The fee for reconnection of sewer services which have been discontinued for nonpayment of sewer service charges shall be \$400.00 or actual cost for labor and materials.
- e) The fee to start a water, sewer, or a water/sewer service shall be \$10.00
- f) The fee to start a potable irrigation or reclaimed irrigation service shall be \$10.00
- g) The fee for reconnection following disconnection for delinquency shall be \$14.00 per service
- h) The charge for the reactivation of a residential irrigation service, including reclaimed, within six months of a customer requested disconnect at the same service address by the same customer shall be \$125.00
- i) The charge for the reactivation of a commercial irrigation service, including reclaimed, within six months of a customer requested disconnect at the same service address by the same customer shall be \$250.00



CONDITIONS FOR SEWER SERVICE

501 – Condition for Service

- a) Each applicant for a sewer connection between JEA's sewer system and a lot or parcel of land which is supplied water by a private system or well shall have a meter, approved by JEA, installed and maintained at the expense of the applicant and his successors in interest. The meter shall be located in the water line at a convenient location for reading and for measuring the water which enters the sewer system. In these cases the sewer service charge shall be based upon the reading of the meter made by JEA's meter readers. Each sewer only customer class with unmetered water or inoperative meter shall be charged at the average monthly water usage rate for the prior calendar year for that customer class as the consumption amount.

- b) On sewer credit accounts, the water meter shall be JEA-owned and installed by the owner, tenant, occupant or his agent under the direct supervision of JEA, and the owner, tenant or occupant shall pay those inspection, delivery, material and administrative costs as determined by JEA or which are required by, and shall be subject to, the terms and requirements of sections 102. This paragraph does not apply to owners, tenants or occupants of lots or parcels of land which are connected to JEA water and sewer system and also have a cross-connection to another water supply. The maximum credit that can be given for an existing sewer credit account is 75% of the total water billed for the account on which the credit is to be given. No new sewer credit accounts shall be allowed.

- c) Effective October 1, 1988, all owners, tenants, and occupants shall be required to provide for the installation and use of JEA-owned water meters in all water systems, regardless of whether the meter is or was installed for the purposes of establishing a charge or a credit.

502 – Sewer Surcharge

In all cases where the character of the sewage, waters or waste from a manufacturing or industrial plant, business or commercial location, building or premises has a chemical oxygen demand (COD) of more than 650 parts per million by weight or contains more than 300 parts per million by weight of suspended solids (SS), or both, and the sewage, waters or waste are accepted into the sewage system for treatment, the discharger shall pay to JEA a rate, fee or charge, designated as a surcharge. Surcharge shall be in addition to any sewer service charge which might be based upon the customer's premises as set forth in this Water & Sewer Rate Document. JEA reserves the right to deny any discharger treatment capacity based on JEA's determination that additional organic loading above 650/ppm COD, 300/ppm suspended solids or additional hydraulic load, or any combination of the above, will hamper or reduce the effective operations of the treatment facility.



The surcharge shall consist of an amount calculated according to the following formula:

$$S = V_s \times \{ \$0.002385 (\text{COD} - 650) + \$0.002552 (\text{SS} - 300) \}$$

Where:

S = surcharge in dollars

V_s = sewage volume in kgal

\$0.002385 = unit charge factor for COD based on 28.6 cents per pound of COD;

COD = chemical oxygen demand strength index in parts per million by weight

650 = allowable COD strength under normal volume charges in parts per million by weight

\$0.002552 = unit charge factor for suspended solids based upon 30.6 cents per pound of suspended solids

SS = suspended solids strength index

The amount of the surcharge for the use of JEA's sewer system shall be separately stated as a part of the total sewer service charge for the billing period and shall be payable, collectible and enforceable in the manner provided for sewer service charges. Unless otherwise required by JEA for compliance with local, State and federal law or regulations, each customer to which this surcharge applies shall submit, on a monthly basis, a laboratory analysis of such scope as to permit JEA to render an accurate billing of this charge as provided herein.

Each sewer customer to which this surcharge could apply that does not submit a laboratory analysis shall be charged a sewer surcharge based upon the average surcharge factors of other customers who have the same property use code as assigned by the Duval County Property Appraiser's Office or based upon factors assigned by JEA until reporting of actual surcharge factors are provided by the sewer customer.

503 – Scavenger and Leachate Hauled Waste

Scavenger waste, as described in JEA Rules and Regulations for Water and Sewer Service, may be disposed of at a JEA sewage treatment plant after approval of JEA at a charge of \$8.30 for each 100 gallons of waste based on the full capacity of each vehicle for each discharge. There shall be a minimum fee of \$30.00 for each discharge.

Leachate waste may be disposed of at a JEA sewage treatment plant after approval of JEA at a charge of \$8.30 per 100 gallons of waste based on the full capacity of each vehicle for each discharge.



CONDITIONS FOR RECLAIMED SERVICE

601 – Availability and Requirements for Service

This service will only be provided where service is available, with a physically separate reclaimed water irrigation system. Bulk service will be available to large commercial and industrial users where JEA reclaimed water system is closely available. Retail service for residential and commercial service will be available in Developments of Regional Impact (DRIs), in areas served by JEA, where service is available, with a physically separate reclaimed water irrigation system. No connection to JEA's potable water system by valve or any other means will be allowed. Certification that no interconnection exists must be provided to JEA before any service connections are made. All areas where reclaimed water is being used must be clearly marked as non-potable water. Any customer whose reclaimed water system is in violation of any regulation or procedure shall be subject to immediate discontinuance of reclaimed water service. Such discontinuance shall not relieve any person of liability for any payments due to JEA.

602 – Connection Fees, etc.

Connection, reconnection, tap, and construction fees and rates shall be in accordance with applicable sections of the Water and Sewer Rate Document.



BILLING

701 – Customer Installed Meters

If a meter installed and maintained by an owner, occupant or tenant upon which the sewer service charges imposed by this Water and Sewer Rate document is found to be defective for any reason whatsoever, the owner, occupant or tenant shall immediately correct the defect and have the meter tested by JEA at his expense. In these cases, JEA reserves the right to render an average or estimated bill for the period that the meter was defective, based upon previous consumption on the meter.

702 – Pool Fill Credits

Any metered user to whom sewer charges are regularly rendered and through whose meter a swimming, family swimming, or public pool receives water from JEA water system and whose pool capacity has been documented to JEA by the pool contractor, builder or homeowner at the time the building permit for the pool was issued shall have the right to fill the pool for the first time without application of the sewer charge to the quantity of water used to fill the pool. Furthermore, a metered user, as defined herein above, who is required to drain his pool in order to facilitate needed repair shall have the right to refill the pool after the repair has been completed without application of the sewer charge to the quantity of water used to refill the pool, provided that the necessity to drain the pool for repair and the pool's capacity in gallons is certified to JEA by the pool contractor or other person doing the repair prior to draining the pool. The certification shall be under oath and must have attached to it the permit issued by the Chief, Building and Zoning Inspection Division for any repairs. The right to fill the pool for the first time or to refill the pool after necessary repair may be exercised by the making of a written request to and upon forms available from JEA. The written request shall include such documented proof as required and as satisfactory to JEA, of the pool's capacity in gallons. The written request shall also include an affidavit (on the form provided by JEA) signed by the user, and water meter readings both immediately before and after the filling or refilling of the pool with dates and times of readings noted. All written requests shall be furnished to JEA no later than 30 days after completion of the filling or refilling. Upon receipt of a proper written request, JEA shall cause an appropriate credit to be made to the user's account.

703 – Utility Agreements

JEA serves a limited number of customers wherein it provides water service and a second party utility company provides sewer service, and vice versa. On some occasions, customers receiving water and sewer service from two different utilities pay only the water bill and not the sewer service bill. Curtailment of sewer service alone is extremely expensive in that sewer lines to customers typically do not have cut-off valves, necessitating that the sewer line be dug out and plugged. To accomplish the same protocol that is undertaken for customers who receive both water and sewer service by JEA, JEA is authorized to execute an agreement (containing appropriate hold harmless provisions as approved by the office of the General Counsel) with second party utility companies (which reciprocate) providing for the termination of water service for customers who do not pay the fees for sewer service. Said termination of water service shall afford notice and appeal rights conforming to those provided to customers receiving both water and sewer service from JEA.



704 – Special Services, Terms, Conditions and Rates

JEA and the customer may agree for JEA to provide special services, including related water, sewer and energy services, and for terms of service up to ten (10) years in length. Services could include the repayment to JEA over time of the capital costs incurred to connect new customers to the water and/or sewer system. Prices for special services, terms or conditions shall be based on cost. JEA's provision of special services, terms, and conditions requires execution of a contract between JEA and the customer, in which all special services, terms, and conditions shall be specified. Contract approval authorizations shall be as established in applicable JEA Management Directives, Policies or Procedures.

705 – Applicable Taxes and Fees

City of Jacksonville Service	Applicable Fees	Applicable Taxes
Water	3% Franchise Fee	10% Public Service Tax
Sewer	3% Franchise Fee	
Potable Irrigation	3% Franchise Fee	10% Public Service Tax
COD/TSS	3% Franchise Fee	
Reclaimed Irrigation	None	10% Public Service Tax
Capacity Fee	None	
Tap & Meter Fees	None	
Line Extension Growth Capacity Charge	None	

Nassau, St. Johns, Clay Counties Service	Applicable Fees	Applicable Taxes
Water	None	None
Sewer	None	None
Potable Irrigation	None	None
COD/TSS	None	None
Reclaimed Irrigation	None	None
Capacity Fee	None	None
Tap & Meter Fees	None	None
Line Extension Growth Capacity Charge	None	None

WATER AND SEWER SYSTEM TARIFF DOCUMENT



225 N. Pearl St.
Jacksonville, Florida 32202
(904) 665-6000

DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail and wholesale potable and reclaimed water and sewer services to major portions of Duval County and some portions of St. Johns, Clay, and Nassau Counties.

Approved by the JEA Board
March 25, 2025



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CONNECTION AND MAINTENANCE FEES

101 – Backflow Prevention Devices

Backflow prevention devices and device testing are required by JEA's Cross-Connection Control Policy. Residential Irrigation service customers participating in the JEA Residential Irrigation Backflow Testing Program (RIBTP) will receive a service charge for backflow preventer testing once every two (2) years. Commercial service customers, participating in JEA's commercial testing program, will receive a service charge for backflow preventer testing once every year.

Testing Fee is a backflow preventer testing charge of the actual cost of labor and materials or a maximum of \$50.00 applied to each residential irrigation service connection or commercial service connection participating in JEA's Residential Irrigation Backflow Testing Program (RIBTP) or commercial testing program.

Maintenance Fee is a backflow preventer maintenance charge applied to customers requesting backflow maintenance or installation service from JEA, as part of the RIBTP or commercial testing program. The maintenance charge will equal JEA's cost to provide the requested service.

102 –Meter Tap Fees and Meter Set Fees for New Service Connections

- a) **Water (Potable, Irrigation, Reclaimed) Fees.** JEA shall have the right to determine, connect, or set appropriately sized meters after a consideration of the minimum and maximum quantities of water to be delivered to any and all connections served by JEA's water system. JEA shall charge and collect at the time application is made or a plumbing permit is received. Installation costs according to the following schedule:

Tap Size (inches)	Size of Service Size (inches)	Meter Size (inches)	Tap Fee	Meter Set Fee
1	3/4	3/4	\$1,360	\$300
1	1	1	\$1,360	\$320
2	1-1/2	1-1/2	\$1,770	\$1,010
2	2	2	\$1,770	\$1,150
No new 5/8" metered services available				

Tap fees for new service connections larger than 2" in diameter shall be based upon the cost by service size of the installation to JEA but not less than \$1,770. Meter set fee for new connections larger than 2" in diameter shall be based upon the cost by meter size of the installation to JEA or \$1,150, whichever is greater.



- b) **Increase in Meter Size.** The charge for increasing the size of an existing meter shall include the meter set fee and tap fee for the new meter as listed in section 102(a), plus the incremental plant capacity fees and the incremental line extension fees as determined in Section 105 for the new larger meter minus the corresponding amounts depicted for the existing meter.

- c) **Decrease in Meter Size.** Customers requesting to downsize their existing metered service must submit the request to JEA for approval. The customer must provide a basis for the downsize meter request to show that the meter was improperly oversized to begin with or that the facilities behind the meter have changed. The justification that supports the smaller service and/or meter size must come from a professional with the same certification level as was provided in the determination of the original service size.

For downsizing an existing service with 1 ½' or greater meter size: The charge shall be at minimum the meter set fee and tap fee for the smaller meter as listed in section 102(a) for new metered service connections of the prevailing tariff. JEA will make a size reduction at the tap and reduce the service line size. The costs include removal of bypass valves, valve boxes or vaults for existing meter services 3" or greater. If JEA estimates the cost of a customer request to downsize a metered service with an existing 1 ½" or greater meter size is greater than the average cost of either the tap fee or meter set fee listed in section 102(a), JEA will charge the customer the estimated cost.

For downsizing an existing 1" meter to a ¾" meter: A uniform meter downsize charge of \$500 will be assessed in lieu of a separate meter set fee and tap fee, where JEA may elect to install any of the following: a smaller tap service line reducer bushing or flow restriction orifice.

- d) **Precedent.** JEA shall set forth rules to implement the provisions of this subsection. To the extent this subsection conflicts with the provisions of JEA Water and Sewer Rules and Regulations, this section shall take precedent.



103 – Sewer Tap Charges and Sewer Tap Extension Fees

A charge for all connections to JEA’s sewer system shall be paid in advance by the user in an amount according to the following schedule:

Connection Size	Fee
6 inches	\$8,330
>6 inches	Actual Cost

For all sewer connections where there is no unpaved parkway or where other than a standard 6" "Y" connection to the sewer is used -- an amount equal to a) the cost by installation size to JEA or b) \$8,330, whichever is greater. In these cases, the user shall deposit with JEA, in advance, the estimated cost of the connections as determined by JEA.

A sewer tap extension fee is applicable for premises that have had active sewer service within the recent 10 years, a sewer locate has been completed within 9 months, and the existing sewer tap is required to be extended to the property line.

Extension Size	Fee
All Sizes	\$2,894

104 – Special Connections

In the event an application for water or sewer connection is received and the cost of installation, due to unusual circumstances, is determined by JEA to be substantially more than the charges set forth in this part, the installation charge shall be at actual cost to JEA or the standard cost, whichever is greater.

Temporary water service shall be metered and charges imposed by Section 102(a) shall apply

105 – Water and Sewer Capacity Charge and Surcharges

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

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



b) **Plant and Line Extension Growth Capacity Charges.** The charges shall be calculated as follows:

1. **Water (Potable and Irrigation).** The minimum charge for a new water connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below, plus the line extension growth capacity charge.

Plant Capacity Fees for Residential and Commercial

** Potable & reclaimed water considered the same for irrigation*

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$4.68
Water (without irrigation)	
¾"	\$1,170.00
1"	\$1,404.00
1 ½"	\$2,106.00
Water (with irrigation)	
¾"	\$936.00
1"	\$1,170.00
1 ½"	\$1,404.00
Irrigation	
¾"	\$1,053.00
1"	\$1,521.00
1 ½"	\$3,276.00

For existing water connections, there will be a charge per gallon of additional average daily water capacity stated above as estimated and approved by JEA plus the line extension growth capacity charge. The schedules below provide line extension growth capacity charges by meter size. Services greater than 1 ½" and those that have more fixture units than allowed by meter size will be charged based on the estimated average daily flow.

Line Extension Growth Capacity Charge

(Effective January 1, 2006 - current)

Meter Size	Residential	Commercial
5/8"	N/A	N/A
3/4"	\$1,695	\$1,695
1"	\$2,000	\$2,500
1 ½"	\$2,175	\$2,500
2"	\$2,350	\$2,500
3"	N/A	\$5,000
4"	N/A	\$5,000
6"	N/A	\$5,000
8"	N/A	\$5,000
10"	N/A	\$10,000
12"	N/A	\$10,000
20"	N/A	\$20,000



2. **Sewer.** The minimum charge for a new sewer connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below.

Plant Capacity Fees for Residential and Commercial

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$25.57
Sewer	
$\frac{3}{4}$ "	\$5,114.00
1"	\$6,392.50
1 $\frac{1}{2}$ "	\$7,671.00

For existing sewer connections, there will be a charge per gallon of additional average daily sewer capacity as estimated and approved by JEA as stated above.

For industrial or process waste there shall be a charge per gallon for each gallon of daily production flow or the average of all production shift flows (whichever presents the greater requirement for volumetric capacity of the treatment unit), stated above as estimated to the satisfaction of JEA where the character of the waste does not exceed 300 parts per million, by weight, of suspended solids, or chemical oxygen demand not exceeding 650 parts per million, by weight.

- c) **Sewer capacity surcharge.** In addition to the stated sewer capacity charge, there is an additional surcharge when the character of the sewage, waters or wastes from a manufacturing or industrial plant, business or commercial location or building or premises proposing to connect to JEA's sewer system has a five-day chemical oxygen demand of greater than 650 parts per million, by weight, or contains more than 300 parts per million, by weight, of suspended solids, or both, as determined from the application of the owner, which shall fully disclose to the satisfaction of JEA the character of the waste to be accepted. This additional surcharge shall be computed as follows:

$$\text{SCS} = ((\text{COD}-650) \times \text{Qmgd} \times 8.34\#/\text{gallons} \times \$188/\text{pound}) + ((\text{SS}-300) \times \text{Qmgd} \times 8.34\#/\text{gallons} \times \$82/\text{pounds})$$

Where:

SCS = Sewer Capacity Surcharge

Qmgd = Daily production flow or the average of all production shift flows (whichever presents the greatest requirement for volumetric and/or organic capacity) in million gallons a day

COD = Chemical Oxygen Demand in parts per million

SS = Suspended Solids in parts per million

- d) **Fees for Bulk Reclaimed water capacity** will not be charged for bulk reclaimed water sales.



e) **Transfer of Capacity.** JEA may consider transferring capacity (Annual Average Daily Flow – AADF). This section applies to capacity transfer requests from process facilities relocating, facilities on the same property, and qualifying customers within the boundaries of the Downtown Investment Authority.

1. **Process Facilities.** The following terms and conditions will apply:

1. The transfer must be made by a commercial or industrial customer who is relocating process equipment or process facilities from one location in JEA's service area to another location within JEA's service area.
2. Only capacity (AADF) related to the process equipment or process facilities located within a geographically contiguous customer complex with an annual average daily process flow greater than 25,000 gallons per day can be considered for the transfer from the predecessor location to the successor location. The AADF will be calculated from the past 12 monthly billing cycle records. The capacity (AADF) related to domestic plumbing fixture units will not be considered for the transfer and will remain with the property location.
3. Transfer of capacity (AADF) will be contingent on the customer removing and/or demolishing the process facilities at the predecessor location. JEA will review and approve the demolition plan submitted by the customer's registered Florida Professional Engineer (P.E.). JEA may grant the customer up to 36 months to remove or demolish the process facilities after receiving the transfer request approval letter from JEA.
4. The amount of capacity (AADF) to be transferred to the successor process facilities must be based on AADF methodology submitted by the customer's P.E. versus the fixture unit method used for domestic plumbing.
5. The customer's P.E. shall certify and supply an itemized breakout and summary of domestic plumbing fixture units that will remain at the predecessor location after removal of the process equipment and process facilities. The P.E. shall certify and supply projected flows at the successor location.
6. The entity (owner or tenant) of a property requesting transfer of capacity (AADF) will be required to demonstrate they are the entity that paid for or has the right to the capacity requested for transfer.
7. If the customer was leasing the predecessor facility from a property owner, the transfer request by the lessee will be considered only if the customer provides JEA a signed release stating the property owner acknowledges and will not contest the transfer of capacity (AADF) related to process equipment and facilities from the property.
8. Any request for transfer of capacity (AADF) must be made prior to the operation of the new process equipment or process facilities that will be using the water or sewer services that might qualify for the capacity transfer.



9. If the transfer request is for an amount of capacity (AADF) less than the amount assessed at the predecessor location, the remaining capacity may be utilized for up to 60 months from the transfer request approval. If the transfer request is for an amount of capacity less than the amount initially assessed at the successor location, then the difference will need to be paid at prevailing rates to JEA in conjunction with acceptance of the JEA transfer request approval letter.
 10. The transfer of capacity (AADF) will be a one-time event, whereas no subsequent transfer of previously transferred capacity (AADF) will be considered.
 11. The incremental flow capacity and wastewater characteristics corresponding to the proposed transfer of capacity (AADF) does not cause JEA to modify or enhance a sewer treatment facility in order to be in compliance with Florida Department of Environmental Protection regulations.
2. **Same Property.** The following terms and conditions will apply:
 1. Transfer of capacity (AADF) applies to all property within JEA's service territory.
 2. In the case where no record of capacity is available, a fixture count of the existing facility will determine the amount of capacity available for transfer.
 3. Transfer of capacity (AADF) will be allowed at no additional cost. Additional capacity required for the new facility must be paid to JEA at prevailing rates. If the transfer request is for an amount of capacity (AADF) less than the amount assessed to the existing facility, the remaining capacity may be utilized for up to 60 months from the transfer request approval.
 4. The existing facility, upon which the new facility will be built, must be demolished.
 5. There are no restrictions on the amount of the capacity or flow of the existing or new facility.
 3. **Within the Downtown Investment Authority (DIA) Boundaries.** The following terms and conditions will apply:
 1. Boundaries for the DIA are defined in Jacksonville City Ordinance 2012-364 which may be revised in the future.
 2. The transfer request must be made by a commercial or industrial customer who is relocating within the DIA boundary.
 3. Qualifying customers must have an AADF at the predecessor facility greater than 1,000 gallons per day as determined by one of the methods in the following hierarchy:
 - A. Proof of Paid Capacity
 - B. Flows derived from fixture unit count as certified by a P. E.
 - C. Flows derived from JEA billing records



4. The P.E. shall certify and supply projected flows at the successor location.
 5. Transfer of capacity (AADF) from the predecessor facility will be allowed at no additional cost. Additional capacity required for the successor facility must be paid to JEA at prevailing rates. If the transfer request is for an amount of capacity (AADF) less than the amount assessed on the predecessor facility, the remaining capacity may be utilized for up to 60 months from the transfer request approval.
 6. The entity (owner or tenant) of a property requesting transfer of capacity (AADF) will be required to demonstrate they are the entity that paid for or has the right to the capacity requested for transfer.
 7. If the customer was leasing the predecessor facility from a property owner, the transfer request by the lessee will be considered only if the lessee provides JEA a release signed by the property owner stating the owner acknowledges and will not contest the transfer of capacity (AADF).
 8. If the predecessor facility, from which the capacity was transferred, is not demolished, the owner must record a deed restriction with the Duval County Clerk of the Court. The deed restriction must state that the predecessor facility no longer contains the transferred capacity allotment, which obligates payment of capacity fees at prevailing rates for future use or construction.
- f) **Capacity Charge Exceptions.** No water or sewer capacity charges, other than any additional charges listed below, if applicable, shall be due at the time of connection with respect to property.
1. As to which there has been paid to JEA a water and/or sewer capacity charge.
 2. Previously served by an investor/community-owned public utility company which has been acquired by JEA.



g) Additional charge(s). If:

1. JEA shall determine that the estimated average daily flow(s) of a user made at the time of initial connection to JEA's water and/or sewer system was erroneous, or that the description of the character of the waste in the application was erroneous; or
2. The use of the property served by JEA's water and/or sewer system changes because of: the construction of new dwellings, commercial or industrial facilities; additions to existing dwellings, commercial or industrial facilities; change in use from single family to multi-family residential; or increased, expanded or changed operations:
 1. so as to increase the number of gallons of sewage discharge by more than 20% over the number of the unit values or gallons of discharge at the most recent of either the time of payment of the last sewer capacity charge or the date when customer's sewer service provider was acquired by JEA; or
 2. so as to increase by more than 10% its COD or suspended solids loading measured in pounds a day; or
 3. so as to increase the number of gallons of water usage by more than 20% over the number of unit values or gallons of usage at the most recent of either the time of payment of the last water capacity charge or the date when customer's water service provider was acquired by JEA.

Then an additional charge resulting from the erroneous estimates or change in property use shall be due and payable at the time JEA shall determine that an erroneous estimate was made or at the time of the change in property use, regardless of whether a water and/or sewer capacity charge was ever imposed or paid at the time of initial connection to the system. The additional charge shall be calculated according to the same prevailing rates as described in 105 and shall be based on flow or on the excess COD or suspended solids loading as applicable, over that on which the previous sewer capacity charge was based.



- h) **Use of funds – Capacity fees and line extension charges.** Revenues derived from the Water/Sewer capacity fees and Water/Sewer line extension charges are to be placed in Water/Sewer capacity and line extension capital improvement funds. The funds are used for qualifying capital expenditures related to growth and expansion, to pay debt service and/or debt pay down on qualifying capital expenditures initially funded through bond issuance.

Qualifying expenditures for the Water/Sewer capacity fees include:

1. Treatment plants and capacity expansion
2. Treatment plant configuration
3. Wastewater master pump stations and force mains directly upstream of the wastewater plant

Qualifying expenditures for the Water/Sewer Line Extension Growth Charges for backbone transmission facilities include:

1. Water mains providing transmission capacity to the distribution grid
2. Water re-pump stations
3. Remote storage facilities
4. Force mains providing transmission capacity to the collection system
5. Interceptor (trunk) gravity lines



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

201 – Residential Rates

Basic Monthly Charge

Meter Size	Water	Sewer	Potable Irrigation	Reclaim Irrigation ⁽¹⁾
5/8"	\$13.60 \$13.24	\$17.03 \$15.86	\$13.60 \$13.24	\$12.60
3/4"	\$18.23 \$17.67	\$23.37 \$21.61	\$18.23 \$17.67	\$18.90
1"	\$27.48 \$26.53	\$36.06 \$33.10	\$27.48 \$26.53	\$31.50
1 ½"	\$50.63 \$48.70	\$67.77 \$61.83	\$50.63 \$48.70	\$63.00
2"	\$78.40 \$75.29	\$105.83 \$96.31	\$78.40 \$75.29	\$100.80

(1) Non-bulk irrigation service agreement with reclaimed water will be charged an additional \$6.00 monthly fee regardless of meter size to cover costs due to regulatory requirements.

Volume Charge per Thousand Gallons (kgal)

Tier	Water	Sewer	Potable Irrigation	Reclaim Irrigation
1-4 kgal	\$1.34			
5-8 kgal	\$2.99			
9-15 kgal	\$5.13			
>15 kgal	\$6.45			
All kgal		\$5.17 \$4.88		
1-7 kgal			\$4.08 \$4.02	
>7 kgal			\$6.13 \$6.03	
1-14 kgal				\$2.97
>14 kgal				\$5.97



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

202 – Commercial Rates

Basic Monthly Charge

Meter Size	Water	Sewer	Potable Irrigation ⁽¹⁾	Reclaim Irrigation ^(2,3)	Bulk Reclaim Irrigation
5/8"	\$13.60 \$13.24	\$37.08 \$37.08	\$13.60 \$13.24	\$12.60	\$13.60 \$13.24
3/4"	\$18.23 \$17.67	\$53.43 \$53.43	\$18.23 \$17.67	\$18.90	\$18.23 \$17.67
1"	\$27.48 \$26.53	\$86.14 \$86.14	\$27.48 \$26.53	\$31.50	\$27.48 \$26.53
1 1/2"	\$50.63 \$48.70	\$167.90 \$167.90	\$50.63 \$48.70	\$63.00	\$50.63 \$48.70
2"	\$78.40 \$75.29	\$266.03 \$266.03	\$78.40 \$75.29	\$100.80	\$78.40 \$75.29
3"	\$166.35 \$159.52	\$576.74 \$576.74	\$166.35 \$159.52	\$201.60	\$166.35 \$159.52
4"	\$282.08 \$270.34	\$985.58 \$985.58	\$282.08 \$270.34	\$315.00	\$282.08 \$270.34
6"	\$629.25 \$602.79	\$2,212.09 \$2,212.09	\$629.25 \$602.79	\$630.00	\$629.25 \$602.79
8"	\$744.97 \$713.61	\$2,620.92 \$2,620.92	\$744.97 \$713.61	\$1,008.00	\$744.97 \$713.61
10"	\$1,948.50 \$1,866.13	\$6,872.82 \$6,872.82	\$1,948.50 \$1,866.13	\$1,974.55	\$1,948.50 \$1,866.13
12"	\$2,457.68 \$2,353.73	\$8,671.70 \$8,671.70	\$2,457.68 \$2,353.73	\$3,691.55	\$2,457.68 \$2,353.73
20"	\$4,706.00	\$12,163.62	\$4,706.00	\$7,726.50	\$4,706.00

(1) Includes Multi-Family Potable Irrigation

(2) Includes Multi-Family Reclaim Irrigation Service

(3) Non-bulk irrigation service agreement with reclaimed water will be charged an additional \$6.00 monthly fee regardless of meter size to cover costs due to regulatory requirements.

Volume Charge per Thousand Gallons (kgal)

Tier	Water	Sewer	Limited Service Sewer ⁽¹⁾	Potable Irrigation ⁽²⁾	Reclaim Irrigation ⁽³⁾	Bulk Reclaimed
All kgal	\$3.06					
All kgal		\$5.17 \$4.88				
All kgal			\$4.14 \$3.90			
1-7 kgal				\$3.99 \$3.49		
>7 kgal				\$5.36 \$4.69		
1-14 kgal					\$3.81	
>14 kgal					\$4.33	



All kgal

\$0.28⁽⁴⁾

- (1) No new Limited Service Sewer accounts shall be allowed
- (2) Includes Multi-Family Potable Irrigation
- (3) Includes Multi-Family Reclaimed Irrigation Service
- (4) Rates apply in accordance with JEA standard bulk reclaimed water service agreement until such time as JEA may no longer offer reclaimed water service under such agreement.



RATES FOR WATER, SEWER AND RECLAIMED SERVICE

203 – Multi-Family Rates

Basic Monthly Charge – Small Meter Sizes

Meter Size	Water	Sewer
5/8"	\$13.60 \$13.24	\$17.03 \$15.86
3/4"	\$18.23 \$17.67	\$23.37 \$21.61

Basic Monthly Charge – All Other Meter Sizes

Meter Size	Water	Sewer
1"	\$51.93	\$79.69
1 ½"	\$99.48	\$155.01
2"	\$156.55	\$245.39
3"	\$337.26	\$531.60
4"	\$575.04	\$908.20
6"	\$1,288.39	\$2,037.98
8"	\$1,526.17	\$2,414.57
10"	\$3,999.08	\$6,331.15
12"	\$5,045.32	\$7,988.16
20"	\$9,295.50	\$13,624.56

Note: For Multi-Family Potable Irrigation or Reclaim Irrigation Basic Monthly Charges, Section 202 Commercial Potable Irrigation and Reclaimed Irrigation rates will apply.

Volume Charge per Thousand Gallons (kgal) – Small Meter Sizes

Tier	Water	Sewer
1-4 kgal	\$1.34	
5-8 kgal	\$2.99	
9-15 kgal	\$5.13	
>15 kgal	\$6.45	
All kgal		\$5.17 4.88

Volume Charge per Thousand Gallons (kgal) – All Other Meter Sizes

Tier	Water	Sewer
All kgal	\$2.47	
All kgal		\$5.17 4.88

Note: For Multi-Family Potable Irrigation or Reclaim Irrigation volume charges, Section 202 Commercial Potable Irrigation and Reclaimed Irrigation rates will apply .



CHARGES FOR FIRE PROTECTION WATER SERVICE

301 - Fire Protection Charges

Unmetered connection to JEA's water system for the purpose of providing service on a standby basis for fire protection, there shall be a monthly charge according to the following schedule:

Size of Branch (inches)	Monthly Charge
4 or less	\$6.83 <u>7.17</u>
6	\$19.83 <u>20.83</u>
8	\$42.27 <u>44.38</u>
10 or greater	\$76.01 <u>79.81</u>

- a) **Closed Unmetered connection** use shall be limited to the interior of buildings only with a physically separate fire protection system with no external connections or standpipes with access to potable water.

Other water and sewer services to a fire protection customer may be terminated because of nonpayment of fire protection charges. No connection shall be made to the system for a use other than fire protection. The requesting party shall be responsible for all costs incurred in the construction of the connection to JEA's water main.

There shall be no connection of the system with another water source, unless a backflow prevention device, approved pursuant to JEA Rules and Regulations for Water and Sewer Service is installed. No suction of a pump may be attached to a connection of JEA except for health or safety reasons and with the written approval of the JEA. Buildings that are to be served by a closed unmetered connection, specifically designed for fire protection, at the owner's expense, install and maintain a water flow meter with transmitting unit (MTU), as prescribed by JEA Rules and Regulations for Water and Sewer Service. This flow meter shall be installed on the unmetered water connection fire line detector check assembly. The MTU shall be set to transmit potential consumption nightly, in off peak hours. The building owner/customer must certify any flow detected is water used specifically in the extinguishment or control of fires within the building and not domestic consumption. In the event of noncompliance by the customer with a provision of this section, JEA shall cause the discontinuance of service until the customer makes application and payment for installation of the proper size meter and applicable rate for metered services.



- b) **Open Unmetered connection** to JEA's water system, where a customer could access water through standpipes or other firefighting connections to JEA's water system, for the purpose of providing service on a standby basis for fire protection on which the customer has purchased and installed a water flow monitoring device as prescribed by JEA rules and Regulations for Water and Sewer Service.

Volume Charges for water, used in fire protection or testing purposes, as estimated by JEA, shall be billed at prevailing rates as established in Section 202. The requesting party shall be responsible for all costs, including costs of meter removal and installation of a detector-check, incurred in the construction of the connection to JEA's water main.

Other water and sewer service to a fire protection customer may be terminated because of non-payment of fire protection charges.

There shall be no connection of the system with another water source, unless a backflow prevention device, approved pursuant to appropriate sections of JEA Rules and Regulations for Water and Sewer Service, is installed. No suction of a pump may be attached to a connection of JEA except for health or safety reasons and with the written approval of JEA. In the event of non-compliance by the customer with a provision of this subsection, JEA shall cause the discontinuance of service until the customer makes application and payment for installation of the proper size meter and applicable rate for meter service.

Water used for municipal purposes other than the extinguishment of fires and all water used by another political subdivision or political agencies, state and federal, shall be subject to the rate schedule set forth in this document.



RETAIL SERVICE CHARGES

401 –Retail Services Charges

- a) To physically locate a sewer connection, the charge is \$491.00
- b) JEA will conduct fire hydrant flow tests when requested. The fee for this service will be \$82.00
- c) 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 share in the cost of the testing according to the following schedule:
 - 1. \$40.00 for a field test of a meter up to 1 inch
 - 2. \$85.00 for a field test of a meter between 1 ½ and 2 inches
 - 3. \$125.00 for a field test of a meter greater than 2 inches
- d) The fee for reconnection of sewer services which have been discontinued for nonpayment of sewer service charges shall be \$400.00 or actual cost for labor and materials.
- e) The fee to start a water, sewer, or a water/sewer service shall be \$10.00
- f) The fee to start a potable irrigation or reclaimed irrigation service shall be \$10.00
- g) The fee for reconnection following disconnection for delinquency shall be \$14.00 per service
- h) The charge for the reactivation of a residential irrigation service, including reclaimed, within six months of a customer requested disconnect at the same service address by the same customer shall be \$125.00
- i) The charge for the reactivation of a commercial irrigation service, including reclaimed, within six months of a customer requested disconnect at the same service address by the same customer shall be \$250.00



CONDITIONS FOR SEWER SERVICE

501 – Condition for Service

- a) Each applicant for a sewer connection between JEA's sewer system and a lot or parcel of land which is supplied water by a private system or well shall have a meter, approved by JEA, installed and maintained at the expense of the applicant and his successors in interest. The meter shall be located in the water line at a convenient location for reading and for measuring the water which enters the sewer system. In these cases the sewer service charge shall be based upon the reading of the meter made by JEA's meter readers. Each sewer only customer class with unmetered water or inoperative meter shall be charged at the average monthly water usage rate for the prior calendar year for that customer class as the consumption amount.

- b) On sewer credit accounts, the water meter shall be JEA-owned and installed by the owner, tenant, occupant or his agent under the direct supervision of JEA, and the owner, tenant or occupant shall pay those inspection, delivery, material and administrative costs as determined by JEA or which are required by, and shall be subject to, the terms and requirements of sections 102. This paragraph does not apply to owners, tenants or occupants of lots or parcels of land which are connected to JEA water and sewer system and also have a cross-connection to another water supply. The maximum credit that can be given for an existing sewer credit account is 75% of the total water billed for the account on which the credit is to be given. No new sewer credit accounts shall be allowed.

- c) Effective October 1, 1988, all owners, tenants, and occupants shall be required to provide for the installation and use of JEA-owned water meters in all water systems, regardless of whether the meter is or was installed for the purposes of establishing a charge or a credit.

502 – Sewer Surcharge

In all cases where the character of the sewage, waters or waste from a manufacturing or industrial plant, business or commercial location, building or premises has a chemical oxygen demand (COD) of more than 650 parts per million by weight or contains more than 300 parts per million by weight of suspended solids (SS), or both, and the sewage, waters or waste are accepted into the sewage system for treatment, the discharger shall pay to JEA a rate, fee or charge, designated as a surcharge. Surcharge shall be in addition to any sewer service charge which might be based upon the customer's premises as set forth in this Water & Sewer Rate Document. JEA reserves the right to deny any discharger treatment capacity based on JEA's determination that additional organic loading above 650/ppm COD, 300/ppm suspended solids or additional hydraulic load, or any combination of the above, will hamper or reduce the effective operations of the treatment facility.



The surcharge shall consist of an amount calculated according to the following formula:

$$S = V_s \times \{ \$0.00 \cancel{2385} \cancel{1468} (\text{COD} - 650) + \$0.00 \cancel{2552} \cancel{1526} (\text{SS} - 300) \}$$

Where:

S = surcharge in dollars

V_s = sewage volume in kgal

$\$0.00 \cancel{2385} \cancel{1468}$ = unit charge factor for COD based on $\cancel{28} \cancel{17}.6$ cents per pound of COD;

COD = chemical oxygen demand strength index in parts per million by weight

650 = allowable COD strength under normal volume charges in parts per million by weight

$\$0.00 \cancel{2552} \cancel{1526}$ = unit charge factor for suspended solids based upon $\cancel{30.6} \cancel{18.3}$ cents per pound of suspended solids

SS = suspended solids strength index

The amount of the surcharge for the use of JEA's sewer system shall be separately stated as a part of the total sewer service charge for the billing period and shall be payable, collectible and enforceable in the manner provided for sewer service charges. Unless otherwise required by JEA for compliance with local, State and federal law or regulations, each customer to which this surcharge applies shall submit, on a monthly basis, a laboratory analysis of such scope as to permit JEA to render an accurate billing of this charge as provided herein.

Each sewer customer to which this surcharge could apply that does not submit a laboratory analysis shall be charged a sewer surcharge based upon the average surcharge factors of other customers who have the same property use code as assigned by the Duval County Property Appraiser's Office or based upon factors assigned by JEA until reporting of actual surcharge factors are provided by the sewer customer.

503 – Scavenger and Leachate Hauled Waste

Scavenger waste, as described in JEA Rules and Regulations for Water and Sewer Service, may be disposed of at a JEA sewage treatment plant after approval of JEA at a charge of $\cancel{\$8} \cancel{6}.30$ for each 100 gallons of waste based on the full capacity of each vehicle for each discharge. There shall be a minimum fee of \$30.00 for each discharge.

Leachate waste may be disposed of at a JEA sewage treatment plant after approval of JEA at a charge of $\cancel{\$8} \cancel{6}.30$ per 100 gallons of waste based on the full capacity of each vehicle for each discharge.



CONDITIONS FOR RECLAIMED SERVICE

601 – Availability and Requirements for Service

This service will only be provided where service is available, with a physically separate reclaimed water irrigation system. Bulk service will be available to large commercial and industrial users where JEA reclaimed water system is closely available. Retail service for residential and commercial service will be available in Developments of Regional Impact (DRIs), in areas served by JEA, where service is available, with a physically separate reclaimed water irrigation system. No connection to JEA's potable water system by valve or any other means will be allowed. Certification that no interconnection exists must be provided to JEA before any service connections are made. All areas where reclaimed water is being used must be clearly marked as non-potable water. Any customer whose reclaimed water system is in violation of any regulation or procedure shall be subject to immediate discontinuance of reclaimed water service. Such discontinuance shall not relieve any person of liability for any payments due to JEA.

602 – Connection Fees, etc.

Connection, reconnection, tap, and construction fees and rates shall be in accordance with applicable sections of the Water and Sewer Rate Document.



BILLING

701 – Customer Installed Meters

If a meter installed and maintained by an owner, occupant or tenant upon which the sewer service charges imposed by this Water and Sewer Rate document is found to be defective for any reason whatsoever, the owner, occupant or tenant shall immediately correct the defect and have the meter tested by JEA at his expense. In these cases, JEA reserves the right to render an average or estimated bill for the period that the meter was defective, based upon previous consumption on the meter.

702 – Pool Fill Credits

Any metered user to whom sewer charges are regularly rendered and through whose meter a swimming, family swimming, or public pool receives water from JEA water system and whose pool capacity has been documented to JEA by the pool contractor, builder or homeowner at the time the building permit for the pool was issued shall have the right to fill the pool for the first time without application of the sewer charge to the quantity of water used to fill the pool. Furthermore, a metered user, as defined herein above, who is required to drain his pool in order to facilitate needed repair shall have the right to refill the pool after the repair has been completed without application of the sewer charge to the quantity of water used to refill the pool, provided that the necessity to drain the pool for repair and the pool's capacity in gallons is certified to JEA by the pool contractor or other person doing the repair prior to draining the pool. The certification shall be under oath and must have attached to it the permit issued by the Chief, Building and Zoning Inspection Division for any repairs. The right to fill the pool for the first time or to refill the pool after necessary repair may be exercised by the making of a written request to and upon forms available from JEA. The written request shall include such documented proof as required and as satisfactory to JEA, of the pool's capacity in gallons. The written request shall also include an affidavit (on the form provided by JEA) signed by the user, and water meter readings both immediately before and after the filling or refilling of the pool with dates and times of readings noted. All written requests shall be furnished to JEA no later than 30 days after completion of the filling or refilling. Upon receipt of a proper written request, JEA shall cause an appropriate credit to be made to the user's account.

703 – Utility Agreements

JEA serves a limited number of customers wherein it provides water service and a second party utility company provides sewer service, and vice versa. On some occasions, customers receiving water and sewer service from two different utilities pay only the water bill and not the sewer service bill. Curtailment of sewer service alone is extremely expensive in that sewer lines to customers typically do not have cut-off valves, necessitating that the sewer line be dug out and plugged. To accomplish the same protocol that is undertaken for customers who receive both water and sewer service by JEA, JEA is authorized to execute an agreement (containing appropriate hold harmless provisions as approved by the office of the General Counsel) with second party utility companies (which reciprocate) providing for the termination of water service for customers who do not pay the fees for sewer service. Said termination of water service shall afford notice and appeal rights conforming to those provided to customers receiving both water and sewer service from JEA.



704 – Special Services, Terms, Conditions and Rates

JEA and the customer may agree for JEA to provide special services, including related water, sewer and energy services, and for terms of service up to ten (10) years in length. Services could include the repayment to JEA over time of the capital costs incurred to connect new customers to the water and/or sewer system. Prices for special services, terms or conditions shall be based on cost. JEA's provision of special services, terms, and conditions requires execution of a contract between JEA and the customer, in which all special services, terms, and conditions shall be specified. Contract approval authorizations shall be as established in applicable JEA Management Directives, Policies or Procedures.

705 – Applicable Taxes and Fees

City of Jacksonville Service	Applicable Fees	Applicable Taxes
Water	3% Franchise Fee	10% Public Service Tax
Sewer	3% Franchise Fee	
Potable Irrigation	3% Franchise Fee	10% Public Service Tax
COD/TSS	3% Franchise Fee	
Reclaimed Irrigation	None	10% Public Service Tax
Capacity Fee	None	
Tap & Meter Fees	None	
Line Extension Growth Capacity Charge	None	

Nassau, St. Johns, Clay Counties Service	Applicable Fees	Applicable Taxes
Water	None	None
Sewer	None	None
Potable Irrigation	None	None
COD/TSS	None	None
Reclaimed Irrigation	None	None
Capacity Fee	None	None
Tap & Meter Fees	None	None
Line Extension Growth Capacity Charge	None	None

JEA Board Agenda

MEMORANDUM**Annual Disclosure Reports**

Board Meeting Date: March 25, 2025

 Outcome: ☐ INFORMATION ONLY ☒ ACTION ☐ FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Board approve the FY2025 Annual Disclosure Reports for the Electric Utility System, Water and Sewer System, and District Energy System

 Consent Agenda Item: ☒ Yes ☐ No

Presenter: Ted Phillips, Chief Financial Officer

Chief: Ted Phillips, Chief Financial Officer

 Strategic Focus Area: ☐ DEVELOPING AN UNBEATABLE TEAM ☒ DELIVERING BUSINESS EXCELLENCE ☐ EARNING CUSTOMER LOYALTY

Background Information & Analysis:

Each year JEA files with the Municipal Securities Rulemaking Board, via the Electronic Municipal Market Access website, Annual Disclosure Reports (ADRs) for the Electric Utility System and for the Water and Sewer System and District Energy System in compliance with JEA's continuing disclosure undertakings for certain of its bonds and various credit agreements.

Each ADR contains updated disclosure information regarding each of JEA's Systems and JEA's most recently completed fiscal year and will be used (a) to provide that information to all participants in the municipal securities market regarding JEA's outstanding debt and (b) as a basis for the disclosure information regarding JEA that is required to be given in connection with its issuances from time to time of refunding or additional debt.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:

- Annual Disclosure Report Procedure presentation at the February 18, 2025 Finance, Governance & Audit Committee Meeting
- Disclosure Training for Board Members item at the February 25, 2025 Board meeting
- Electronic distribution of the draft FY2024 ADRs to the Board on February 25, 2025

JEA Board Agenda

MEMORANDUM



Annual Disclosure Reports Cont.

Appendix:

- Resolution 2025-13 Clean Version

FY2024 Annual Disclosure Report for the Electric Utility System

SCHEDULE 1 - Operating Highlights

APPENDIX A - JEA Financial Information

APPENDIX B - Summary of Certain Provisions of the Electric System Resolution

APPENDIX C - Summary of Certain Provisions of the Subordinated Electric System Resolution

APPENDIX D - Summary of Certain Provisions of the Second Power Park Resolution

APPENDIX E - Summary of Certain Provisions of the Restated and Amended Bulk Power Supply System Resolution

APPENDIX F - Summary of Certain Provisions of the Power Park Joint Ownership Agreement

APPENDIX G - Summary of Certain Provisions of Agreements Relating to Scherer Unit 4

APPENDIX H - Electric System Bonds Subject to JEA's Continuing Disclosure Undertakings

FY2024 Annual Disclosure Report for the Water and Sewer System and District Energy System

SCHEDULE 1 - Operating Highlights

APPENDIX A - JEA Financial Information

APPENDIX B - Summary of Certain Provisions of the Water and Sewer System Resolution

APPENDIX C - Summary of Certain Provisions of the Subordinated Water and Sewer System Resolution

APPENDIX D - Summary of Certain Provisions of the District Energy System Resolution

APPENDIX E - Water and Sewer System and District Energy System Bonds Subject to JEA's Continuing Disclosure Undertakings



BOARD RESOLUTION: 2025-13

March 25, 2025

**A RESOLUTION BY THE JEA BOARD OF DIRECTORS
APPROVING AND AUTHORIZING USE OF THE JEA FISCAL
YEAR 2024 ANNUAL DISCLOSURE REPORTS; PROVIDING
FOR THE CORRECTION OF ERRORS; AND PROVIDING AN
EFFECTIVE DATE**

RECITALS

WHEREAS, in accordance with its ongoing disclosure obligations as provided by certain bonds and various credit agreements, JEA files Annual Disclosure Reports (ADRs) with the Municipal Securities Rulemaking Board (the "MSRB") through use of the Electronic Municipal Market Access website; and

WHEREAS, the updated ADRs (with appendices) attached hereto as Exhibit A, and incorporated herein, have been prepared for the Electric Utility System, the Water and Sewer System, and the District Energy System (collectively "Systems"), and will be incorporated by reference in official statements and reoffering memoranda associated with respective Systems' bond offerings and reofferings; and

WHEREAS, among other things, the updated ADRs include JEA's audited financial statements for the fiscal year ending September 30, 2024 (see ADRs Appendix A) and will be used (1) to provide information to all participants in the municipal securities market regarding JEA's outstanding debt, and (2) as a basis for the required disclosure information provided in connection with JEA's issuances of refunding or additional debt; and

WHEREAS, in accordance with JEA's Disclosure Policies and Procedures, the JEA Board is required to review, approve and authorize use of the ADRs as described herein.

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

1. The recitals set forth above are incorporated by reference into the body of this resolution and are adopted as findings of fact.
2. The Board hereby acknowledges that, on behalf of JEA, it is responsible for the content of the ADRs and further acknowledges that it is subject to applicable federal securities laws prohibiting the use of false and/or misleading information in such disclosure documents.
3. The Board has been provided a copy of the ADRs (and appendices) described herein in accordance with the JEA Disclosure Policies and Procedures.



4. Based upon its review, the Board hereby approves the ADRs (and appendices), in substantially the same form and format contained in Exhibit A.
5. The Board authorizes the Chief Executive Officer/Managing Director ("CEO"), or designee(s), to file the ADRs with the MSRB and to use the documents as described herein. Prior to such filing or use, the CEO, or designee, shall be further authorized to correct any typographical or scrivener's errors contained in the documents that do not materially change or alter the information disclosed therein.
6. To the extent that there are any typographical, clerical, or scrivener's errors contained in this resolution that do not affect its tone, tenor, purpose or context, then such errors may be administratively corrected without further authorization by the Board.
7. This resolution shall be effective upon approval by the Board.

Dated this 25th day of March 2025.

JEA Board Chair

JEA Board Secretary

Form Approved:

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



**ANNUAL DISCLOSURE REPORT
FOR
ELECTRIC UTILITY SYSTEM
FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2024**

**(Prepared pursuant to certain
continuing disclosure undertakings
relating to the Bonds listed
in APPENDIX H hereto)**

Filed on EMMA

**Dated as of
_____, 2025**

JEA
225 NORTH PEARL STREET
JACKSONVILLE, FLORIDA 32202
(904) 665-7410
(<http://www.jea.com>)

JEA OFFICIALS

BOARD OF DIRECTORS

Chair
Vice Chair
Secretary

Gen. Joseph P. DiSalvo
Ricardo “Rick” Morales III
Kawanza A. Humphrey
Arthur L. Adams, Jr.⁽¹⁾
John D. Baker II
MG Orender
Vacant⁽²⁾

LEADERSHIP TEAM

Managing Director and Chief Executive Officer
Chief Electric Systems Officer
Chief Water Systems Officer
Chief Customer Experience Officer
Chief Human Resources Officer
Chief Financial Officer
Chief Administrative Officer
Chief Information Officer
Chief of Staff
Deputy Chief Financial Officer
Chief Legal Officer

Vickie P. Cavey
Ricky Erixton
Robert Zammataro
Dr. Charles E. Moreland⁽³⁾
Diane Moser
Theodore B. Phillips
Jody L. Brooks
Bradley D. Krol
Kurt Wilson
Joseph E. Orfano
Regina D. Ross

GENERAL COUNSEL

Michael T. Fackler, Esq.
General Counsel of the City of Jacksonville
Jacksonville, Florida

⁽¹⁾ Pursuant to Resolution 2024-952-A adopted on January 14, 2025, the Council voted to appoint Mr. Adams to the JEA Board.

⁽²⁾ On January 31, 2025, Robert L. Stein resigned from the JEA Board due to business commitments. The appointment of William “Worth” McArthur to the JEA Board, in replacement of Robert L. Stein, will be considered by the Council at its meeting on March 25, 2025, pursuant to Resolution 2025-163.

⁽³⁾ Effective December 2, 2024, Dr. Charles E. Moreland succeeded Sheila E. Pressley as JEA's Chief Customer Experience Officer. Ms. Pressley retired in January 2025.

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**ANNUAL DISCLOSURE REPORT
FOR
ELECTRIC UTILITY SYSTEM
FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2024**

INTRODUCTION

General

This Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2024 (together with the Schedule and the Appendices hereto, this “Annual Disclosure Report”) has been prepared and is being filed by JEA in connection with its annual continuing disclosure obligations as an “obligated person” (as defined in Rule 15c2-12 (“Rule 15c2-12”) of the United States Securities and Exchange Commission (the “SEC”) promulgated under the Securities Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings of JEA entered into pursuant to Rule 15c2-12 relating to those certain series of bonds more particularly identified in APPENDIX H attached hereto. Information in this Annual Disclosure Report is reported as of September 30, 2024, except where expressly indicated otherwise.

This Annual Disclosure Report is being filed with the Municipal Securities Rulemaking Board (the “MSRB”), through the MSRB’s Electronic Municipal Market Access (“EMMA”) website currently located at <https://emma.msrb.org>.

Each of the hereinafter defined Electric System, Water and Sewer System, and District Energy System is owned and operated by JEA separately. For information relating to JEA’s Water and Sewer System and District Energy System, see the Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 2024 (the “Water and Sewer/DES Annual Disclosure Report”), which is available on EMMA. **The revenues of each system do not constitute revenues of the other systems, and revenues of the Electric System are not pledged to the payment of any debt issued or to be issued by JEA to finance and refinance the other systems.** JEA may, however, satisfy its annual obligation to transfer funds to the City of Jacksonville, Florida (the “City”) with funds derived from any of its utilities systems. See “OTHER FINANCIAL INFORMATION - Transfers to the City” herein.

For purposes of this Annual Disclosure Report, the Electric System and JEA's continuing obligations with respect to the St. Johns River Power Park Units 1 and 2 (such generating station, the "Power Park" or "SJRPP") and the Scherer 4 Project (hereinafter defined) are referred to collectively as JEA's "Electric Utility Functions." SJRPP ceased commercial operation on January 5, 2018 and Scherer Unit 4 was retired on January 1, 2022. See "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - St. Johns River Power Park" and "- Scherer 4" herein. This Annual Disclosure Report contains information regarding JEA's Electric Utility Functions. For financing purposes, the debt of JEA relating to its Electric Utility Functions is payable from and secured by the revenues derived by JEA from the sale of electricity and related services. **Accordingly, the information contained herein relating to JEA's Electric Utility Functions is not relevant to the Water and Sewer System Bonds, the Subordinated Water and Sewer System Bonds or the District Energy System Bonds and should not be taken into account in evaluating such debt.**

The summaries of or references to the Electric System Resolution, the Subordinated Electric System Resolution, the Second Power Park Resolution, and the Restated and Amended Bulk Power Supply System Resolution, and certain proposed amendments thereto, where applicable, (as such terms are hereinafter defined) and certain statutes and other ordinances and documents included in this Annual Disclosure Report do not purport to be comprehensive or definitive; and such summaries and references are qualified in their entirety by references to each such resolution, statute, ordinance, and document. Copies of such resolutions are available on the JEA website at https://www.jea.com/About/Investor_Relations/Bonds and the other documents referred to in this Annual Disclosure Report may be obtained from JEA; *provided, however*, that a reasonable charge may be imposed by JEA for the cost of reproduction.

Miscellaneous; Forward-Looking Statements

This Annual Disclosure Report is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of any of JEA's debt or securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy JEA's debt in any jurisdiction. The matters discussed in this Annual Disclosure Report and all other documents issued by JEA are for informational purposes only, and holders of JEA's debt, potential investors and/or other interested parties should not rely on such information as their sole source of information about matters related to JEA's debt or in making an investment decision with respect to JEA's existing debt or securities or any other debt or securities which may be offered by JEA. Neither this Annual Disclosure Report nor anything in it shall form the basis of any contract or commitment. By the filing of this Annual Disclosure Report, JEA makes no recommendations and is not giving any investment advice as to any of JEA's debt or securities. In no event shall JEA be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained in this Annual Disclosure Report and such information may not be relied upon in evaluating the merits of holding, purchasing or selling any of JEA's debt or securities. The information contained in this Annual Disclosure Report, including any forecast financial information, if any, should not be considered as advice or a recommendation to holders and potential investors in relation to holding, purchasing or selling any such securities. Before acting on any information contained in this Annual Disclosure Report, holders and potential investors should consider the appropriateness of the information having regard to these matters, consider any relevant offering document and in particular, holders and potential purchasers should seek independent financial and/or legal advice. Certain of the information in this Annual Disclosure Report has been

compiled from sources believed to be reliable, certain of which information has not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed in this Annual Disclosure Report.

This Annual Disclosure Report may contain “forward-looking” statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, JEA cautions holders and potential purchasers not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking and should not be considered a comprehensive representation of JEA’s expected operational or financial performance. All opinions, estimates, projections, forecasts and valuations are preliminary, indicative and subject to change without notice. The information in this Annual Disclosure Report is current as of the dates set forth in this Annual Disclosure Report and there may be events that have occurred or will occur subsequent to such dates that would have a material adverse effect on the operational or financial information that is presented in this Annual Disclosure Report. JEA has not undertaken any obligation to update any information in this Annual Disclosure Report.

JEA’s independent certified public accountants have not examined, compiled or otherwise applied procedures to this Annual Disclosure Report, including any forward-looking statements or financial forecasts presented in this Annual Disclosure Report, and, accordingly, do not express an opinion or any other form of assurance on the information in this Annual Disclosure Report, except where expressly indicated otherwise.

JEA Establishment and Organization

JEA is a body politic and corporate organized and existing under the laws of the State of Florida (the “State”) and is an independent agency of the City. The City is a consolidated city-county local government for Duval County, located in Northeast Florida. For information regarding the governing body of JEA (the “JEA Board”), see below in this section. JEA (then known as Jacksonville Electric Authority) was established in 1968 to own and manage the electric utility which had been owned by the City since 1895 (the “Electric System”). In 1997, the Council of the City (the “Council”) amended the Charter of the City (the “Charter”) in order to authorize JEA to own and operate additional utility functions and, effective on June 1, 1997, the City transferred to JEA the City’s combined water and sewer utilities system (the “Water and Sewer System”). Effective as of October 1, 2004, JEA established a separate utility system (the “District Energy System”) for its local district energy facilities, including its chilled water activities and any local district heating facilities JEA may develop in the future. JEA operates and maintains its records on the basis of a fiscal year ending on each September 30th (a “Fiscal Year”).

The Charter assigns responsibility for the management of JEA’s utility systems, including the Electric System, to the JEA Board. The JEA Board consists of seven members. Four members are appointed by the Council president, and three members are appointed by the Mayor of the City. In all cases the appointments would have to be confirmed by the Council. One of the Council president’s appointments must be a former JEA employee or a person recommended by an employee, union or group of current or former JEA employees. The members serve without pay for staggered terms of four years each, with a maximum of two consecutive full terms each. Any vacancy on the JEA Board,

however created, will be filled for the unexpired term in the same manner as the position was originally filled, and the person filling the vacancy is required to have and retain the qualifications prescribed for membership on the JEA Board.

Current members of the JEA Board, their occupations and the commencement and expiration of their terms are as follows:

Member	Occupation	Term
Joseph P. DiSalvo, <i>Chair</i>	Lieutenant General, U.S. Army (Retired)	April 14, 2020 – February 28, 2026 ⁽¹⁾
Ricardo “Rick” Morales III, <i>Vice Chair</i>	President & CEO, Morales Construction Co. Inc.	September 28, 2021 – February 28, 2028
Kawanza A. Humphrey, <i>Secretary</i>	Chief Human Resources Officer, VyStar Credit Union	August 25, 2023 – February 28, 2027
Arthur L. Adams, Jr. ⁽²⁾	Senior Vice President, Sales & Marketing, CSX	January 14, 2025 – February 28, 2026
John D. Baker II	Executive Chairman, FRP Holdings, Inc.	April 14, 2020 – February 28, 2028 ⁽¹⁾
MG Orender	President, Hampton Golf	June 14, 2024 – February 28, 2027
Vacant ⁽³⁾		

⁽¹⁾ In 2020, all of the members of the JEA Board were replaced with new appointees. Accordingly, several of the terms of the current members of the JEA Board commenced on April 14, 2020.

⁽²⁾ Pursuant to Resolution 2024-952-A adopted on January 14, 2025, the Council voted to appoint Mr. Adams to the JEA Board.

⁽³⁾ On January 31, 2025, Robert L. Stein resigned from the JEA Board due to business commitments. The appointment of William “Worth” McArthur to the JEA Board, in replacement of Robert L. Stein, will be considered by the Council at its meeting on March 25, 2025, pursuant to Resolution 2025-163.

In addition, in accordance with the provisions of the interlocal agreement entered into between JEA and Nassau County, Florida (“Nassau County”) in connection with JEA’s acquisition of certain assets and franchises of a private water and sewer utility in Nassau County, Nassau County is entitled to appoint a non-voting representative to the JEA Board. The Nassau County representative is entitled to attend all JEA Board meetings and to participate in discussions concerning matters that affect the provision of water and sewer services within Nassau County. As of the date of this Annual Disclosure Report, Nassau County has not appointed its non-voting representative to the JEA Board.

The Charter authorizes JEA to construct, acquire (including acquisition by condemnation), establish, improve, extend, enlarge, maintain, repair, finance, manage, operate and promote its utilities systems (which consist of (a) the Electric System, (b) the Water and Sewer System, (c) the District Energy System and (d) any additional utilities systems which JEA may undertake in the future upon satisfaction of the conditions set forth in the Charter), and to furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized therein within and outside of the City and for said purposes to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities along all public highways and streets within and outside of the City. The Charter also confers upon JEA the power to sue, to enter into contracts, agreements and leases, and to sell revenue bonds to finance capital improvements and to refund previously issued evidences of indebtedness of JEA.

In addition to the powers conferred upon JEA by the Charter, the Bulk Power Act (as defined herein) authorizes JEA to acquire, own and operate as separate bulk power supply utilities or systems, electric generating plants and transmission lines within the City and within and outside of the State. JEA may develop separate bulk power supply systems in connection with future generation and/or transmission projects. JEA has launched several initiatives to provide revenue diversity. Included in these initiatives are natural gas sales to commercial and industrial customers (see “ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Electric System - *Natural Gas Sales*” herein), forestry management of JEA-owned conservation lands, leasing of dark fiber and space on communication towers, transmission and distribution poles and partnering with the North Florida Transportation Planning Organization to encourage electrification. Additionally, on October 29, 2024, the Board approved resolution 2024-67 authorizing JEA to enter into intergovernmental support agreements with the Department of the Navy to provide utility-related services at Naval Air Station Jacksonville and Naval Station Mayport.

Management and Employees

The Charter assigns responsibility for the management of JEA’s utilities systems to the JEA Board. JEA employs a Managing Director and Chief Executive Officer as its chief executive officer. The Managing Director and Chief Executive Officer, executive officers, vice presidents, directors, managers, executive assistants and other appointed staff, numbering approximately 481 persons, form the management team (the “Management Team”) and are not subject to the City’s civil service system.

Management

The following is information regarding the Managing Director and Chief Executive Officer of JEA and the leadership team.

Vickie P. Cavey, Managing Director and Chief Executive Officer. Ms. Cavey was named JEA’s interim managing director and chief executive officer in April 2024 and was appointed as permanent Managing Director and Chief Executive Officer on September 24, 2024. At their February 25, 2025 meeting, the Board approved a three-year contract with two mutually agreed upon one-year renewals for Ms. Cavey. A frequent counselor to JEA executive leadership and 32-year JEA operations veteran, Ms. Cavey brings a deep knowledge of JEA in roles that have spanned organizational lines through engagement with the Northeast Florida business community, other utilities, regulatory bodies, and elected officials.

Following her prior retirement from JEA in 2016, Ms. Cavey returned as special assistant for external affairs to interim CEO Paul McElroy in 2020, then assisted McElroy’s successor, Jay Stowe, as board liaison until January 2021. She began her JEA career in 1984 as a mechanical engineer in the power engineering division, one of JEA’s first female engineers. She then advanced to managerial roles in commercial key accounts and special projects prior to director roles overseeing strategic partnerships/acquisitions and strategy development and execution.

Ms. Cavey earned a bachelor’s degree in mechanical engineering from the University of Florida. She has a long history of involvement in the local nonprofit community, in which she currently serves as an advisory board member for the Stellar Academy of Engineering at Nease High School. She is also a past president and board member of the Rotary Club of Ponte Vedra Beach.

Foundation. Her volunteer service in local nonprofits spans decades, including the United Way, BEAM, Mission House, PACE Center for Girls, and many others.

Ricky Erixton, Chief Electric Systems Officer. Mr. Erixton was named JEA's chief electric systems officer, a newly created role after JEA dissolved the role of Chief Operating Officer in January 2025, after serving as Interim Chief Operating Officer since November 2024. He has worked at JEA in multiple leadership positions for more than 30 years.

Mr. Erixton began his career as a co-op at JEA in 1989 and joined JEA in a permanent role in 1991 as an engineer in the system operations department. He spent almost 20 years in system operations before being promoted to director, transmission, and distribution maintenance in 2011 and to senior director, transmission, and distribution in 2019. Mr. Erixton was responsible for the maintenance of the entire JEA electric system, from the generation resources to the customer, before becoming interim vice president, electric systems in 2020, and vice president, electric systems in March 2021.

Mr. Erixton holds a Bachelor of Science in Electrical Engineering from the University of Florida and holds a NERC System Operator Certification. He serves on the SERC Reliability board of directors.

Robert Zammataro, Chief Water Systems Officer. Mr. Zammataro was named JEA's chief water systems officer in January 2025, a newly created role after JEA dissolved the role of Chief Operating Officer. In the position he oversees all operations and teams for the Water and Sewer System and the District Energy System. Mr. Zammataro, who most recently served as JEA's director of Water/Wastewater Planning and Development since 2019, brings more than 27 years of industry experience. Previously, he held leadership roles with the St. Johns River Water Management District as bureau chief of district projects and construction; JEA as manager of water and wastewater system planning; St. Johns County Utility Department as chief engineer of development and planning; Mittauer & Associates as project manager; and City of Green Cove Springs as director of utilities.

Mr. Zammataro earned a bachelor of science degree in Environmental Engineering from the University of Florida.

Dr. Charles E. Moreland, Chief Customer Experience Officer. Dr. Charles E. Moreland was named JEA's chief customer experience officer in December 2024. In his role, he oversees JEA's residential and business customer support, customer revenue, and communications and outreach teams.

Dr. Moreland has devoted his 30-plus year career to public service, serving the Jacksonville Fire and Rescue Department ("JFRD") and the City before joining JEA. Under Mayors Peyton, Brown, and Curry, he was promoted through the ranks at JFRD to director/fire chief. For the City, he served as the director of community and international affairs and as the deputy chief administrative officer, where more than 2,000 employees served under his leadership.

Dr. Moreland earned a bachelor's degree in business administration from Edward Waters University, a bachelor's degree in emergency management from Barry University, and a master's

degree in public administration and a doctorate in education from Nova Southeastern University. He also is a 2008 alumnus of Leadership Jacksonville.

Diane Moser, Chief Human Resources Officer. Ms. Moser joined JEA as chief human resources officer in October 2024, after serving the City of Jacksonville for more than 30 years. She is responsible for the development and implementation of organizational redesign efforts, talent acquisition, succession planning, compensation plans, and team member engagement efforts critical to JEA's efficiency and productivity.

Before joining JEA, Ms. Moser was director of employee services for the City of Jacksonville, where she oversaw talent management, employee and labor relations, and employee benefits. She served in various roles throughout her tenure with the City, including manager of personnel services. Ms. Moser also served on the City of Jacksonville Pension Board.

Ms. Moser holds a master's degree in psychology from the University of West Florida and a bachelor's degree in psychology from the University of Florida. She has been a member of various professional organizations including the Society of Human Resources Management, WorldatWork, the American Society for Training and Development, the American Library Association (ALA), and the Public Library Association (PLA).

Theodore "Ted" B. Phillips, Chief Financial Officer. Mr. Phillips joined JEA as its Chief Financial Officer in August 2021. In this role, his responsibilities include oversight of Financial Services, Treasury Services, Risk Management Services, Supply Chain, Procurement, Facilities and Fleet Services, and Enterprise Planning and Analytics. He brings with him a wealth of experience leading finance teams for public utilities.

Prior to joining JEA, Mr. Phillips worked for 10 years with Huntsville (Ala.) Utilities, leading teams in Finance/Accounting, MIS, Technical Services, Purchasing, Stores & Warehouses, Fleet and Facilities. Previously, he spent 20 years in the public sector working for the cities of Shelby and Monroe, North Carolina, Mecklenburg County, North Carolina, and the State Auditor's office in Missouri.

Mr. Phillips received a Bachelor of Science in Business Administration from Southeast Missouri State University. He has been an active member in the communities he has called home, having served on the boards of the United Way and The Schools Foundation in Huntsville, and in various United Way campaign leadership positions. He is currently a member of the Salvation Army of Northeast Florida Advisory Board. He has also been a longtime leader for the Boy Scouts of America.

Jody L. Brooks, Chief Administrative Officer. Ms. Brooks returned to JEA as its Chief Administrative Officer in June 2024. Ms. Brooks, who served JEA in two previous stints, brings 30 years of legal experience and a wealth of knowledge about JEA, federal, state and local utility regulation and Florida environmental laws. She was JEA's chief administrative officer from 2021-2023 and the utility's first chief legal officer from 2016-2019. Previously, she supported JEA's efforts as an attorney with the OGC (as defined herein), and most recently she operated a legal practice in Orange Park.

Prior to her public service, Ms. Brooks served as general counsel at Allen Land Group Inc. and in-house counsel with The St. Joe Company. She began her legal career as an Associate with Lewis, Longman and Walker, P.A.

Ms. Brooks holds a Juris Doctor, with honors, from the University of Florida Fredric G. Levin College of Law, along with a Certificate in Environmental Land Use Law.

Bradley D. Krol, Chief Information Officer. Brad Krol joined JEA as chief information officer in 2021. His teams oversee enterprise business systems, technology infrastructure and cybersecurity, and he provides strategic leadership and direction on new technologies to support the utility's operations.

Prior to joining JEA, Mr. Krol served as chief information officer for Expro Group, a Houston-based international oilfield services company specializing in well flow management. There he was responsible for all aspects of the organization's information technology department and developed an IT strategic vision to align technology with the needs of the organization. In his career, he has also served as information technology director, IT infrastructure and operations director and global director of information technology for private companies in Houston and Calgary, Alberta, Canada.

Mr. Krol earned a Bachelor of Science in business operations from DeVry Institute of Technology. He is a member of the advisory board for the Computing Sciences Department at the University of North Florida.

Kurt Wilson, Chief of Staff. Kurt Wilson joined JEA in 2020. As chief of staff, Mr. Wilson advances key initiatives and operations for the CEO and supports JEA's leadership team, OGC, and the board of directors. He also leads strategic working relationships with community partners, government officials, and regional agencies.

Prior to being promoted to chief of staff, Mr. Wilson served as JEA's vice president, government and community relations. Before joining JEA, he served 25 years with Jacksonville Fire & Rescue, retiring as fire chief.

Mr. Wilson holds a bachelor's degree in public administration from Flagler College.

Joseph E. Orfano, Deputy Chief Financial Officer. As JEA's deputy chief financial officer, Mr. Orfano is responsible for supporting the chief financial officer in managing JEA finances and ensuring that the organization operates efficiently and effectively.

Mr. Orfano joined JEA in 2013 and has more than 20 years of prior experience working in electric utility companies. In previous roles with JEA, he has served as treasurer, interim chief financial officer, and vice president, financial services. Prior to joining JEA, he was director of treasury at a mining company in Scottsdale, Arizona.

Mr. Orfano holds a B.B.A. in finance from the University of Notre Dame. He serves on the Finance & Audit Committee of The Energy Authority and on the Finance Administration Committee for the Better Jacksonville Plan.

Employees

The employees of JEA are governmental (public) employees and, as such, have the right to organize, be represented and bargain collectively for wages, hours and terms and conditions of employment, as provided in Chapter 447, Part II, Florida Statutes. Florida state law prohibits strikes and concerted work slowdowns by governmental (public) employees. Pursuant to the Charter, JEA has full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees and, consistent with the provisions of the Charter relating to civil service, to establish employment policies relating to hiring, promotion, discipline, termination and other terms and conditions of employment, to enter into negotiations with employee organizations with respect to wages, hours and terms and conditions of employment and to take such other employment related action as needed to assure effective and efficient administration and operation of its utilities systems. The Council is the legislative body with authority to approve or not approve collective bargaining agreements and to resolve any statutory impasses that may arise from collective bargaining.

As of October 1, 2024, JEA had 2,437 budgeted employee positions, of which 1,646 were budgeted to the Electric System, 784 were budgeted to the Water and Sewer System and seven were budgeted to the District Energy System. Except for the Management Team and a minor number of contract employees, such employees have civil service status.

Approximately 1,740 employees are covered by five collective bargaining agreements. These employees are represented by the American Federation of State, County, and Municipal Employees (“AFSCME”), the International Brotherhood of Electrical Workers (“IBEW”), Local 2358 and the Northeast Florida Public Employees, Local 630, Laborers’ International Union of North America (“LIUNA”), all of which are affiliated with the AFL-CIO, and by a professional employees’ association (the “PEA,” Professional Employees Association) and a supervisors’ association (the “JSA,” Jacksonville Supervisors Association) that have no AFL-CIO affiliation. JEA has collective bargaining agreements with all the collective bargaining agents, and all of the collective bargaining agreements have been ratified and approved by the legislative body, the Council, and are effective through September 30, 2025.

Pension

Despite pension reform, which shifted new employees to a defined contribution retirement plan beginning in October 2017, a substantial portion of JEA’s employees participate in the City’s General Employees Retirement Plan (“GERP”). Former employees of the Power Park participate in a separate pension plan. See Note 12 to JEA’s 2024 Financial Statements (as defined herein) attached hereto as APPENDIX A for a discussion of certain information on the City’s plan described below. The Actuarial Valuation and Review as of October 1, 2022 for the City’s GERP (the “2022 Actuarial Valuation Report”) and the Actuarial Valuation and Review as of October 1, 2023 for the City’s GERP (the “2023 Actuarial Valuation Report”) are available for viewing and downloading from the City’s website link (<https://www.jacksonville.gov/departments/finance/retirement-system/gasb-and-plan-valuation-statements>) and selecting the October 1, 2022 Valuation or the October 1, 2023 Valuation, respectively, under “General Employees Retirement Plan.”

For the five Fiscal Years ended September 30, 2020, 2021, 2022, 2023, and 2024 JEA contributed approximately \$38,095,000, \$40,401,000, \$43,825,000, \$43,985,801, and \$50,036,224 to

the GERP, respectively. JEA's minimum required contribution to the GERP for the Fiscal Year ending September 30, 2025 is \$61,764,924.

The Actuarial Valuation and Review as of October 1, 2024 for the City's GERP is not expected to be completed as of the date of this Annual Disclosure Report. The following discussion is based on the 2023 Actuarial Valuation Report and the 2022 Actuarial Valuation Report, the latest two reports available.

JEA expects its annual contributions to the GERP will continue to grow in line with projections made when pension reform was enacted and the GERP was closed to new participants beginning October 1, 2017. JEA expects that its annual contributions to GERP will continue to be at lower levels in the near term than they would have been absent the pension reform primarily due to the recognition of a pension liability surtax beginning with Fiscal Year ended September 30, 2017 and then it expects its annual contributions to GERP to increase over the longer-term as a result of the expected increase in the GERP's unfunded actuarial accrued liability. JEA expects that the GERP's unfunded actuarial accrued liability and JEA's portion of that unfunded liability will continue to increase over the near term primarily due to a delay in receipt of the revenues from the pension liability surtax.

For the Fiscal Year ended September 30, 2023, the aggregate unfunded actuarial accrued liability for the GERP was \$1,735,014,055, which represented an increase of \$161,496,141 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended September 30, 2022 of \$1,573,517,914. For the Fiscal Year ended September 30, 2022, the aggregate unfunded actuarial accrued liability for the GERP was \$1,573,517,914, which represented an increase of \$163,272,732 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended September 30, 2021 of \$1,410,245,182. JEA was informed by the City that the actuary for the GERP calculated (a) JEA's allocated share of the unfunded actuarial accrued liability for the GERP reported for the Fiscal Year ended September 30, 2023 of \$851,772,464 (an increase of \$108,360,596 from JEA's allocated share for the Fiscal Year ended September 30, 2022) of the aggregate amount of \$1,735,014,055 and (b) JEA's allocated share of the unfunded actuarial accrued liability for the GERP reported for the Fiscal Year ended September 30, 2022 of \$743,411,868 (an increase of \$68,179,713 from JEA's allocated share for the Fiscal Year ended September 30, 2021) of the aggregate amount of \$1,573,517,914. The actuarial accrued liability is an estimate by the actuary for GERP of the present value of the amount of earned benefit payments that GERP will pay to retirees during retirement. The unfunded actuarial accrued liability represents the amount that the actuarial accrued liability exceeds assets in GERP available to pay those benefit payments. These figures are based on numerous assumptions, such as retirement age, mortality rates, and inflation rates, and use numerous methodologies all of which can cause the actual performance of the GERP to differ materially from the estimates of the actuary in any actuarial valuation. However, based on the current unfunded actuarial accrued liability of the GERP, JEA expects that its annual contributions to GERP will be increasing over the near future to fund its portion of the unfunded amount. JEA does not expect that increases in its annual contributions to GERP over time will be material.

JEA also maintains a medical benefits plan that it makes available to its retirees. The medical plan is a single-employer, self-funded 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 SJRPP Plan (defined below) is a single-employer contributory defined benefit plan covering former employees of the Power Park. As of October 1, 2023 and following cessation of commercial operations of the Power Park on January 5, 2018, no employees of the Power Park were engaged in performing tasks associated with operations of the Power Park. Upon the cessation of commercial operations of the Power Park in January 2018 pursuant to the agreement entered into between JEA and Florida Power & Light Company ("FPL"), JEA assumed all payment obligations and other liabilities related to any amounts due to be deposited into the SJRPP Plan. Former Power Park non-managerial employees were represented by IBEW Local 1618. In a prior collective bargaining agreement and under statutory authority, certain terms and conditions of employment were imposed, including separating the existing JEA St. Johns River Power Park System Employees' Retirement Plan ("SJRPP Plan") into two tiers of employees. Tier One employees remained in the traditional defined benefit plan, and Tier Two employees (defined as employees with fewer than 20 years' experience) participated 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. Tier One was closed to all new employees hired on or after February 25, 2013.

Closure of the Power Park plant triggered SJRPP Plan provisions resulting in accelerated eligibility for retirement at age 55 regardless of years of service. Members with at least 10 years of service on the plant closure date became eligible for a benefit starting at age 55, while all other members not meeting conditions for the immediate unreduced retirement may be eligible for a reduced benefit starting at age 55. With the exception of a small number of actively employed members who were eligible to continue membership in the plan based on employment with JEA, benefit accruals were scheduled to cease on January 5, 2018. However, interest credits for Tier 2 participants are assumed to continue after the plant shutdown until the benefit distribution at age 55.

The number of active members declined rapidly during the decommissioning process with only a very few active members remaining employed by SJRPP. Subsequent to the closure of the plant and the elimination of nearly all active employees in the SJRPP Plan, the assumed rate of return on the plan was lowered to 6.0 percent for use in the actuarial valuation performed as of October 1, 2018. The SJRPP Plan's assumed rate of return was 7.0 percent for use in the annual actuarial valuation performed as of October 1, 2012 through October 1, 2017. The actuarial information in the following discussion is based on the Actuarial Valuations as of October 1, 2024, 2023, and 2022, respectively.

As of October 1, 2024, the SJRPP Plan's actuarial value of assets was \$156,918,621, the actuarial accrued liability entry-age normal was \$151,536,654, the unfunded actuarial accrued liability was (\$5,381,967), the funded ratio was 103.6 percent, the covered payroll was \$402,958 and the unfunded actuarial accrued liability as a percentage of covered payroll was (1335.6) percent. As of October 1, 2023, the SJRPP Plan's actuarial value of assets was \$157,930,718, the actuarial accrued liability entry-age normal was \$154,922,847, the unfunded actuarial accrued liability was (\$3,007,871), the funded ratio was 101.9 percent, the covered payroll was \$346,486 and the unfunded actuarial accrued liability as a percentage of covered payroll was (868.1) percent. As of October 1, 2022, the SJRPP Plan's actuarial value of assets was \$164,923,091, the actuarial accrued liability entry-age normal was \$160,439,795, the unfunded actuarial accrued liability was (\$4,483,296), the funded ratio was 102.8 percent, the covered payroll was \$318,498 and the unfunded actuarial accrued liability as a percentage of covered payroll was (1407.6) percent.

In the current Fiscal Year, JEA intends to manage the SJRPP Plan to maintain a funded ratio consistent with the goal of having the SJRPP Plan assets (including all employer contributions scheduled to be made) equal to the expected actuarial accrued liability derived in an open group projection for each annual actuarial valuation. JEA made no contributions during the Fiscal Year ended September 30, 2024, \$0 in contributions during the Fiscal Year ended September 30, 2023, and \$6,900,000 in contributions during the Fiscal Year ended September 30, 2022. JEA made \$13,307,093 in contributions during the Fiscal Year ended September 30, 2020, satisfying its required employer contributions of \$3,901,061 and \$3,374,430 for the Fiscal Years ended September 30, 2021 and 2022, respectively. Beginning with the Fiscal Year ended September 30, 2018, excess contributions were set aside to create a reserve credit balance that can be used to pay future contributions. As of September 30, 2024, \$10,158,655 of excess contributions remained. That amount, adjusted for projected interest earnings, offset the required employer contribution of \$113,981 for the Fiscal Year ending September 30, 2024. JEA's required employer contribution for the Fiscal Year ending September 30, 2025 is \$77,123 and will be made in full from JEA's reserve credit balance. The decrease in the required total employer contribution to \$77,123 for the Fiscal Year ending September 30, 2025 results from a combination of the SJRPP Plan's prior funding policy, which included the objective of achieving a 100% funded ratio by October 1, 2019 and a statutorily required change in the SJRPP Plan's mortality assumption to be the same as that used by the Florida Retirement System as updated in its July 1, 2019 valuation.

Upon the cessation of commercial operations of the Power Park in January 2018 pursuant to the agreement entered into between JEA and FPL, JEA assumed all payment obligations and other liabilities related to any amounts due to be deposited into the SJRPP Plan.

See Note 12, Note 13 and pages 110-116 of JEA's 2024 Financial Statements attached hereto as APPENDIX A for a discussion of the pension plans, "other post-employment benefit" plan and actuarial accrued liability.

Certain Demographic Information

The information provided in this section relates to the City and the Jacksonville Metropolitan Statistical Area (the "Jacksonville MSA"). The service areas for the Electric System do not encompass all of the City or the Jacksonville MSA. For additional information regarding the service areas for the Electric System, see "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Electric System - Area Served" herein.

Under Florida law, the City and Duval County are organized as a single, consolidated government. Based upon the 2020 United States Census, the consolidated City is the most populous city in the State. The City covers 840 square miles and is one of the largest cities in area in the United States.

The Jacksonville MSA is composed of Duval, Clay, Nassau, St. Johns and Baker Counties, an area covering approximately 3,202 square miles. The U.S. Census Bureau estimates that the Jacksonville MSA had a population of 1,713,240 as of August 2024. The Jacksonville MSA is currently the fourth most populous MSA in the State. The table below shows the population for the Jacksonville MSA.

<u>Year</u>	<u>Population</u> <u>Jacksonville MSA⁽¹⁾</u>
1990	906,727
2000	1,126,224
2010	1,348,967
2020	1,587,892
2021	1,637,666
2022	1,675,668
2023	1,713,240

Source: United States Census Bureau.

(1) Baker County was included in the Jacksonville MSA starting with the 2000 United States census.

The economy of the Jacksonville MSA contains significant elements of trade and services, transportation services, manufacturing, insurance and banking and tourism. The Port of Jacksonville is one of the largest ports on the South Atlantic seaboard and in terms of tonnage ranks third in the State. A number of insurance and banking companies maintain regional offices in the City. The tourism and recreational facilities in the City include an arena, a performing arts center, a convention center, EverBank Stadium (the home field of the National Football League's Jacksonville Jaguars), a baseball park, numerous golf courses and resorts and various recreational facilities at the beaches. Two large United States Navy bases are located in the City.

The table below sets forth the annual, not seasonally adjusted, labor force, employment and unemployment figures for the Jacksonville MSA and comparative unemployment figures for the State and the United States for calendar years 2014 through 2023.

<u>Jacksonville MSA Labor Force</u>				<u>Unemployment Rate</u> <u>(%)</u>	
<u>Year</u>	<u>Civilian</u>	<u>Employment</u>	<u>Unemployment Rate (%)</u>	<u>Florida</u>	<u>U.S.</u>
2014	714,795	668,958	6.4	6.4	6.2
2015	722,937	683,745	5.4	5.5	5.3
2016	738,827	704,144	4.7	4.9	4.9
2017	752,108	721,215	4.1	4.3	4.4
2018	766,719	739,813	3.5	3.7	3.9
2019	777,691	752,790	3.2	3.3	3.7
2020	774,278	723,249	6.6	8.1	8.1
2021	797,841	765,104	4.1	4.7	5.3
2022	825,264	801,071	2.9	3.0	3.6
2023	845,400	819,996	3.0	2.9	3.6

Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics database <https://www.bls.gov/lau/data.htm> (for Jacksonville MSA and Florida annual data) and Current Population Survey database <https://www.bls.gov/cps/cpsaat01.htm> (for U.S. annual data). Annual data are not seasonally adjusted.

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The table below shows the estimated average non-agricultural wage and salary employment by sector for the Jacksonville MSA for the 12 months ended September 2024.

	Number of Employees	Percent of Distribution
Trade, Transportation and Utilities	171,300	21.3%
Education and Health Services	128,900	16.1
Professional and Business Services	121,000	15.1
Leisure and Hospitality	93,600	11.7
Government	81,400	10.1
Finance	74,800	9.3
Construction	51,900	6.5
Other Services ⁽¹⁾	43,300	5.4
Manufacturing	36,200	4.5
Total Non-Agricultural Employment (Except Domestic, Self-Employed and Unpaid Family Workers)	802,400	100.0%

Source: Bureau of Labor Statistics Current Employment Statistics database, extracted <https://www.bls.gov/data/#employment> at <https://www.floridajobs.org/workforce-statistics/data-center/statistical-programs/current-employment-statistics>.

⁽¹⁾ Consists of other services, information and natural resources and mining.

The following table lists the 10 largest non-governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

<u>Name of Employer</u>	<u>Product or Service</u>	<u>Approximate No. of Employees</u>
Baptist Health System	Healthcare	12,000
Mayo Clinic	Healthcare	10,000
Bank of America / Merrill Lynch	Banking	8,000
UF Health Jacksonville	Healthcare	7,269
Florida Blue	Health Insurance	5,700
Southeastern Grocers	Supermarkets	5,700
Citi	Banking	5,072
Ascension St. Vincent's Healthcare	Healthcare	5,050
Amazon	E-commerce Fulfillment	4,850
UPS	Worldwide Parcel Delivery	4,000

Source: Jacksonville Regional Chamber of Commerce Research Department.

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The following table lists the eight largest governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

<u>Name of Employer</u>	<u>Type of Entity/Activity</u>	<u>Approximate No. of Employees</u>
Naval Air Station, Jacksonville	United States Navy	14,390
Duval County Public Schools	Public Education	12,000
Naval Station, Mayport	United States Navy	10,600
City of Jacksonville	Municipal Government	7,908
St. Johns County School District	Public Education	5,890
Fleet Readiness Center	Maintenance / Repair Overhaul	5,550
Clay County School Board	Public Education	4,960
United States Postal Service	United States Government	3,800

Source: Jacksonville Regional Chamber of Commerce Research Department.

Indebtedness of JEA

The indebtedness of JEA relating to its Electric Utility Functions as of the date of this Annual Disclosure Report consists of Electric System Bonds, Subordinated Electric System Bonds, Power Park Issue Three Bonds, Bulk Power Supply System Bonds and borrowings outstanding under the Revolving Credit Facility (as defined herein) for the account of the Electric System. For information regarding the Revolving Credit Facility, see “OTHER FINANCIAL INFORMATION - Revolving Credit Facility” herein. As described under “INTRODUCTION - General” herein, the debt of JEA relating to its Electric Utility Functions, the debt of JEA relating to the Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources. Accordingly, the information contained in this Annual Disclosure Report relating to JEA’s Electric Utility Functions is not relevant to the Water and Sewer System Bonds (as described in the Water and Sewer System/DES Annual Disclosure Report), the Subordinated Water and Sewer System Bonds (as described in the Water and Sewer/DES Annual Disclosure Report) or the District Energy System Bonds (as described in the Water and Sewer/DES Annual Disclosure Report) and should not be taken into account in evaluating such debt.

The description of the debt of JEA contained herein and of the documents authorizing, securing and relating to such debt do not purport to be comprehensive or definitive. All references herein to such documents are qualified in their entirety by reference to such documents.

For a detailed description of the outstanding debt of JEA as of September 30, 2024, see Note 8 to JEA’s 2024 Financial Statements attached hereto as APPENDIX A.

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Strategic Planning

JEA's strategic planning efforts are guided by its values:

1. Safety – Putting the physical and emotional wellbeing of people first, both at and away from work,
2. Respect – Treating others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone, and
3. Integrity – Placing the highest standard on ethics and personal responsibility, worthy of the trust its customers and colleagues place in it.

With these values in mind, JEA's strategic efforts are centered around three strategic focus areas:

1. Developing an Unbeatable Team – because knowing employees that are treated well will treat JEA customers well,
2. Delivering Business Excellence – because JEA and its employees are serious about serving as good stewards of the resources its customers rely on, and
3. Earning Customer Loyalty – because JEA's customers count on it to deliver affordable, reliable services.

To execute on the strategic focus areas, JEA has laid out its strategic objectives:

1. Fostering an Exceptional Work Culture
 - Employee engagement
 - Diversity, equity and inclusion
 - Employee development
2. Deepening Customer and Community Engagement
 - Reasonable rates
 - Sound business decisions
 - Economic development
 - Customer solutions
 - Stakeholder relationships
 - Environmental stewardship
3. Planning for the Future
 - Long-term workforce plan
 - New business opportunities
 - Enterprise planning
 - Resilient & reliable infrastructure
 - Grid modernization

4. Making Doing Business with JEA Easy

- Technology, Tools & Data
- Governance & Policy

While JEA's mission, vision, and values generally do not change, the strategic objectives, particularly the objectives within each focus area, will continue to evolve as JEA works to serve northeast Florida. These strategic focus areas and objectives will guide the development and/or refinement of JEA's plans, programs, and targets to meet its mission of improving lives and building community to be the best utility in the nation.

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ELECTRIC UTILITY SYSTEM

ELECTRIC UTILITY FUNCTIONS

General

In 2024, the latest year for which such information is available, JEA was the eighth largest municipally owned electric utility in the United States in terms of number of customers. During the Fiscal Year ended September 30, 2024, the Electric System served an average of 528,050 customer accounts in a service area which covers virtually the entire City. JEA also sells electricity to retail customers and an electric system in neighboring counties.

JEA's total energy sales in Fiscal Year 2024 were approximately 12.8 billion kilowatt-hours ("kWh"). Total revenues for the Electric System for Fiscal Year 2024 were approximately \$1,458,311,000 (calculated for purposes of the Electric System Schedule of Debt Service Coverage (see "ELECTRIC UTILITY SYSTEM - FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS - Schedules of Debt Service Coverage" herein)).

The Electric System includes generation, transmission, interconnection and distribution facilities. The generating facilities, located on four plant sites in the City, currently consist of a dual residual fuel oil/gas fired steam turbine-generator unit, four diesel-fired combustion turbine ("CT") generator units, five dual fueled (gas/diesel) CT generator units, one steam turbine generator unit with the steam provided by heat recovery steam generators served from two gas fired CTs (a 2-on-1 combined cycle unit), and two petroleum coke ("petcoke")- and coal-fired circulating fluidized bed ("CFB") steam turbine-generator units. As of September 30, 2024, the total combined installed net capacity of the Electric System's generating units is 2,785 megawatts ("MW"), net, summer and 2,953 MW, net, winter. See "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Electric System - *Electric System Generating Facilities*" herein.

Pursuant to Chapter 80-513, Laws of Florida, Special Acts of 1980 (as amended and supplemented, the "Bulk Power Act"), JEA is authorized to acquire, own and operate as a separate bulk power supply utility or system, electric generating plants and transmission lines within the City and within and outside of the State. The Power Park and the Scherer 4 Project each were developed as a separate bulk power supply system under the Bulk Power Act and, as such, are not included in the Electric System. The electric utility facilities of JEA are divided for financing purposes into the Electric System, the Power Park and the Scherer 4 Project.

JEA is permitted under the resolution of JEA adopted on March 30, 1982, authorizing JEA's Electric System Revenue Bonds (as heretofore amended, restated and supplemented, the "Electric System Resolution") to construct or acquire and own and/or operate other electric generating utilities or systems for the purpose of furnishing and supplying electric energy and to issue debt obligations to finance the cost of separate electric generating utilities as separate systems. The Power Park and the Scherer 4 Project constitute the only two such separate systems undertaken by JEA as of the date of this Annual Disclosure Report. The Power Park ceased commercial operation on January 5, 2018 and Scherer Unit 4 was retired on January 1, 2022.

Pursuant to the Electric System Resolution, JEA's obligation to make payments from the Electric System with respect to the Power Park is a Contract Debt payable as a Cost of Operation and Maintenance of the Electric System. Additionally, all costs of operating and maintaining the Scherer 4 Project are Contract Debts of the Electric System, payable as part of the Electric System's Cost of Operation and Maintenance. See "ELECTRIC UTILITY SYSTEM - FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS - Debt Relating to Electric Utility Functions - *Electric System Contract Debts*" herein.

JEA currently has no ownership interest in any nuclear power plant; however, it does have a purchase power agreement with the Municipal Electric Authority of Georgia ("MEAG Power") for electric energy to be produced from two nuclear generating units. See "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Electric System - *Power Purchase Contracts*" herein. JEA also has an option to purchase an ownership interest in a to-be-constructed nuclear power plant (see "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Resource Requirements - *Option to Purchase Interest in Lee Nuclear Station*" herein) although plans to build such plant have been suspended.

Electric System

Power and Energy Resources

Electric power and energy sold by JEA to its customers is provided from the following sources: (a) the generating facilities owned by JEA as part of the Electric System and (b) various power purchase arrangements ("PPAs" and each a "PPA"), including the FPL PPA (as defined herein). See "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Electric System - *Electric System Generating Facilities*," "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Electric System - *Power Purchase Contracts*," and "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Scherer 4" herein. JEA and FPL entered into a cooperation agreement for the closure of Scherer Unit 4. JEA's interests in the Scherer Unit 4, the generating facilities of the Electric System and JEA's various firm purchase power arrangements are committed and dispatched on an economic basis as necessary to serve JEA's load. In addition, economic energy is purchased for JEA, by TEA (as defined herein), from time to time when such energy is available at a lower cost than energy produced from JEA's generating facilities. See subsection "*Participation in The Energy Authority*" below in this section.

Electric System Generating Facilities

The generating facilities of the Electric System are located at four plant sites: (a) the J. Dillon Kennedy Generating Station ("Kennedy"), (b) the Northside Generating Station ("Northside"), (c) the Brandy Branch Generating Station ("Brandy Branch"), and (d) the Greenland Energy Center ("GEC"). See "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Resource Requirements - *Capacity*" herein.

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The following table presents the pertinent statistics regarding JEA's presently owned generating facilities of the Electric System as of June 30, 2024, Fiscal Year 2023, and Fiscal Year 2022, as applicable.

Electric System Generating Facilities

<u>Station</u>	<u>Unit</u>	<u>Type⁽¹⁾</u>	<u>Date⁽²⁾</u>	<u>Fuel⁽³⁾</u>	<u>Installed Net Capacity (MW)⁽⁴⁾</u>		<u>Equivalent Availability Factor</u>		<u>Capacity Factor</u>		<u>Equivalent Forced Derated Hours</u>	
					<u>Summer</u>	<u>Winter</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2024</u>
Kennedy	7 ⁽⁵⁾	CT	2000	G/LO	179	191	72.30%	96.08%	6.70%	5.70%	-	-
	8 ⁽⁵⁾	CT	2009	G/LO	179	191	94.39	95.38	4.50	3.1	1.4	-
					<u>358</u>	<u>382</u>						
Northside	1	ST	2003 ⁽⁶⁾	P/C/B/G	293	293	79.89	97.98	21.40	22.8	1.8	1.53
	2	ST	2003 ⁽⁶⁾	P/C/B/G	293	293	88.65	65.35	49.10	20.9	48.5	121.34
	3	ST	1977 ⁽⁷⁾	G/HO	524	524	90.97	85.46	39.90	45.4	16.7	9.45
	3	CT	1975 ⁽⁷⁾	LO	50	62	95.59	47.87	0.17	0.1	-	-
	4	CT	1975	LO	50	62	68.96	80.18	0.18	-	-	-
	5	CT	1974	LO	50	62	92.13	85.54	0.13	0.1	-	-
	6	CT	1974	LO	50	62	95.82	84.10	0.11	0.1	-	-
					<u>1,310</u>	<u>1,358</u>						
Brandy Branch	1 ⁽⁴⁾	CT	2001	G/LO	179	191	99.68	87.26	29.70	13.4	2.0	-
	2	CT	2001	G	190	212	78.26	95.59	70.60	87	24.3	-
	3	CT	2001	G	190	212	88.54	95.27	79.00	86.6	-	-
	STM 4	ST	2005	WH	200	216	83.25	95.34	75.20	86.7	479.3	-
					<u>759</u>	<u>831</u>						
GEC	1 ⁽⁴⁾	CT	2011	G/LO	179	191	91.65	96	20.10	21.5	-	-
	2 ⁽⁴⁾	CT	2011	G/LO	179	191	97.52	95.04	17.90	21.3	-	0.5
					<u>358</u>	<u>382</u>						
System Total					<u>2,785</u>	<u>2,953</u>						

⁽¹⁾ CT - Combustion Turbine; ST - Steam Turbine

⁽²⁾ G - Natural Gas; LO - Light Oil (diesel); HO - Heavy Oil (residual fuel oil); WH - Waste Heat

⁽³⁾ Net capacity is based on diesel.

⁽⁴⁾ Northside Unit 1 was originally placed in service in November 1966, and Northside Unit 2 was originally placed in service in March 1972. Both units have been re-powered with CFB boilers, and their turbine generators and other ancillary equipment have been refurbished. The dates indicated in the table are the respective dates on which each was released for normal dispatch operation. Northside Units 1 and 2 each have gross capacities of 310 MW.

⁽⁵⁾ Northside Unit 3 was originally scheduled to be placed into reserve storage on April 1, 2016, approximately three years ahead of the unit's scheduled retirement. However, due to the early retirement of Power Park, Northside Unit 3 is expected to continue in operation until 2030.

⁽⁶⁾ Numbers may not add due to rounding.

Fuel Mix

JEA believes in a fuel diversification strategy with a growing emphasis on renewable energy that improves its competitive position in the electric services industry. JEA has the ability to use natural gas as the primary fuel source with diesel as backup for generation in GEC CT1 and CT2, Kennedy CT7 and CT8, and Brandy Branch CT 1. The exhaust heat from Brandy Branch CTs 2 and 3 is utilized in Brandy Branch STM 4. This combined cycle configuration provides additional energy without additional fuel consumption. Northside Unit 3 uses natural gas as a fuel source for generation with residual fuel oil as backup. JEA's 1970's vintage CTs provide less than one percent of JEA's total energy requirements and are powered by diesel.

JEA uses CFB technology in Northside Units 1 and 2. This technology allows JEA to use a blend of bituminous coal, petcoke, natural gas and biomass in these units. The FPL PPA (as defined herein) provides for 200 MW of natural gas combined cycle capacity and energy, which replaced the solid fuel based capacity and energy provided by Scherer Unit 4 of which JEA owned 200 MW net. JEA adjusts its use of solid fuel-based generation depending on its cost relative to competing resources, such as natural gas.

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The following table sets forth JEA's fuel mix for Fiscal Years 2020 through 2024 and JEA's projected fuel mix for Fiscal Years 2025 through 2029.

Percent Fuel Mix⁽¹⁾

Fiscal Year Ending September 30,	Oil	Gas	Solar/ Renewables⁽²⁾	Northside (Petcoke/ Coal/ Biomass)⁽³⁾	Scherer Unit 4 (Coal)⁽⁴⁾	MEAG Vogtle 3 & 4 Nuclear Purchase⁽⁵⁾	Economic Purchases From Other Sources	FPL Purchase Power Agreement⁽⁴⁾	Total MWh Sales⁽⁶⁾
Actual									
2020	-	62.8	1.3	18.4	5.3	-	12.2	-	12,202,973
2021	0.1	61.7	1.2	12.7	10.1	-	14.2	-	12,239,149
2022	0.2	58.2	1.1	10.6	2.2	-	17.8	9.9	12,488,252
2023	0.2	58.0	2.5	11.4	-	1.2	14.8	11.9	12,366,462
2024	0.1	60.9	3.6	6.5	-	9.0	8.9	10.9	12,769,116
Projected⁽⁷⁾									
2025	0.2	57.3	4.1	8.3	-	12.3	7.8	10.1	12,262,717
2026	0.1	54.9	4.0	11.5	-	12.7	6.7	10.1	12,260,321
2027	0.2	51.6	6.7	12.9	-	12.7	5.8	10.1	12,282,687
2028	0.2	51.0	11.9	10.5	-	12.4	5.1	9.0	12,292,873
2029	0.1	50.2	13.2	9.3	-	12.9	5.2	9.2	12,294,192

(1) Percentages may not add to 100 percent due to rounding.

(2) Includes generation from landfill gas and solar purchase power agreements.

(3) The projected fuel mix for Northside Units 1 and 2 is a range of 50 to 90 percent petroleum coke, 10 to 40 percent coal, 10 to 28 percent biomass and 10 percent natural gas.

(4) The FPL PPA replaced Scherer Unit 4 with 200 MW of natural gas combined cycle power on January 1, 2022. See "ELECTRIC SYSTEM – Other Electric Utility Facilities – Scherer 4" herein.

(5) The in-service dates for the Vogtle units in the Fuel Mix table are being used for planning purposes and differ from Southern Company's assumed in-service dates.

(6) Actual megawatt-hour ("MWh") sales include non-firm off-system sales, which totaled 18,412 MWh in the Fiscal Year ended September 30, 2020, 22,815 MWh in the Fiscal Year ended September 30, 2021, 17,758 MWh in the Fiscal Year ended September 30, 2022, 52,902 MWh in the Fiscal Year ended September 30, 2023, and 74,041 MWh in the Fiscal Year ended September 30, 2024. Projections include aggregate non-firm off-system sales of 399,447 MWh during the Fiscal Years ending September 30, 2025 through 2029.

(7) The projected figures contained herein are forward-looking statements and are subject to change without notice. These figures are based on current conditions and assumptions, including JEA's growth assumptions, environmental regulations, fuel prices, fuel availability and other factors in effect as of the date hereof and are subject to significant regulatory, business, economic and environmental uncertainties and contingencies. Events may occur and circumstances may change subsequent to the date hereof that would have a material impact on the projections presented herein. The achievement of certain results contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those stated in the forward-looking statements. JEA does not commit to issue any updates or revisions to those forward-looking statements if or when its expectations change, or events, conditions or circumstances on which such statements are based occur or fail to occur.

Source: JEA.

Fuel Contracts

JEA has solid fuel storage at Northside for a maximum of approximately 25 days of operating inventory. JEA purchases a mix of contract and spot volumes to supply the fuel needs of Northside Units 1 and 2, which operate on a blend of petcoke, coal, biomass, and natural gas. For Northside Units 1 and 2 during Fiscal Year 2024, JEA purchased its petcoke requirements from KOMSA Sarl (Koch Minerals SA) and its coal requirements from Lissan Coal Company (Ireland). Contract terms for solid fuel specify minimum purchase commitments at certain prices subject to adjustments for price level changes according to the contract.

JEA maintains diesel inventory at Brandy Branch, Kennedy, GEC, and Northside. Additional diesel supply is purchased from time to time in the open market as needed.

JEA has a contract for natural gas with Shell Energy North America L.P. (“Shell Energy”) that is scheduled to expire in 2031. The agreement with Shell Energy (the “Shell Energy Agreement”) supplied 32 percent of JEA’s natural gas needs for Fiscal Year 2024 at prices that were, at the time the Shell Energy Agreement was entered into, and are, as of September 30, 2024, below delivered competing gas supply options (including both commodity and transportation components). Under the Shell Energy Agreement, contract terms for the natural gas specify minimum annual purchase commitments. JEA has the option to remarket any excess natural gas purchases. The balance of JEA’s gas requirements is purchased on the spot market. JEA has long-term contracts with Florida Gas Transmission Company (“FGT”) and Southern Natural Gas Company (“SNG”) for firm gas transportation capacity to allow delivery of additional gas volumes. JEA also has contracted with TECO Peoples Gas System (“Peoples”) for a release of firm gas transportation capacity on FGT’s and SNG’s systems.

TEA has managed a portion of JEA’s natural gas supply since 2001. See “*Participation in The Energy Authority*” below.

JEA and Peoples jointly own pipelines that serve Northside and Brandy Branch. Peoples owns the pipeline that serves Kennedy and JEA’s Buckman Street wastewater treatment plant. Peoples may interrupt delivery of a portion of gas to JEA under certain emergency circumstances.

JEA owns the GEC lateral pipeline (the “Greenland Lateral”) which is used to deliver gas to GEC. In 2008, JEA signed an agreement with SeaCoast Gas Transmission, LLC for firm intrastate gas transportation service to the Greenland Lateral.

JEA has developed and implemented a program intended to hedge its exposure to changes in fuel prices. Pursuant to this program, futures, options and swap contracts may be entered into from time to time to help manage market price fluctuations. Realized gains and losses resulting from this program are reflected in JEA’s fuel expense. See subsection “Fuel Mix” above in this section. For a discussion of JEA’s fuel management program, see Note 10 and Note 11 to JEA’s 2024 Financial Statements attached hereto as APPENDIX A.

On November 25, 2020, JEA entered into ten years of commodity swap transactions with NextEra to hedge natural gas prices as part of the FPL PPA (as defined herein). As of September 30, 2024, JEA had an aggregate notional quantity of 61,499,500 MMBtu of natural gas hedged with NextEra. Based on information provided by NextEra, those swaps had a total mark-to-market credit of approximately \$48.8 million on September 30, 2024.

As of September 30, 2024, JEA had 35 commodity swap transactions with an aggregate notional quantity of 76,561,996 MMBtu in place with two counterparties to hedge JEA’s exposure to natural gas prices. Based on information provided by the counterparties, such swap transactions had a total mark-to-market cost of approximately \$16.6 million as of September 30, 2024.

JEA has ten contracts to purchase prepaid natural gas supplies at specified volumes per day. Beginning with an average of 45,000 MMBtu/day to 53,000 MMBtu/day, depending on the month, and then increasing to 55,000 to 63,000 MMBtu on November 1, 2024. The annual savings from prepaid transactions is estimated to be \$11.3 million. The prepaid gas will be supplied from locations using JEA’s firm natural gas transportation or natural gas supply agreements and will expire at various

dates in 2039, 2049, 2052, 2053 and 2054. 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.

Natural Gas Sales

In March 2015, JEA made the decision to market natural gas to commercial and industrial customers within its service area as allowed under Article 21 of the Charter and JEA's Fuel Management Services Procurement Directive. JEA supplies natural gas under TECO Peoples Gas Natural Choice Program (the "Natural Choice Program"), which gives commercial and industrial customers the option to choose their gas supplier. JEA receives a number of benefits from its participation in the Natural Choice Program. Natural gas sales generate marginal net revenues, reported as "other revenues" under the Electric Enterprise Fund. JEA has become a complete energy provider within its service territory for businesses that select JEA to be their natural gas supplier. As of September 30, 2024, this program has signed approximately 218 customers, including the University of North Florida, St. Johns County School District, Boeing, The Hyatt, Jacksonville Zoo, Brooks Rehabilitation, YMCA, Jacksonville Housing Authority, Dresser Equipment, Unison, divisions of GE, several restaurants, and manufacturers.

Power Purchase Contracts

Overview

As a result of an earlier 2008 JEA Board policy establishing a 10 percent of total energy from nuclear energy goal, JEA entered into a power purchase agreement (as amended, the "Additional Vogtle Units PPA") with MEAG Power for 206 MW of capacity and related energy from MEAG Power's interest in two additional nuclear generating units (the "Additional Vogtle Units" or "Plant Vogtle Units 3 and 4") at the Alvin W. Vogtle Nuclear Plant in Burke County, Georgia. Plant Vogtle Units 3 and 4 entered commercial operation on July 31, 2023 and April 29, 2024, respectively. The owners of the Additional Vogtle Units include Georgia Power Company ("Georgia Power" or "GPC"), Oglethorpe Power Corporation ("Oglethorpe"), MEAG Power 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 11 percent of JEA's total energy requirements in the year 2030.

The Additional Vogtle Units PPA requires JEA to pay MEAG Power for the capacity and energy at the full cost of production (including debt service on the bonds issued and to be issued by MEAG Power 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.

In addition, MEAG Power 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 Power 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, 2023) and continuing until the expiration of twenty (20) years following such commercial operation date. 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.

Set forth below is information regarding the in-service costs of Plant Vogtle Units 3 and 4 and the financing of such costs. For additional information, see "APPENDIX A - FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION, AND BOND COMPLIANCE INFORMATION AS OF AND FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 and 2023 – Notes to Financial Statements – 10. Fuel Purchase and Purchased Power Commitments – Vogtle Units Purchased Power Agreement" and "– Settlement of Prior Litigation" attached hereto.

In-Service Costs

MEAG Power created three separate projects (collectively, the "Vogtle Units 3 and 4 Project Entities") for the purpose of owning and financing its 22.7 percent 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 Additional Vogtle Units). The project corresponding to the portion of MEAG Power'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 Power's total in-service cost for its entire undivided ownership interest in the Additional Vogtle Units is approximately \$7.482 billion, 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 Power 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 \$8.024 billion. 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 "2019 Global Amendments"). 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 \$3.465 billion.

Financing

In order to finance a portion of its acquisition and construction of Project J and to refund bond anticipation notes previously issued by MEAG Power, MEAG Power has issued multiple series of its Plant Vogtle Units 3 and 4 Project J Bonds (the "Project J Bonds") in the principal amounts set forth in the chart below, which includes a series of Build America Bonds.

In 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 Power 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 Power transferred approximately 41.175 percent of its ownership interest, representing 206 MW of nominally rated generating capacity (which is the portion of MEAG Power '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 \$687.3 million, all of which has been advanced to date.

The following chart is a summary of the financings associated with Project J:

Project J Capital Requirements (000s omitted)⁽¹⁾	Principal Amount Original Issued
Long-term Bonds Issued	
Series 2010A – Build America Bonds ⁽²⁾	\$1,224,265
Series 2010B – Tax Exempt Bonds	24,170
Series 2015A – Tax Exempt Bonds	185,180
Series 2019A – Tax Exempt Bonds	570,925
Series 2021A – Tax Exempt Bonds	150,350
Series 2022A - Tax Exempt Bonds	212,005
Series 2023A - Tax Exempt Bonds	192,370
Remaining Financing Requirement	32,400
Total Long-term Bonds Issued	\$2,591,665
DOE Advances⁽³⁾	
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	\$ 186,000
Total Capital Requirements⁽⁴⁾	\$3,464,944

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ MEAG expected to receive a current cash subsidy payment from the United States Treasury for 35 percent of the related interest on the Series 2010A Bonds. However, at this time a portion of the interest subsidy payments with respect to 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 percent will be applied unless and until a law is enacted that cancels or otherwise affects the sequester.

⁽³⁾ Includes advances and related capitalized interest accretion.

⁽⁴⁾ Represents total construction costs and required reserve deposits, net of payments received.

Source: 2024 Financial Statements. See "APPENDIX A - FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION, AND BOND COMPLIANCE INFORMATION AS OF AND FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 and 2023 - Notes to Financial Statements - 10. Fuel Purchase and Purchased Power Commitments" attached hereto.

Based on information provided by MEAG Power, JEA's portion of the debt service on the outstanding Project J debt as of September 30, 2024 is summarized as follows (000s omitted)⁽¹⁾:

Fiscal Year Ending September 30,	Principal	Interest	Annual Debt Service	Build America Bonds Subsidy	Capitalized Interest	Net Debt Service
2025	\$ 37,296	\$ 157,173	\$ 194,469	(\$ 25,746)	—	\$ 168,723
2026	38,710	153,997	192,707	(25,378)	—	167,329
2027	40,198	151,827	192,025	(24,993)	—	167,032
2028	41,776	149,689	191,465	(24,592)	—	166,873
2029	43,399	147,584	190,983	(24,173)	—	166,810
2030	45,082	145,359	190,441	(23,737)	—	166,704
2031	46,838	143,042	189,880	(23,281)	—	166,599
2032	48,622	140,753	189,375	(22,806)	—	166,569
2033	50,586	138,093	188,679	(22,311)	—	166,368
2034	52,603	135,465	188,068	(21,794)	—	166,274
2035	54,653	132,800	187,453	(21,255)	—	166,198
2036	48,287	130,025	178,312	(20,692)	—	157,620
2037	37,324	127,079	164,403	(20,106)	—	144,297
2038	33,865	124,038	157,903	(19,494)	—	138,409
2039	31,040	120,792	151,832	(18,855)	—	132,977
2040	22,063	117,520	139,583	(18,189)	—	121,394
2041	19,177	114,060	133,237	(17,495)	—	115,742
2042	13,207	110,900	124,107	(16,770)	—	107,337
2043	7,063	91,988	99,051	(13,880)	—	85,171
2044	2,527	21,830	24,357	(3,550)	—	20,807
Total	\$714,316	\$2,554,014	\$3,268,330	(\$409,097)	—	\$2,859,233

⁽¹⁾ Totals may not add due to rounding.

Source: 2024 Financial Statements. See "APPENDIX A - FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION, AND BOND COMPLIANCE INFORMATION AS OF AND FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 and 2023 - Notes to Financial Statements - 10. Fuel Purchase and Purchased Power Commitments" attached hereto.

Other Renewable Sources

JEA purchases energy from two landfill gas-to-energy facilities through PPAs with Landfill Energy Systems ("LES"). Each agreement is for 9.6 MW. Currently, JEA purchases 9.6 MW from Trail Ridge Landfill in Jacksonville, Florida and 6.4 MW from Sarasota Landfill in Sarasota, Florida. LES can supply the remaining 3.2 MW from Sarasota, Florida 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, Florida. JEA pays only for the energy produced. LES pays all transmission and ancillary charges associated with transmitting the energy from Sarasota, Florida to Jacksonville, Florida, which came online in January 2015. Purchases of landfill energy were 54,957 MWh for approximately \$4.317 million in Fiscal Year 2024, and 55,311 MWh for approximately \$4.256 million in Fiscal Year 2023.

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 ("PV") panels on a JEA-leased 100-acre site, is currently owned by Rev Renewables, an LS Power company, and generated approximately 11,329 MWh of electricity in Fiscal Year 2024, and 16,257

MWh of electricity in Fiscal Year 2023. JEA pays only for the energy produced. Purchases of energy were approximately \$2.604 million in Fiscal Year 2024, and \$3.636 million in Fiscal Year 2023.

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 JEA Board established a solar policy to add up to 38 MWac of solar PV capacity. To support this policy, JEA issued requests for proposals for PPAs in December 2014 and April 2015. Seven PPAs, representing 27 MWac, were finalized. The projects include: NW Jacksonville Solar, Old Plank Road Solar, Starratt Solar, Simmons Solar, Blair Road Solar, Old Kings Solar, and Sunport Solar, which are distributed throughout JEA's service territory. JEA entered into 20-25 year PPAs for the energy and the associated environmental attributes from each solar farm. The solar facilities generated approximately 57,071 MWh in Fiscal Year 2024, and 67,560 MWh in Fiscal Year 2023. JEA pays only for the energy produced. Purchases of energy were approximately \$6.240 million in Fiscal Year 2024, \$7.678 million in Fiscal Year 2023.

On April 25, 2023, the JEA Board approved JEA's 2030 goals, which include sourcing 35 percent 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.

JEA entered into a five-year agreement on January 24, 2023, to purchase 150 MWac of electric energy, capacity resources, and renewable attributes (solar) beginning April 1, 2023, from FPL. JEA received approximately 365,574 MWh in Fiscal Year 2024. Purchases of energy were \$13.355 million for Fiscal Year 2024.

Since the release of the 2024 Ten Year Site Plan, the purchase power agreement with the Florida Municipal Power Agency ("FMPA") to purchase approximately 140 MW of solar PV has been delayed from 2026 to 2028. In addition, JEA also entered into a PPA with Florida Renewable Partners ("FRP") to purchase approximately 200 MW of solar PV and energy storage and the PPA is expected to commission by December 2026. JEA will release the 2025 Ten Year Site plan on April 1, 2025, which will include the latest update on JEA's solar initiatives.

Participation in The Energy Authority

In May 1997, JEA, MEAG Power and the South Carolina Public Service Authority (Santee Cooper) entered into a joint power marketing alliance through the formation of a nonprofit corporation in which such three parties constituted all of the members. The corporation is The Energy Authority ("TEA"), a Georgia nonprofit corporation. Subsequently, five additional publicly-owned utilities, Nebraska Public Power District, the City of Gainesville, Florida, doing business as Gainesville Regional Utilities ("GRU"), City Utilities of the City of Springfield, Missouri, American Municipal Power, Inc., and Grand River Dam Authority became members of TEA. MEAG Power withdrew its membership effective April 1, 2024, and the Grand River Dam Authority joined as a member on July 1, 2024. The main office of TEA is in Jacksonville, Florida. TEA's board of directors consists of seven directors (the "TEA Board"). The TEA Board, all of whom are elected by the members, is composed of one director from each member. As of September 1, 2024, GRU's representative had not yet been voted in as a director on the TEA Board.

TEA commenced operations in August 1997 and is engaged in buying and selling wholesale power and natural gas and promoting the efficient use of the generation assets of its members to

maximize the efficient use of electrical energy resources, reduce operating costs, and increase operating revenues of the members. TEA is expected to accomplish the foregoing without impacting the safety and reliability of the electric system of each member. TEA transacts energy transactions among the members and external markets including arranging for any transmission services required to accommodate such transactions. TEA is the exclusive purchaser of short-term surplus energy from its members. Each member is responsible for having adequate firm generating capacity to serve its native load requirement plus operating reserve requirements. TEA has not engaged in the construction or ownership of generation or transmission assets. Additionally, the members have not engaged in other activities that are found in some power pools such as reserve sharing or dedication of all resources to serve the combined load.

TEA has managed a portion of JEA's natural gas supply since 2001. See "*Fuel Contracts*" above.

Pursuant to an Electric Advance Agreement and a Natural Gas Advance Agreement among TEA and its members and a Member Advance Agreement between JEA and TEA, JEA supports TEA's trading activities by the issuance of JEA guaranties within the limits contained in such advance agreements. As of September 30, 2024, JEA is obligated to guaranty, directly or indirectly, certain of TEA's electric trading activities in an amount up to \$60,000,000 and certain of TEA's natural gas procurement and trading activities up to \$55,900,000, in either case, plus reasonable attorney's fees that any party claiming and prevailing under the guaranty might incur and be entitled to recover under its contract with TEA. The JEA Board has approved guaranties of up to \$60,000,000 (plus attorney's fees) for TEA's electric trading activities, up to \$60,000,000 (plus attorney's fees) for TEA's natural gas procurement and trading activities and up to \$50,000,000 for TEA's electric and natural gas activities solely for JEA's benefit (since 2014 none of this latter type of trading activity has been engaged in by TEA). The JEA Board can from time to time increase or, subject to certain limits, decrease the amount of its advances to TEA. For a discussion of JEA's investment in TEA and its commitments to TEA as of September 30, 2024, see Note 7 to JEA's 2024 Financial Statements attached hereto as APPENDIX A.

Order No. 889 of the Federal Energy Regulatory Commission ("FERC") established certain standards of conduct for utilities that offer open access transmission services. The effect of these standards would have been to require JEA to establish a wholesale marketing organization separate and apart from its operating group that controls operations of its generation and transmission facilities. JEA believes that the establishment of TEA satisfied that requirement at a cost to JEA that is substantially less than the cost that JEA would have incurred if it acted alone in establishing a wholesale marketing organization.

Mutual Aid Alliance

JEA has entered into an agreement with seven other electric utilities located in Florida and Georgia (the "Participating Utilities") to provide mutual aid in the form of energy and price commitments in the event of an extended outage of certain designated baseload generating units of the Participating Utilities. Under this agreement, each Participating Utility agrees to make available, from its own capacity and only to the extent it has capacity available in excess of its native load and firm sales commitments, energy to replace energy unavailable due to unplanned outages of the designated units in excess of 60 days (the "Replacement Power"). Each Participating Utility is obligated to

provide the Replacement Power for up to 365 days from the outage event. The Participating Utilities will provide the Replacement Power at a cost derived through a formula based upon natural gas prices. This agreement has a term ending in September 2027 and is automatically renewed for an additional five-year period unless a party thereto provides timely notice of its intent not to renew its participation.

Interconnections

The Electric System is interconnected with other utilities located in the State through five interconnections with FPL, four at 230 kV and one at 138 kV; one 230 kV interconnection with Seminole Electric Cooperative (“Seminole”); one 138 kV interconnection with Florida Public Utilities; and; one interconnection each at 230 kV and 138 kV with Beaches Energy Services. Of these, one interconnection at 230 kV is located in the southwestern portion of the Electric System service territory; four 230 kV interconnections in the western section; two at 138 kV in the northern section; one at 138 kV in the eastern section; and one interconnection at 230 kV is located in the southeastern section.

JEA also has joint ownership with FPL on the two 500 kV lines that connect Florida’s grid with the Georgia Integrated Transmission System. These lines are located in the western section of the Electric System service territory and extend from FPL’s Duval substation to the north to interconnect with the Georgia Integrated Transmission System at the Florida-Georgia state line.

JEA is a member of the SERC Reliability Corporation (“SERC”). Under a delegation agreement with North American Electric Reliability Corporation (“NERC”), SERC acts as JEA’s Compliance Enforcement Authority for FERC approved NERC Reliability Standards. JEA is also a member of the Florida Reliability Coordinating Council (“FRCC”). The FRCC is a member owned organization whose objective is to provide certain reliability and planning functions in a coordinated manner among the utilities in the FRCC subregion of SERC. FRCC is the NERC approved and registered Reliability Coordinator for the utilities in the FRCC subregion. Additionally, FRCC members coordinate their planning and system operations through the FRCC member services to share operating reserves; establish policies and procedures for dealing with scheduled and inadvertent interchanges and emergencies; coordinate maintenance schedules; establish and administer guidelines for utilizing under-frequency load shedding relays; maintain voice, facsimile and internet communications facilities; and evaluate and resolve system disturbances.

JEA is also subject to standards enacted by NERC and enforced by FERC regarding protection of the physical and cyber security of critical infrastructure assets required for operating North America’s bulk electric system. Accordingly, JEA maintains a Critical Infrastructure Protection compliance program as per the requirements of the NERC Compliance Monitoring and Enforcement Program. In addition, compliance with or changes in the applicable standards and regulations may subject JEA to higher operating costs and/or increased capital expenditures as well as substantial fines for non-compliance.

Transmission and Distribution System

JEA’s transmission system consists of all JEA-owned bulk power transmission facilities operating at 69 kV or higher, which includes all transmission lines and associated substation facilities

that end at the substation's termination structure at four voltage levels: 69 kV, 138 kV, 230 kV, and 500 kV.

JEA owns a total of 744 circuit miles of transmission lines, of which 691 are overhead miles and 53 are underground. The following table presents the breakdown of miles per kV level:

<u>Voltage (kV)</u>	<u>Overhead (Miles)</u>	<u>Underground (Miles)</u>	<u>Total (Miles)</u>
69	113	46	159
138	195	3	198
230	308	4	312
500	75	0	75
Total	691	53	744

The 159 miles of 69 kV transmission lines are located in the dense interior section of the Electric System's service area, in the vicinity of the urban core. The 198 miles of 138 kV lines interconnect substations in most of JEA's high load and growth areas. The 312 miles of 230 kV lines form a semicircular loop around the City with transformation from the transmission system to the distribution system performed at numerous JEA facilities, which also serve the high load and growth areas. There currently are 85 substations in the JEA service territory. JEA owns two 500 kV lines jointly with FPL. These lines are connected between FPL's Duval Substation and the Georgia Integrated Transmission System at the Florida-Georgia state line.

To serve the growing customer load around the existing San Pablo substation as well as the future Mayo Clinic campus expansion in the eastern part of the service territory, JEA constructed and energized a new 138/26.4 kV load serving substation named Mayo in the spring of 2024. JEA is also working to have a new 230 kV transmission injection into this substation from the south along with a 230/138 kV expansion at Mayo substation. This is expected to be completed by the fall of 2030.

The following table presents JEA's tie line interconnections with neighboring utilities within FRCC:

<u>JEA Station</u>	<u>Neighboring Utility Station</u>	<u>Voltage (kV)</u>
Steelbald	Duval (FPL) Circuit 3	230
Brandy Branch	Duval (FPL) Circuit 1	230
Brandy Branch	Duval (FPL) Circuit 2	230
Jax Heights	Duval (FPL) Circuit 4	230
Neptune	JB Penman (BES)	138
Switzerland	Sampson (BES)	230
Jax Heights	Black Creek (Seminole)	230
Nassau	Step Down (FPU)	138
Nassau	O'Neil (FPL)	138

Source: JEA.

The distribution system covers approximately 7,483 circuit miles and is composed of three voltage levels depending upon the area served. The central downtown business district is mainly served by a 13.2 kV underground secondary and spot network. Surrounding residential and

commercial areas are served primarily at 26.4 kV, with some 4.16 kV and 13.2 kV interspersed. Most older areas are served from overhead distribution lines. However, the majority of all new developments, subdivisions, shopping centers, and apartment complexes are served by underground 26.4 kV distribution.

The transmission and distribution system is under the control of JEA's system operators through a supervisory control and data acquisition system. The control of the generation facilities and the balance of power flow over interconnection transmission facilities is managed by an automatic generation control application with the system operators' oversight and input as needed.

Area Served

The Electric System serves approximately 900 square miles, which includes virtually the entire City (Duval County), with the exception of Jacksonville Beach and Neptune Beach. The Electric System also provides retail service in portions of the northern sections of St. Johns and Clay Counties, which are located southeast and southwest of the City, respectively.

Customers and Sales

In the Fiscal Year ended September 30, 2024, the Electric System served an average of 528,050 customer accounts. The following table sets forth electric revenues, the sales of the Electric System and the average number of Electric System accounts, all by customer classification, for Fiscal Years ended September 30, 2020 through 2024.

	Fiscal Year Ended September 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Electric Revenues (000s omitted):					
Residential	\$ 736,195	\$ 760,374	\$ 785,986	\$ 644,639	\$ 624,078
Commercial and industrial	638,805	708,529	714,288	566,942	556,722
Public street lighting	14,813	15,423	15,039	13,821	13,410
Sales for resale	2,800	2,254	1,341	2,137	2,128
FPL saleback	0	0	0	1	(1)
TOTAL	\$1,392,613	\$1,486,580	\$1,516,654	\$1,227,540	\$1,196,337
Sales (MWh):					
Residential	5,894,674	5,650,016	5,741,350	5,642,412	5,566,222
Commercial and industrial	6,744,599	6,608,722	6,674,205	6,518,435	6,562,365
Public street lighting	55,802	54,822	54,939	55,487	55,974
Sales for resale:					
Off-system	74,041	52,902	17,758	22,815	18,412
FPL saleback	0	0	0	0	0
TOTAL	12,769,116	12,366,462	12,488,252	12,239,149	12,202,973
Average Number of Accounts:					
Residential	467,268	455,609	444,840	436,299	427,321
Commercial and industrial	56,727	55,895	55,105	54,381	53,750
Public street lighting	4,055	4,010	3,989	3,976	3,929
TOTAL	528,050	515,514	503,934	494,656	485,000

Largest Customers

The ten largest customer accounts served by the Electric System composed 13.4 percent of the total MWh sales derived from the operation of the Electric System for Fiscal Year 2024. The following table sets forth the ten largest Electric System accounts by MWh sales, during Fiscal Year 2024.

<u>Customer Accounts</u>	<u>MWh Sales</u>	<u>Percentage of Total</u>
United States Navy	338,896	2.7
CMC Steel	310,342	2.4
WestRock	208,723	1.6
City of Jacksonville	187,789	1.5
Duval County Public Schools	142,773	1.1
Southern Baptist Hospital	111,643	0.9
Johnson & Johnson Vision Care	108,906	0.9
Mayo Clinic Jacksonville	105,529	0.8
Publix Supermarkets	98,700	0.8
Anheuser Busch	92,444	0.7
TOTAL	1,705,745	13.4

Source: JEA

Customer Billing Procedures

Customers are billed on a cycle basis approximately once per month. If the customer has not paid a bill within 42 days after the initial bill date, JEA may discontinue service to that customer. New commercial accounts are generally assessed a deposit. Residential customers who meet JEA's credit criteria are not assessed a deposit. Customers who do not meet JEA's credit criteria or do not maintain a good payment record may be assessed a deposit, which may vary with consumption. A late payment fee of 1.5 percent is assessed to customers for past due balances in excess of 27 days. The amount of uncollectible accounts is budgeted to be approximately 0.25 percent of estimated gross Electric System revenues for the Fiscal Year ending September 30, 2025. Actual uncollectible accounts were 0.21 percent of gross Electric System revenues for the Fiscal Year ended September 30, 2024.

Rates

JEA has sole discretion to set rate levels and revenue requirements for the Electric System. JEA sets its retail rates after a public hearing. The JEA Board has the authority to change wholesale rates without a public hearing. The Florida Public Service Commission (the "PSC" or "Florida PSC") has the authority to review rate structures for municipal utilities in Florida, including JEA (see subsection "*Regulation*" of this section, below).

Each of JEA's various rates for electric service consists of "base rate" components and a "fuel and purchased power rate" component. The base rate is evaluated and adjusted as required to fund projected revenue requirements for each Fiscal Year. A comprehensive class cost of service study will be performed at a minimum of every five years to support the rates charged are based on cost.

The rate for the fuel and purchased power component will be set monthly for full recovery of actual energy expenditures.

On January 19, 2016, the JEA Board approved a decrease of the fuel and purchased power rate by \$6.85 per 1,000 kWh that became effective on February 1, 2016.

On November 15, 2016, the JEA Board approved an increase to base rates of 4.4 percent on average across multiple rate classes and a decrease of the fuel and purchased power rate by \$4.25 per 1,000 kWh effective on December 1, 2016. This rate restructuring was designed to lower overall bills for residential and commercial customers, improve the alignment of rates with the cost of service and enable additional early pay down of currently outstanding debt.

On September 17, 2021, the JEA Board approved an increase to the energy kWh portion of base rates of approximately three percent on average across all rate classes and a decrease of the fuel and purchased power rate by \$2.00 per 1,000 kWh effective October 1, 2021. This resulted in a target revenue of neutral electric bills for all residential and commercial customers.

On October 26, 2021, the JEA Board approved the revision of the Pricing policy that states the Fuel Charge will be set monthly and is based on the energy cost projection for the billing month to fully recover all expected fuel-related costs. The monthly adjustments became effective December 1, 2021.

Since environmental regulatory constraints and the cost of environmental compliance are anticipated to increase in the future, the JEA Board enacted an Environmental Charge of \$0.62 per 1,000 kWh, which was applied to all rate classes as of October 1, 2007. See “ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Environmental Matters” and “ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Certain Factors Affecting the Electric Utility Industry - *Legislation*” herein.

In order to fund JEA’s comprehensive conservation and demand reduction programs (which are designed to reduce electric consumption and, at the same time, reduce the need for acquiring or constructing additional generating capacity), the JEA Board enacted a Conservation Charge, which was applied to residential electric accounts effective as of October 1, 2007, in the amount of \$0.01 per kWh for usage above 2,750 kWh in a single month.

On February 28, 2023, the JEA Board approved eliminating the enacted Environmental charge and Conservation charges for all rate classes and incorporating them into the energy charge effective as of April 1, 2023. In addition, basic monthly charges for each rate class were raised to more closely represent the cost to serve each class of customer. For residential customers, the increase to base rates was 3.4 percent or \$2.63 per 1,000 kWh effective April 1, 2023. For non-residential customers, basic monthly charges were increased and offset by overall lower energy charges resulting in a target net neutral revenue impact.

On March 26, 2024, the JEA Board approved an increase to electric base rates effective April 1, 2024. For residential customers, the basic monthly charge increased \$0.75 and the energy kWh portion increased 4.3% or \$2.75 per 1,000 kWh. For certain non-residential customers, the energy kWh

portion of base rates increased 3.3%. General Service Demand non-residential customers did not increase any base rate charges to further align rates with cost of service.

A comparison of residential rates in selected major regional cities, including fuel adjustments and franchise fees, as of September 2024, is shown in the following table, arranged by price of 1,000 kWh:

<u>City (Utility)</u>	<u>500 kWh</u>	<u>1,000 kWh</u>	<u>1,250 kWh</u>	<u>2,000 kWh</u>
Atlanta (GPC)	\$87.89	\$167.51	\$220.71	\$380.32
St. Petersburg (Duke Energy Florida)	86.64	159.63	201.34	326.47
Ocala (Electric Dept.)	84.71	149.41	181.76	278.82
Tampa (Tampa Electric)	81.79	141.01	176.32	282.26
Gainesville (GRU)	76.80	140.73	177.50	287.83
Key West (Keys Energy Services)	84.15	140.30	168.38	252.60
FPL- NW FL (Gulf)	74.96	139.80	177.52	290.67
Tallahassee (Electric Dept.)	71.70	133.99	165.14	258.58
Miami (FPL)	67.63	125.14	159.20	261.35
Orlando (Orlando Utilities Commission)	71.25	125.00	158.13	257.50
JACKSONVILLE (JEA)	70.11	123.99	150.93	231.76
Lakeland (Utilities Dept.)	60.84	107.64	132.98	212.30

Source: JEA's Quarterly Residential Rate Comparison (September 2024).

A comparison of non-residential rates in selected major regional cities for certain classifications of service for September 2024 (excluding all taxes) is shown in the following table, arranged by price of non-demand 1,500 kWh service:

<u>City (Utility)</u>	<u>Non-Demand 1,500 kWh</u>	<u>Demand 150 kW 60,000 kWh</u>	<u>Demand 500 kW 200,000 kWh</u>
Atlanta (GPC)	\$267.70	\$7,902.59	\$28,917.70
Gainesville (GRU)	255.20	8,395.50	27,240.20
Key West (Keys Energy Services)	232.96	8,339.00	27,904.00
St. Petersburg (Duke Energy Florida)	230.31	6,753.91	22,527.75
Ocala (Electric Dept.)	219.88	7,038.00	23,597.00
Tampa (Tampa Electric)	214.16	4,993.50	16,569.40
Pensacola (FP&L-NWFL)	203.90	6,094.71	19,990.67
Orlando (Orlando Utilities Commission)	190.59	5,725.40	19,010.00
Miami (FPL)	180.66	5,457.21	18,110.67
Tallahassee (Electric Dept.)	172.42	6,455.18	21,050.18
JACKSONVILLE (JEA)	169.77	5,628.20	18,329.00
Lakeland (Utilities Dept.)	163.35	5,391.74	18,212.14

Source: For all Florida cities, Florida Municipal Electric Association, Inc.'s "Commercial/Industrial Comparison of Electric Rates" (September 2024); for Atlanta, GPC (September 2024).

In August 2013, the JEA Board approved an Economic Development Program (the “EDP”) designed to provide a financial incentive for new and existing commercial or industrial customers who, upon meeting certain eligibility criteria, expand their business and add jobs within the JEA service area. In January 2015, the JEA Board amended the EDP to create an increased level of incentive for customers expanding their business and adding jobs within designated areas where JEA has underutilized existing transmission and distribution capacity (Load Density Improvement areas). In August 2023, the JEA Board approved an extension of the EDP program application date to September 30, 2025.

On November 15, 2016, the JEA Board approved an Economic Stimulus Rider designed to provide a financial incentive for new commercial or industrial customers to locate within JEA’s service area. This rate rider would allow JEA to negotiate rates in certain controlled circumstances, given the following:

- (a) Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) to the effect that, but for the application of the rider, the new load would not be served by JEA; and
- (b) Documentation demonstrating to JEA’s satisfaction that there is a viable lower cost alternative to the customers taking electric service from JEA.

In August 2023, the JEA Board approved enhancements to the EDP program, namely introducing an Enhanced Economic Development Program (the “EEDP”) designed to further provide longer-term incentives to attract new or expanding electric load and creation of jobs in the Jacksonville region. Load Density Improvement areas were replaced with definitions of Targeted Areas for EDP program and Florida’s Target Industries was introduced as a qualification EEDP program. The EDP and EEDP discount schedules are described in the following tables:

EDP Program Discount Schedule

<u>Year</u>	<u>Base Charges Discount – Less Than 5MW</u>	<u>Base Charges Discount – 5MW or greater*</u>	<u>Base Charges Discount – Less Than 5MW in Targeted Areas</u>	<u>Base Charges Discount – Greater Than 5 MW in Targeted Areas*</u>
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) of JEA Tariff Section Economic Development Program Rider.

EEDP Program Discount Schedule

Year	Base Charges Discount – Less Than 5MW	Base Charges Discount – 5MW or greater*	Base Charges Discount – Less Than 5MW in Targeted Areas	Base Charges Discount – Greater Than 5 MW 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) of JEA Tariff Section Economic Development Program Rider.

Regulation

Municipal electric utilities in the State, including JEA, are not subject to state regulation except for certain environmental matters, power plant and large transmission line siting, rate structures, certain conservation activities, certain safety standards and certain provisions of the Grid Power Bill. Section 366.04(5), Florida Statutes, a part of the Grid Power Bill, states that the PSC “shall further have jurisdiction over the planning, development, and maintenance of a coordinated electric power grid throughout Florida to assure an adequate and reliable source of energy for operational and emergency purposes in Florida and the avoidance of further uneconomic duplication of generation, transmission, and distribution facilities.” In 1974, the Florida legislature enacted a statute which confers jurisdiction on the PSC to regulate “rate structures” of all utilities, including municipal utilities. In 1975, the PSC ruled that the statute does not confer ratemaking jurisdiction over municipal electric systems by distinguishing between “rates,” as relating to determination of the revenues required by the utility, and “rate structures,” as relating to the method by which revenues are generated.

The Florida legislature, in 1986, amended Section 366.04, Florida Statutes, which authorizes the PSC to prescribe and enforce safety standards for transmission and distribution facilities owned and operated by investor-owned electric utilities (“IOU’s”) and municipal- and cooperatively-owned electric utilities within the State. The PSC has adopted the National Electric Safety Code as its standard in this regard, and JEA believes it is currently in full compliance.

The Florida Electric Power Plant Siting Act, administered by the Florida Department of Environmental Protection (the “FDEP”), gives the PSC exclusive authority to determine the need for electric power plants. The Florida Transmission Line Siting Act, also administered by the FDEP, gives the PSC exclusive authority to determine the need for all transmission lines with voltages of 230 kV or greater which cross county lines. The Florida Department of Transportation (“FDOT”) regulates

the construction of new transmission and distribution lines that cross FDOT rights-of-way. The FDEP must approve the construction of transmission and distribution lines across FDEP-protected lands. Transmission and distribution lines that cross navigable waters are regulated by the Army Corps of Engineers, the FDEP and the St. Johns River Water Management District.

Existing and proposed interconnection agreements with IOU's are subject to review and approval by FERC. The Energy Policy Act of 1992 conferred on FERC the power to order any "transmitting utility" to perform wheeling services. The term "transmitting utility" is defined to include municipal utilities, such as JEA. In addition, "transmitting utilities" are subject to FERC reporting requirements.

Capital Program

The Electric System's capital program consists of (a) 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) construction of a new 1x1 advanced class combined cycle unit, and (c) JEA's remaining capital requirements for transmission and distribution facilities and other capital items. The projected total amount of the capital program for the four-year period ending September 30, 2028 is shown in the following table.

Electric System Capital Program (000s omitted)

Fiscal Year Ending September 30,	<u>Amount</u>
2025	\$ 307,000
2026	374,000
2027	530,000
2028	661,000
Total	<u>\$1,872,000</u>

The total amount of the capital program for the four-year period is estimated to be approximately \$1.872 billion. It is expected that approximately \$1.064 billion of the capital program for this period will be provided from the proceeds of bonds and that approximately \$808 million will be provided from revenues and available funds of the Electric System. The projected total amount of the capital program may be affected by future environmental legislation and regulation. See "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Environmental Matters" and "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Certain Factors Affecting the Electric Utility Industry" herein.

St. Johns River Power Park

The Power Park was a coal- and petcoke-fired steam electric generating station formerly rated at 1,276 MW, net, located in the northeast section of the City. The Power Park assets were jointly owned by JEA and FPL; JEA's ownership interest in the Power Park assets was 80 percent. In May 2017, JEA entered into an agreement with FPL for an early termination of the Agreement for Joint

Ownership, Construction and Operation of the St. Johns River Power Park Coal Units #1 and #2 dated as of April 2, 1982, as amended (the “Power Park Joint Ownership Agreement”), between JEA and FPL, and cessation of commercial operations in January 2018 with decommissioning of the plant to occur thereafter. The costs of decommissioning were split between JEA (80 percent) and FPL (20 percent). Upon completion of the dismantlement of the Power Park, FPL was to assign its right, title and interest in and to the land upon which the Power Park is situated to JEA.

The total cost of decommissioning St. Johns River Power Park was approximately \$64.5 million; JEA’s portion was approximately \$53.2 million, all of which had been incurred as of the Fiscal Year ended September 30, 2023. JEA paid 80 percent of the decommissioning cost with the exception of the Blount Island Conveyor Demolition, for which JEA paid 100 percent.

On August 10, 2022, all land and real property assets were transferred to JEA following the substantial completion of demolition and remediation. The active landfill closure commenced on December 9, 2020 and was completed in January 2022. JEA is evaluating opportunities for the future use of this site.

Debt previously issued under the Second Power Park Resolution currently remains outstanding and was not defeased in connection with the closing of the Power Park. JEA’s obligation to pay JEA’s portion of the Power Park operating and maintenance expenses and renewal and replacement costs relating to the Power Park and all other costs associated with the Power Park, as well as all debt service on the Power Park Issue Three Bonds, is a Contract Debt payable as a Cost of Operation and Maintenance of the Electric System pursuant to the Electric System Resolution. Such Contract Debt payments with respect to the Power Park are required to be made in accordance with the terms of the Second Power Park Resolution. See “FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS - Debt Relating to Electric Utility Functions - Power Park Issue Three Bonds” herein.

Scherer 4

Scherer Unit 4 was one of four coal-fired steam units located at the Robert W. Scherer Electric Generating Plant (“Plant Scherer”) on a 12,000-acre site near the Ocmulgee River approximately three miles east of Forsyth, Georgia. JEA owned a 23.64 percent interest in Scherer Unit 4 and a proportionate ownership interest in associated common facilities and an associated coal stockpile (such ownership interests are referred to herein as the “Scherer 4 Project”) pursuant to the Plant Robert W. Scherer Unit Number Four Amended and Restated Purchase and Ownership Participation Agreement, dated as of December 31, 1990, as amended, among GPC, FPL and JEA (the “Scherer Unit 4 Purchase Agreement”). JEA’s Electric System was entitled to 200 MW, net, of the capacity of Scherer Unit 4 and was required to pay for such capacity on a “take-or-pay” basis by making deposits into certain funds and accounts established pursuant to the Restated and Amended Bulk Power Supply System Resolution (as defined herein).

On November 24, 2020, JEA and FPL entered into cooperation and retirement agreements setting forth the terms and conditions for the closure of the Scherer Unit 4 on or before January 1, 2022. On that same date, JEA also executed a 20-year purchased power agreement between JEA and FPL for a natural gas-fired system product with a solar conversion option (the “FPL PPA”) and a related 10-year natural gas hedge to replace the capacity and energy of Scherer Unit 4. The obligation

of JEA to retire Scherer Unit 4 was subject to FPL having performed and complied in all material respects with the retirement agreement including remittance of the \$100 million consummation payment (the "FPL Consummation Payment") to be used by JEA in its discretion to pay for JEA's costs in completing the retirement of Scherer Unit 4, including, but not limited to, the defeasance of the outstanding bonds. On January 1, 2022, Scherer Unit 4 was retired and replaced by the FPL PPA.

Debt previously issued under the Restated and Amended Bulk Power Supply System Resolution currently remains outstanding. The costs of operating and maintaining the Scherer 4 Project, including the payment of debt service on the Additional Bulk Power Supply System Bonds, are paid as a Contract Debt of the Electric System, payable as part of the Electric System's Cost of Operation and Maintenance. See "FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS - Debt Relating to Electric Utility Functions - Bulk Power Supply System Bonds" herein.

Resource Requirements and 2023 Integrated Resource Plan

Capacity

JEA must have sufficient resources to serve expected firm customer demands in the future. The capacity required consists of forecasted annual peak demands (net of interruptible demands) and a reserve margin necessary to allow for routine and emergency equipment outages and demand forecast variances. The installed capacity consists of existing Electric System generating units and firm PPAs. The difference between firm capacity required (including the reserve margin) and installed capacity is the net capacity surplus or deficit.

JEA applies the State mandated general rule that reserve capacity should be at least 15 percent of the projected seasonal firm peak demand. This reserve amount is added to projected firm peak demand to determine the seasonal capacity required. This approach is considered reasonable and prudent, particularly in light of JEA's strong transmission ties with FPL and the Southern Company ("Southern"). JEA owns approximately 1,228 MW of power import capacity into the State across the Florida-Georgia Transmission interface. Additional capacity, if needed, may be available for economic purchases by JEA. JEA also makes its part of the transmission import capacity available to others for transmission service under FERC Order No. 888.

As part of its strategic planning process, JEA re-evaluates its resource needs annually. JEA's 2024 resource requirements study (the "2024 Study") included JEA's most recent peak demand and energy forecast, which continued to identify JEA as a winter-peaking utility. The 2024 Study also reflected the use of interruptible and curtailable rates. JEA's resource plan is expected to satisfy JEA's need for capacity through the listed operating period.

In 2021, JEA began its process of developing a comprehensive Integrated Resource Plan ("IRP"). The IRP was completed in May 2023. JEA's prime contractor for the development of the IRP was Black and Veatch ("B&V"), and supporting B&V as its IRP subcontractors were nFront Consulting, Resource Innovations and Accuity Design Group. The IRP is an industry standard process for evaluating long-term power supply requirements for:

- Reliability;

- Economics; and
- Environmental.

The process includes:

- Evaluating future need for generating resources;
- Evaluating new resource options;
- Identifying scenarios and analyzing solutions;
- Gathering stakeholder feedback;
- Determining preferred portfolio; and
- Developing action plan(s).

JEA included a stakeholder engagement component to the IRP effort. Reasons for stakeholder engagement include:

- Educate stakeholders on utility plans;
- Improve transparency of utility decision-making process for resource planning;
- Create an opportunity to provide feedback to the utility on its resource plan;
- Encourage robust and informed dialogue on resource decisions; and
- Reduce utility regulatory risk by building understanding and support for utility resource decisions.

JEA engaged a diverse group of stakeholders that were selected to represent the broad range of the utility's customers and their individual interests. The stakeholder group included a variety of local and regional governmental and non-governmental organizations that in turn support the visions of their respective organizations. These stakeholders reviewed and provided feedback relative to various scenarios that may impact the utility and the community.

The results from the IRP helped guide the development of JEA's long-term goals. On April 25, 2023, the JEA Board of Directors approved JEA's 2030 goal as follows:

- 35% of JEA's energy mix sourced from clean energy resources, such as solar and nuclear;
- Retire less efficient generation;
- 80% reduction in carbon dioxide emissions from 2005 levels;
- 100% of clean energy to serve JEA's facilities; and
- Offset electrification demand with energy efficiency programs.

The results from the IRP also helped identify that a total of 1,275 MWAC of solar PV will enable JEA to achieve part of its clean energy goals, combined with 200 MW of nuclear power from Plant Vogtle Units 3 and 4, and a high-efficiency natural gas combined cycle unit. JEA will continue to seek for additions of solar PV and perform studies to determine potential reliability considerations for the JEA system associated with the integration of 1,275 MWAC of solar.

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 five percent and not more than 20 percent of the proposed two-unit nuclear station currently known as William States Lee III Nuclear Station, Units 1 & 2 to be constructed at a site in Cherokee County, South Carolina (the “Lee Project”). The Lee Project was 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 \$7.5 million, with \$3.75 million paid in each of Fiscal Years 2011 and 2012. JEA obtained this option in furtherance of its 2010 policy target to acquire up to 30 percent 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’s exercising the option. The option exercise period will be opened by Duke Carolinas after it (a) receives U.S. Nuclear Regulatory Commission (“NRC”) approval of the combined construction and operating license (“COL”) for the Lee Project and (b) 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.

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 Carolinas may be obligated to provide JEA with options for alternative resources (but not necessarily from nuclear resources) to replace JEA’s optionable 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.

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System Load

From Fiscal Year 2020 to 2024, the peak demand for power on the Electric System increased at a compound annual rate of 0.89 percent per year. From Fiscal Year 2020 to 2024, energy output increased at a compound annual rate of 0.87 percent per year. JEA experienced its highest instantaneous peak of 3,250 MW on January 11, 2010. The following table presents the yearly recorded values for Fiscal Year 2020 to 2024:

Peak Demand for Power on the Electric System

Fiscal Year	Net Peak Demand (MW)⁽¹⁾⁽²⁾	Percent Change From Previous Year	Annual Net Energy For Load (GWh)	Percent Change From Previous Year
2020	2,582	(0.3)	12,623	(1.9)
2021	2,532	(1.9)	12,687	0.5
2022	2,728	7.7	12,900	1.7
2023	2,753	0.9	12,788	(0.9)
2024	2,675	(2.8)	13,070	2.2

⁽¹⁾ The highest 60-minute net integrated peak demand for each fiscal year.

⁽²⁾ Fluctuations in net peak demand are generally attributable to extremely low or high temperatures in the winter or summer months, respectively.

⁽³⁾ Information was revised in August 2024.

Source: JEA.

JEA's peak load forecast, which is based on weather-normalized load and energy data, together with JEA's projections for available generation and firm power purchases, is shown in the following tables.

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Projected Available Capacity and Requirements ⁽¹⁾
(MW)

Fiscal Year	Firm Winter Peak Demand⁽²⁾	Capacity Reserves	Firm Winter Peak Demand Plus Capacity Reserves⁽³⁾	Electric System Capacity⁽⁴⁾	Firm Power Purchases⁽⁵⁾	Installed Capacity and Net Firm Power Purchases⁽³⁾	Available Capacity Surplus⁽³⁾
2025	2,774	416	3,190	2,952	415	3,367	177
2026	2,797	419	3,216	2,952	415	3,367	151
2027	2,820	423	3,243	2,952	400	3,352	109
2028	2,835	425	3,260	2,952	400	3,352	92
2029	2,851	428	3,278	2,952	400	3,352	74

Fiscal Year	Firm Summer Peak Demand⁽²⁾	Capacity Reserves	Firm Summer Peak Demand Plus Capacity Reserves⁽³⁾	Electric System Capacity⁽⁴⁾	Firm Power Purchases⁽⁵⁾	Installed Capacity and Net Firm Power Purchases⁽³⁾	Available Capacity Surplus⁽³⁾
2025	2,624	394	3,018	2,782	517	3,299	281
2026	2,639	396	3,034	2,782	516	3,298	263
2027	2,659	399	3,058	2,782	568	3,350	293
2028	2,677	402	3,078	2,782	550	3,332	254
2029	2,694	404	3,098	2,782	550	3,332	234

⁽¹⁾ The projected figures contained herein are forward-looking statements and are subject to change without notice. These figures are based on current conditions and assumptions, including JEA's growth assumptions, environmental regulations, fuel prices, fuel availability and other factors in effect as of the date hereof and are subject to significant regulatory, business, economic and environmental uncertainties and contingencies. Events may occur and circumstances may change subsequent to the date hereof that would have a material impact on the projections presented herein. The achievement of certain results contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those stated in the forward-looking statements. JEA does not commit to issue any updates or revisions to those forward-looking statements if or when its expectations change, or events, conditions or circumstances on which such statements are based occur or fail to occur.

⁽²⁾ Peak demand:

- (a) does not include serving expected interruptible loads.
- (b) includes demand-side management.
- (c) includes Plug-In Electric Vehicle (PEV) penetration.

⁽³⁾ Totals may not add due to rounding.

⁽⁴⁾ Figures include the following considerations:

- (a) No capacity additions occur in the planning horizon.
- (b) Diesel capacity rating for Kennedy CTs 7 & 8, GEC CTs and Brandy Branch CTs.
- (c) Gas capacity ratings in winter and summer for Brandy Branch CTs 2 & 3.

⁽⁵⁾ Firm Power Purchases include:

- (a) TRE Phase I: 9 net MW clean power purchase starting winter 2008 and expiring December 2026.
- (b) TRE Phase II: 6 net MW clean power purchase starting winter 2014 and expiring December 2026.
- (c) FPL Solar PPA: output in August at hour 17:00 of the 150 MW solar power purchase agreement starting April 1, 2023 and expiring April 1, 2028.
- (d) One (1) 65 and One (1) 74.9 MW Solar PPAs: 20 percent of the ~140 MW solar power purchase agreements with FMPA starting the first quarter of Fiscal Year 2027 and expiring the first quarter of Fiscal Year 2047. (Included in Summer Firm power purchases. JEA does not count solar as capacity for Winter season.)
- (e) Three (3) 74.9 and one (1) 49.9 MW Solar PPAs: 20 percent of the ~200 MW solar power purchase agreements with Florida Renewable Partners (FRP) and 75 MW solar currently under negotiation: three starting in the first quarter of Fiscal Year 2027 and expiring the first quarter of Fiscal Year 2062, and one starting in the first quarter of Fiscal Year 2028, and expiring on the first quarter of Fiscal Year 2063 (Included in Summer Firm power purchases. JEA does not count solar as capacity for Winter season.)
- (f) Two (2) 74.9 MW solar PPAs: 20 percent of the ~150 MW solar PPAs starting in January 2028 and expiring January 2053.
- (g) One (1) 150 MW solar PPA: 20 percent of the ~150 MW solar PPA starting in April 2028 and expiring April 2053.
- (h) Seven (7) 74.9 MW solar PPAs: 20 percent of the ~524 MW solar PPAs starting in January 2030 and expiring January 2055.
- (i) One (1) 35 MW solar PPA: 20 percent of the ~35 MW solar PPA starting in January 2030 and expiring January 2055.
- (j) The FPL PPA provides for 200 MW natural gas combined cycle capacity and energy beginning January 1, 2022. See "ELECTRIC SYSTEM – Other Electric Utility Facilities – Scherer 4" herein.
- (k) Vogtle Units 3 and 4: 100 MW each unit delivered from MEAG Power beginning July 2023 and April 2024, respectively.

Source: JEA.

Environmental Matters

Environmental Liabilities

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 analysis of the cost of remediation and other identified environmental contingencies, as of September 30, 2024, JEA had accrued liabilities of approximately \$50.143 million related to environmental matters, of which approximately \$12.303 million is associated with the remaining cost of remediation, monitoring and long term care for the former wood-preserving facility at the Kennedy Generating Station, \$18.639 million associated with the remediation and long term care at the former chemical waste pond at Northside Generating Station and \$16.596 million associated with the long term monitoring and care of the landfills of the former St. John's River Power Park. Other environmental matters 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. For a further discussion of certain pending litigation relating to environmental matters, see the discussion under the captions "Pollution Remediation Obligations" and "Northside Generating Station Byproduct" in Note 15 to JEA's Financial Statements attached hereto as APPENDIX A. See also "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Environmental Matters - *Other Environmental*" herein.

While the final outcome of the foregoing proceedings cannot be predicted with certainty, JEA does not believe that its potential liabilities arising from such proceedings, either individually or in the aggregate, will have a material adverse effect upon its financial position, results of operations, or liquidity.

Global Climate Change

Over the past 25 years, environmental concerns of the public, the scientific community and Congress have resulted in legislation that has had, and is expected to continue to have, a significant impact on the electric utility industry. Based on the increasing intensity of national and international attention to climate change, federal and state legislative and/or regulatory actions/discussions have been ongoing in this area.

Specific regulations with significant impact to JEA are described below.

In 1990, legislation was enacted (the "1990 Amendments") that substantially revised the Federal Clean Air Act (the "Clean Air Act"). A main feature of the 1990 Amendments is the reduction of sulfur dioxide ("SO₂") and nitrogen oxide ("NO_x") emissions caused by electric utility power plants, particularly those fueled by oil and coal. The SO₂ reduction was to be achieved in two phases. Phase I addressed specific high sulfur emitting generating units named in the 1990 Amendments and was effective on January 1, 1995.

In phase II, which became effective on January 1, 2000, total U.S. SO₂ emissions are capped at 8,900,000 tons per year. The 1990 Amendments contained provisions for allocating emission allowances to power plants based on historical or calculated levels. An allowance is defined as the

authorization to emit one ton of SO₂. An “Affected Unit” is defined as a unit that is subject to emission reduction requirements or limitations under the United States Environmental Protection Agency (the “EPA”) Acid Rain Program.

In 2009, the EPA issued final rules that require mandatory reporting of greenhouse gases (“GHG”) emissions from all sectors of the economy. The rules require reporting by fossil fuel suppliers and industrial gas suppliers, direct GHG emitters and manufacturers of heavy-duty and off-road vehicles and engines. Electric generating units (“EGUs”) subject to the Clean Air Act’s Acid Rain Program would continue to measure CO₂ emissions as presently performed and report based on those measurements. Annual reports are due by March 31 each year.

Under the structure of the Clean Air Act, permits are required for all sectors of the economy that have activities that meet the definition of a “major source” of GHG emissions under the Clean Air Act. Covered entities will immediately be subject to Prevention of Significant Deterioration (“PSD”) and Title V permitting regimes, including requirements that construction of new sources or modifications to existing sources that will significantly increase GHG emissions install Best Available Control Technology (“BACT”) to limit those emissions.

The EPA final PSD and Title V Greenhouse Gas Tailoring Rule (the “Tailoring Rule”), which provided a three-stage phase-in of Clean Air Act PSD and Title V operating permit requirements for GHGs from stationary sources, became applicable to GHG emissions on January 2, 2011.

Under the first phase, PSD and Title V requirements only apply to GHGs at sources that are already subject to these programs as a result of their non-GHG emissions. In the second and third phases, PSD and Title V requirements can apply to sources on the basis of GHG emissions alone, even if non-GHG emissions are not high enough to trigger current PSD and Title V requirements. The second and third phase of the Tailoring Rule and any related assessments were rendered irrelevant by a U.S. Supreme Court (“Supreme Court”) ruling in 2014. The Tailoring Rule was initially upheld by the U.S. Court of Appeals for the District of Columbia Circuit, but, on June 23, 2014, the Supreme Court reversed in part and affirmed in part. The Supreme Court held that the Clean Air Act neither compels nor permits the EPA to require compliance with PSD or Title V requirements solely on the basis of GHG emissions but that the EPA reasonably interpreted the Clean Air Act to require a source that must obtain a PSD permit based on its emission of non-GHG emissions to also comply with BACT requirements for GHGs. On remand from the Supreme Court, the U.S. Court of Appeals for the District of Columbia Circuit issued an amended judgment on April 10, 2015 that held that the Tailoring Rule was vacated to the extent it required sources to obtain PSD or Title V permits solely on the basis of GHG emissions and directed the EPA to take steps to rescind or revise applicable regulations to reflect the court’s judgment. The EPA has issued guidance indicating that it will no longer seek to apply the second or third phase of the Tailoring Rule but will continue to implement the first phase and will undertake additional future rulemaking. In early October 2016, the EPA proposed revisions in response to the June 2014 Supreme Court’s decision that invalidated GHG-only PSD permitting under the Tailoring Rule. The proposal revised a variety of provisions to comply with the court’s ruling, and established a significant emissions rate threshold for GHGs of 75,000 tons per year CO₂, which would determine whether a source that triggers PSD for conventional pollutants is required to conduct a BACT analysis for GHGs. The EPA accepted comments on the revisions until December 16, 2016. Consistent with the ruling, the EPA is no longer requiring PSD permitting based

on GHG emissions. JEA cannot determine the impact of this rule or any future related regulatory actions on its facilities at this time.

On October 23, 2015, the EPA published final performance standards for carbon emissions from new, modified and reconstructed electric generating units, establishing standards of performance for CO₂ emissions from these units (the “Carbon Pollution Standards”). On the same date, the EPA issued final guidelines for existing power plants, called the Clean Power Plan (“CPP”), which requires states to regulate CO₂ emissions from existing fossil fuel-fired power plants. This rule requires the State to achieve a CO₂ emissions rate reduction of 26 percent by 2030, with interim CO₂ reduction goals over the period of 2022 to 2029.

Under the CPP, each state would be required to submit for EPA approval a plan for achieving the mandated emissions reductions. If a state failed to submit a plan then the EPA would be able, under the CPP, to impose a federal plan. States have at least one year (up to three years in special circumstances) to develop and submit plans to the EPA for approval. Plans did not go into effect until 2022. If a state does not submit an acceptable implementation plan, the EPA will implement a federal plan for the state. The final “Carbon Pollution Standards” rule applies to any facility that commenced construction after January 8, 2014, or modification or reconstruction after June 18, 2014, with requirements becoming effective 60 days after the rule is published in the Federal Register. The EPA accepted public comment on the federal plan up until January 21, 2016.

On August 3, 2015, the EPA issued concurrently three separate rules pertaining to emissions of carbon dioxide (“CO₂”) fossil fuel-fired electric generating units:

- (a) The Final Clean Power Plan, applicable to existing fossil fuel-fired electric EGUs.
- (b) The Final Carbon Pollution Standards Rule (“CPS”), applicable to new, modified and reconstructed fossil fuel-fired EGUs.
- (c) The Proposed Federal Plan applicable to states that fail to submit an approvable plan that achieves CPP goals.

On February 9, 2016, the Supreme Court issued an order staying implementation of the CPP. The Supreme Court granted the applications of numerous parties to stay the CPP pending judicial review of the rule. The EPA subsequently petitioned the court to pause the litigation indefinitely while the EPA promulgates new rules.

On October 16, 2017, the EPA issued an Advanced Notice of Proposed Rulemaking to repeal the CPP in its entirety due to the administration’s different interpretation of the authority for CO₂ regulation under the Clean Air Act. On August 31, 2018, the EPA issued a proposed rule to replace the CPP, which is entitled the Affordable Clean Energy (“ACE”) rule. The proposed rule requires states to set CO₂ performance standards for each individual affected generating unit based on heat rate improvements that can be made at each specific unit. In addition, the ACE proposal would adopt reforms to the New Source Review (“NSR”) program that are designed to remove the current regulatory barriers to implementing efficiency measures as well as other reliability, maintenance and safety projects at existing power plants. The compliance requirements of the proposed ACE rule are significantly less stringent than those of the CPP. The EPA accepted written comments on the

proposed ACE rule until October 31, 2018. For the duration of the ACE rule's promulgation, the D.C. Circuit Court had held the CPP litigation in abeyance while the EPA acted to repeal and replace the CPP. The CPP was repealed when the ACE became final. On June 19, 2019, the EPA issued the final ACE rule, similar to the initial proposal except that the EPA opted to finalize the NSR reform rules sometime during the year 2020. JEA anticipates the ability to comply with ACE without significant new investment. On September 17, 2019, the D.C. Circuit Court granted motions seeking to dismiss, as moot, the litigation on the CPP, essentially affirming the repeal of the CPP. For ACE compliance, JEA is working on establishing a baseline CO₂ emissions rate and initiating a heat rate improvement study for Northside Units 1 and 2. JEA began the process to propose a CO₂ emissions standard for each unit for submission to FDEP towards the end of 2021 to support submission of an FDEP State plan in 2022 for the EPA's approval by 2024. However, due to the litigation and verdict described below, this process was suspended.

On December 6, 2018, the EPA issued a proposed rule to replace the CPS by revising the new source performance standards ("NSPS") for CO₂ emissions from new, reconstructed, and modified power plants. The proposed rule revises the CO₂ performance standards for new coal fired power plants, replacing the current standard based on carbon capture and storage with a more achievable standard based on high-efficiency generating technologies in combination with best operating practices. Similar to the ACE rule, the proposed NSPS for CO₂ emissions is significantly less stringent than the CPS. Correspondingly, JEA anticipates the ability to comply with the proposed NSPS for CO₂ emissions without significant incremental investment should it ever decide to construct a new EGU or modify an existing one.

On October 8, 2020, oral arguments were held at the D.C. Circuit Court to determine the validity of the ACE rule. On January 19, 2021, the court vacated the ACE rule and remanded it back to the EPA. The court decided that it was wrong for the EPA to conclude that the best system of emission reduction meant only measures that can be applied to or at the source. The court also cited that generation shifting, averaging, trading, and biomass co-firing could be viable compliance options. The court stated that the repeal of the CPP was imbedded in the ACE rule, and therefore the CPP could go back into effect. This is not anticipated to happen, but should the CPP go back into effect, new compliance dates would have to be established since the current dates in the rule have already passed. The court concluded that the EPA can regulate the same category (EGUs) under both Sections 111 and 112 of the Clean Air Act, but not the same pollutant. Back in 2015, the EPA made the Endangerment Finding to regulate GHGs from existing EGUs as part of a NSPS. 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. Initial briefings were made on December 13, 2021, responses were submitted on January 18, 2022, and replies were completed by February 17, 2022. Oral arguments were held on February 28, 2022.

On October 27, 2022, the D.C. Circuit Court ordered the repeal of CPP, and Section 111(d) revisions were vacated, but ACE challenges remained in abeyance. The EPA proposed a replacement rule in April of 2023 to: (a) revise the NSPS under Section 111(b) for GHG emissions from new fossil fuel-fired stationary CT EGUs; (b) revise the NSPS for GHG emissions from fossil fuel-fired steam generating units that undertake a large modification; (c) establish emission guidelines pursuant to Section 111(d) for GHG emissions from existing fossil fuel-fired steam generating EGUs, including coal-fired and oil/gas-fired steam generating EGUs; (d) establish emission guidelines pursuant to

Section 111(d) for GHG emissions from the largest, most frequently operated stationary CTs; and (v) repeal the ACE rule.

The rule (a) impacts both new and existing solid fuel and natural gas units, (b) requires the use of Carbon Capture Sequestration or Blending Green H as a fuel source to reduce GHG emissions, (c) impacts all coal, oil, and gas fired boilers, and (d) only impacts CT's >300 MW. Unit specific caps will be set based on unit size and usage.

New GHG rules were finalized in May 2024 with a State implementation plan ("SIP") due in May 2026. With the rules in place, the EPA deadline for approval is July 2027. Multiple legal challenges and stay requests have been filed by states, utilities, and industry groups. A stay request was denied by the D.C. Circuit Court of Appeals on July 19, 2024. On July 23, 2024, a motion for a stay was filed with the Supreme Court. This stay was also denied. On December 6, 2024, oral arguments were heard by the D.C. Circuit Court. It is anticipated that the new administration will be requesting and granted a 60 day abeyance to review the rule before any case decision is made.

New simple-cycle and combined-cycle units capacity factor would be limited to 40% or less beginning in 2032 if no carbon capture and sequestration is used. The new source performance standards are effective immediately adding costs and complexity to permitting and construction requirements. Options for existing solid fuel units, such as Northside Generation Station Units 1 and 2, include retirement in 2032, converting to 40% gas by 2030 to run until 2039 or installing carbon capture and sequestration by 2032 to run indefinitely.

The EPA did not include existing CTs or combined-cycle units in this rule making but are planning additional proposals in 2025 to regulate these sources.

Environmental Justice

In May 2022, the Environment and Natural Resources Division (ENRD) of the Department of Justice ("DOJ"), in partnership with the EPA, developed four "principles" for Environmental Justice Enforcement Strategy:

1. Prioritize cases that will reduce public health and environmental harms to overburdened and underserved communities.
2. Make strategic use of all available legal tools to address environmental justice concerns.
3. Ensure meaningful engagement with the impacted communities.
4. Promote transparency regarding environmental justice enforcement efforts and their results.

On December 22, 2022, the EPA released a memo titled "Principles for Addressing Environmental Justice Concerns in Air Permitting." Environmental permit applications and renewals (including Title V) could be scrutinized for potential environmental justice issues.

Inflation Reduction Act of 2022

The Inflation Reduction Act of 2022 (“IRA”), also known as the Manchin-Schumer bill, calls for GHG reductions of about 40% by 2030, compared to the 2005 levels. There are tax incentives for any zero-carbon power production, and EV tax credits will continue. Details of how the IRA will be implemented are still to be determined. On January 10, 2023, the Biden-Harris Administration announced the availability of \$100 million through the IRA for Environmental Justice Grants.

As part of President Trump’s recent executive orders, he has revoked the requirement by agencies to include environmental justice initiatives in their missions.

National Ambient Air Quality Standards

National Ambient Air Quality Standard (“NAAQS”) are established to protect human health or public welfare. The EPA is required to review the NAAQS every five years and make such revisions in such criteria and standards and promulgate such new standards as may be appropriate in accordance with provisions of the Clean Air Act. If the EPA determines that a state’s air quality is not in compliance with a NAAQS, that state is required to establish plans to reduce emissions to demonstrate attainment with that NAAQS.

Specific NAAQS that have recently been revised or are currently proposed for revision are as follows:

Ozone NAAQS. On October 1, 2015, the EPA revised its NAAQS for ground-level ozone to 70 parts per billion (“ppb”), which is more stringent than the 75-ppb standard set in 2008. The Clean Air Act mandates that the EPA publish initial area designations within two years of the promulgation of a new standard (*i.e.*, by October 2017), but allows for a one-year extension if the Administrator determines he “has insufficient information to promulgate the designations.” On November 16, 2017, the EPA published a final rule establishing initial area designations for the 2015 NAAQS for ozone, designating 2,646 counties (including all counties in the State) as “attainment/unclassifiable.” The EPA is designating areas as “attainment/unclassifiable” where one or more monitors in the county are attaining the 2015 ozone NAAQS, or where the EPA does not have reason to believe the county is violating the 2015 ozone NAAQS or contributing to a violation of the 2015 ozone NAAQS in another county. States with nonattainment areas will have up to three years following designation to submit a revised SIP outlining strategy and emission control measures to achieve compliance. In November 2017, Duval County was deemed unclassifiable pending acceptable monitoring results expected at the end of 2018. Duval County is projected to be in attainment of the revised standard. On August 14, 2019, the EPA published the proposal to redesignate Duval County from unclassifiable to attainment/unclassifiable for the 2015 Ozone NAAQS. In the event that Duval County was to become a non-attainment area, JEA’s power plants (e.g., Northside and Brandy Branch) could be required to comply with additional emission control requirements (e.g., increased usage of ammonia in their selective catalytic reduction/selective non-catalytic reduction (“SCR/SNCR”)) for nitrogen oxides and volatile organic compounds which are precursors to ozone formation. The nature and consequences of a non-attainment designation cannot be predicted at this time. On December 23, 2020, the EPA decided to retain the 70 ppb standard after the required five year review. On January 20, 2021, the Biden-Harris

Administration stated that it will be reviewing the Ozone NAAQS as contained in 85 Fed. Reg. 87256 dated December 31, 2020 (to be completed by December 2023).

On October 29, 2021, the EPA stated it would reconsider the December 23, 2020 retention. On April 22, 2023, EPA staff recommended retention of the 70 ppb standard. An outside advisory panel has recommended lowering the standard to between 45-55 ppb. The EPA has decided to delay issuing final determination until further studies and additional research can be completed. The rule is now expected in 2025.

Particulate Matter NAAQS. The EPA finalized the NAAQS Fine Particulate Matter (“PM_{2.5}”) standards in September 2006. Since then, the EPA established a more stringent 24-hour average PM_{2.5} standard and kept the annual average PM_{2.5} standard and the 24-hour coarse particulate matter standard unchanged. The EPA issued a final PM_{2.5} rule on December 14, 2012, that reduced the annual PM_{2.5} standard from 15 µg/m³ to 12 µg/m³. The rule left the 24-hour PM_{2.5} standard of 35 µg/m³ unchanged. The change in the PM_{2.5} has not resulted in non-attainment designation for Duval County and has not had a material adverse effect on the operations of JEA’s generating facilities. On January 20, 2021, the (Biden-Harris) Administration stated that it will be reviewing the PM NAAQS as contained in 85 Fed. Reg. 82854 dated December 18, 2020. On January 27, 2023, the EPA proposed to further strengthen the annual PM_{2.5} standard from 12 µg/m³ to between 9 and 10 µg/m³. The State would fully meet an annual standard at 10 µg/m³ but could have a couple of potential nonattainment areas if the standard is lowered to 9 µg/m³. Also, the EPA is proposing to retain the 24-hour standard of 35 µg/m³, although it seeks comment on lowering it as low as 25 µg/m³. Comments were due on March 28, 2023. Based on 2009–2021 monitoring data by FDEP, Duval County is around 7 µg/m³ for annual averaging, and 15 µg/m³ for 24-hour averaging.

On March 6, 2024, the EPA updated the PM_{2.5} NAAQS. The primary annual PM_{2.5} standard was lowered from 12.0 µg/m³ to 9.0 µg/m³. The EPA retained the current primary 24-hour PM_{2.5} standard and the primary 24-hour PM₁₀ standard. There was no change to the secondary 24-hour PM_{2.5} standard, secondary annual PM_{2.5} standard, and secondary 24-hour PM₁₀ standard. The new PM_{2.5} standard may affect JEA when adding new CTs.

SO₂ and NO₂ NAAQS. During 2010, the EPA finalized new one-hour NAAQS for both SO₂ and nitrogen dioxide (“NO₂”). In 2013, the EPA published in the Federal Register its proposed nonattainment designations based on monitoring data for the 2010 one-hour primary SO₂ NAAQS. Parts of two Florida counties, including Nassau County, which is adjacent to JEA’s service territory, were initially designated as being nonattainment areas. Duval County was not designated at this time. On August 10, 2015, the EPA issued a final rule directing states to provide data to characterize current air quality in areas with large sources of SO₂ emissions to identify maximum one-hour SO₂ concentrations in ambient air. The air quality data developed by the states in accordance with the final rule will be used by the EPA in future rounds of area designations for the 2010 one-hour SO₂ NAAQS. A March 2015 court order requires the EPA to complete designations of all areas by the end of 2020. The FDEP conducted dispersion modeling studies of several large SO₂ emitting sources in the State (including Northside) and found that the one-hour SO₂ NAAQS is being met in Duval County using either allowable emission rates or actual emission rates (for the three years 2016-2018).

The EPA completed its review and issued a final rule on February 25, 2019 to maintain the one-hour standard at 75 ppb.

On April 12, 2024, the EPA released a pre-publication proposal regarding the secondary NAAQS for SO_x, NO_x, and PM, which looks at ecological effects of such pollutants. In sum, the EPA was proposing to revise/lower the secondary SO_x NAAQS from the current 500 ppb (3-hour standard, not to be exceeded more than once per year) to an annual standard within the range of 10 to 15 ppb (averaged over 3 years) and retain the existing secondary NO_x and PM standards. If an ambient monitor shows compliance with the primary SO₂ NAAQS of 75 ppb (1-hour standard), it does not expect further emission reductions will be needed. Permitting could be impacted, however, and the EPA's proposal included a suggested approach for using the primary SO₂ NAAQS to demonstrate compliance with the proposed secondary standard; the EPA may also update the existing tools (models, guidelines, etc.) to support review of the proposed standard.

State Implementation Plans. The Clean Air Act requires states to develop a general plan to attain and maintain the NAAQS in all areas of the country and a specific plan to attain the standards for each area designated nonattainment for a NAAQS. The SIPs, are developed by state and local air quality management agencies and submitted to the EPA for approval.

On June 12, 2015, the EPA published a final rule concerning how provisions in the EPA-approved SIPs treat excess emissions during periods of startup, shutdown or malfunction ("SSM").

The final rule updates the EPA's SSM policy as it applies to SIP provisions and clarifies, restates, and revises the EPA's guidance concerning its interpretation of the Clean Air Act requirements with respect to treatment in SIPs of excess emissions that occur during periods of SSM. The EPA issued a "SIP call" for Florida and 35 other states requiring them to submit corrective SIP revisions by November 22, 2016. The State submitted its SSM SIP revision on November 22, 2016. On June 4, 2019, EPA Region 4 proposed to change its SSM policy and withdraw the SSM SIP call for North Carolina. This could result in the State's initial SIP being reinstated at a future date. JEA does not anticipate any impacts to JEA sources or permit conditions from either the former SIP or the revised SIP if approved. On April 28, 2020, the EPA published the final action withdrawing the SSM SIP call for North Carolina. Environmental Non-governmental organizations are expected to challenge this action and then seek to consolidate it in the D.C. Circuit Court with the nationwide case. On January 20, 2021, the Biden-Harris Administration announced that it will be reviewing the previous administration's guidance memorandum dated October 9, 2020 regarding inclusion of affirmative defense provisions governing SSMs in state SIPs.

On May 1, 2020, the EPA determined that the State will not contribute significantly to nonattainment or interfere with maintenance of the 2010 1-hour SO₂ NAAQS in any other state. Therefore, the EPA approved the September 18, 2018, SIP revision as meeting the requirements of the good neighbor provision for the 2010 1-hour SO₂ NAAQS.

On March 1, 2024, the D.C. Circuit Court issued a Judgement and Opinion vacating the EPA's "SSM SIP Call for Rules" based on automatic exemptions, director's discretion

provisions, and affirmative defenses that are functionally exemptions,” and upheld the “SIP Call for Rules” based on the enforcement-discretion provision and affirmative defenses against specific relief.

MATS

On February 16, 2012, the EPA issued a final rule intended to reduce emissions of toxic air pollutants from power plants. The Mercury and Air Toxics Standards (“MATS”) Rule is intended to regulate four categories of hazardous air pollutants (“HAPs”) emitted by coal- or oil-fired EGUs with a capacity of 25 MW or greater, namely mercury, HAPs metals, acid gases and organic HAPs.

Affected sources had until April 2015 to be in compliance, subject to a one-year extension. In June 2015, the Supreme Court determined that the EPA’s rule did not properly consider costs in developing MATS and directed the EPA to address costs. On December 1, 2015, the EPA published a proposed supplemental finding and request for comment regarding the costs of the MATS rule, in response to the Supreme Court’s decision. On December 15, 2015, the D.C. Circuit Court remanded MATS back to the EPA without vacatur, leaving MATS in effect and giving the EPA an opportunity to properly complete “supplemental findings” associated with the MATS rulemaking. In April 2016, the EPA’s supplemental findings determined that it is still “appropriate and necessary” to regulate HAPs from coal-fired power plants.

Reports indicate that the EPA will issue a proposed rule that may obviate the appropriate and necessary finding (obviating the need for the MATS rule) as well as the residual risk and technology review that the EPA must complete in order to determine whether a tightening of the current MATS emission limits is necessary. The proposed rule package was sent to the U.S. Office of Management and Budget in October 2018 for interagency review. The EPA published its MATS proposal on February 7, 2019 in the Federal Register. The proposal states that regulation of HAPs is not appropriate or necessary after reconsidering costs but that coal- and oil-fired EGUs would not be delisted from regulation under Section 112 of the Clean Air Act, and the 2012 MATS rule would remain in place. The comment period ended on April 17, 2019. The EPA has submitted its final rule regarding the MATS Supplemental Cost Finding Reconsideration and Risk and Technology Review (“RTR”). The final rule was issued on April 16, 2020. On January 20, 2021, the Biden-Harris Administration stated that it will be reviewing the reconsideration of supplemental finding and RTR review for coal and oil fired EGUs as contained in 85 Fed. Reg. 82854 dated May 22, 2020. On February 2, 2022, the EPA proposed to revoke the previous administration’s appropriate and necessary finding, and to revisit RTR.

On April 24, 2023, the EPA signed proposed revisions to the Mercury and Air Toxics (MATS) Rule, in response to its reconsideration of the 2020 Residual Risk and Technology Review (which resulted in no rule revisions). The proposal lowers the filterable PM (fPM) standard from .030 to .010 lb/MMBtu, or possibly .006 or lower and deletes the ability to use Lower EGU Emitter (LEE) status. Requires the installation of PM CEMS for monitoring and deletes the option to use quarterly stack testing to monitor for compliance.

Because of the controls already installed at JEA’s EGUs, JEA did not need to install any new or additional mercury control equipment in order to comply with the MATS rule, as dependent on fuel

type. As a precautionary measure, JEA has implemented an Activated Carbon Injection system to further control mercury emissions from Units 1 and 2 at Northside if necessary.

On April 25, 2024, the EPA also strengthened the MATS rule by further limiting the emission of non-mercury HAP metals from existing coal-fired power plants. The EPA tightened the emission standard for mercury for existing lignite-fired power plants to a level that is aligned with the mercury standard that other coal-fired power plants have been achieving under the current MATS. The EPA's final rule also strengthened emissions monitoring and compliance. Northside CFB boilers will need to implement continuous emissions systems for PM (as a surrogate for non-mercury HAP metals) on or before April 2027. JEA currently anticipates that the investments to ensure compliance will not be material.

National Emissions Standard for Hazardous Air Pollutants (“NESHAP”) for Combustion Turbines

On March 9, 2020, the EPA published the final rule regarding 40 CFR 63 Subpart YYYYY; *i.e.*, NESHAP for stationary CTs. This final action completes the EPA's RTR obligations for this rule. This final action (a) concludes that no revisions are necessary as a result of its RTR, (b) revises the startup, shutdown, and malfunction provisions to define when startup ends, as reaching stable operation or less than one hour for simple cycle turbines and less than three hours for combined cycle, whichever is less, (c) requires electronic reporting, and (d) does not lift the stay for new CTs as it was previously proposed, pending the EPA's review of a petition to delist the entire CT source category with respect to this NESHAP. JEA's CT plants are minor sources of HAPs and are not impacted by this rule. Challenged by NGOs, the rule is in abeyance pending reconsideration. A proposal to lift the stay was made in December 2021, and a decision is due by December 2022. There is also a petition to delist this NESHAP category, and the decision was made March 9, 2022 to delist. JEA's CT plants are minor sources of HAPs and are not expected to be impacted by this rule. JEA also conducted HAP emissions testing at Brandy Branch (specifically, for formaldehyde) to confirm that the facility is not a major source of HAPs.

CCRs

In April 2015, the EPA finalized its rule 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, was to be enforced only by citizen-initiated lawsuits, rather than by the EPA. However, on December 16, 2016, the President signed the Water Infrastructure Improvements for the Nation Act (the “WIIN Act”), which contains coal ash provisions that enable states to implement and enforce the requirements of the final CCR rule. The WIIN Act provides for the establishment of state and the EPA permit programs for coal combustion residuals (coal ash), flexibility for states to incorporate the EPA final rule for coal combustion residuals or develop other criteria that are at least as protective as the final rule and requires the EPA to approve state permit programs within 180 days of a state submitting a program for approval. Multiple federal rulemaking proceedings are underway, many of which are subject to litigation. The State has incorporated the rules and regulations and is seeking the EPA's approval of a state permitting program.

The proposed state permit program will not include landfills in post-closure or corrective action. Enforcement will continue via third party citizen suits.

The rule applies to CCR management practices at the Power Park and Plant Scherer, but does not apply to management of byproducts at Northside Generating Station as long as it continues to burn a fuel mix with less than 50 percent coal. The operating cell within Area B of the Power Park was closed in January 2022 in accordance with performance standards specified in the CCR rule and included the installation of an impermeable liner on the top and side slopes. The facility continues to comply with the monitoring requirements of the rule following plant decommissioning in accordance with the post-closure and corrective action plans for groundwater. The Power Park has no regulated surface impoundments. Existing surface impoundments, like that at Plant Scherer, are required to meet increased and more restrictive technical and operating criteria or to meet closure deadlines. GPC has decided to close in-place the surface impoundment at Plant Scherer instead of pursuing a retrofit. The receipt of CCR waste streams at the impoundment concluded in April 2019 and final closure is expected by 2030.

The EPA left in place an amendment to the Federal Resource Conservation and Recovery Act known as the Bevill exemption for beneficial uses of CCRs in which CCRs are recycled as components of products instead of being placed in impoundments or landfills. Large quantities of CCRs are used today in concrete, cement, wallboard and other contained or encapsulated applications. This exemption would allow for the mining of materials from the three closed Power Park landfills.

The EPA promulgated final CCR rule revision, effective on November 4, 2024, to regulate coal ash in inactive surface impoundments at inactive facilities (legacy CCR surface impoundments) and to establish groundwater monitoring, corrective action, closure, and post-closure care requirements for all CCR management units at regulated CCR facilities. Compliance with the final rule is required within two to five years for implementation of the various rule requirements. The rule revision impacts the Power Park Area I and II landfills, which were not affected by the initial rule. JEA is continuing to assess the financial impact of the final rule in connection with the Power Park Area I and II landfills.

Cross-State Air Pollution Rule and Clean Air Interstate Rule

On July 6, 2011, the EPA finalized the Cross-State Air Pollution Rule (“CSAPR”) to regulate interstate impacts of SO₂ and NO_x. The final rule replaced the EPA’s 2005 Clean Air Interstate Rule. On April 29, 2014, the Supreme Court reversed a D.C. Circuit Court decision and upheld the CSAPR rule. CSAPR requires a total of 28 states, plus the District of Columbia, to reduce annual SO₂ emissions, annual NO_x emissions and/or ozone season NO_x emissions to assist in attaining the 1997 ozone and fine particle and 2006 fine particle NAAQS. CSAPR became effective on January 1, 2015 for SO₂ and annual NO_x, and May 1, 2015 with respect to seasonal NO_x requirements. The State currently is subject only to seasonal NO_x requirements (May 1 through September 30) under CSAPR rule.

On December 3, 2015, the EPA proposed an updated rule (known as the “transport rule”), which incorporated the 2008 ozone standard into the EPA’s cross-state air pollution analysis. The proposal indicates that the State’s emissions do not cause non-compliance with the 2008 ozone

standard in any downwind states. The rule was finalized on September 7, 2016, and the State is no longer subject to CSAPR and has been removed from CSAPR beginning in 2017.

Regional Haze

The EPA issued final regulations for a regional haze program in June 1999. The purpose of the regulations is to improve visibility in the form of reducing regional haze in 156 national parks and wilderness areas (“Class I areas”) across the country. Haze is formed, in part, from emissions of SO₂ and NO_x. Because these pollutants can be transported over long distances, all 50 states, including those that do not have Class I areas, are required to participate in planning, analysis, and in many cases, emission control programs under the regional haze rule. The second implementation period, state implementation plans, were due to be submitted to the EPA by July 21, 2021. This period lasts until 2028. The EPA has proposed rulemaking to extend the deadline for the next round of regional haze SIPs from the current date of July 31, 2028, to a revised due date of July 31, 2031.

Northside Unit 3 is subject to best available retrofit technology requirements under the EPA regional haze rules. Northside Unit 3 applied for and received an exemption under the regional haze rule due to this unit’s having minimal impacts on visibility in the Class I areas from particulate emissions as demonstrated by ambient air modeling. No other units are impacted.

A new visibility model by the EPA showed that Northside can contribute to visibility impairment at a nearby Class I area (specifically, due to SO₂ emissions and potential impacts at Wolf Island). As such, JEA provided an analysis to FDEP in October 2020. The analyses demonstrated that Northside Units 1 and 2 are “well controlled” for SO₂ due to surrogate HCl limits per MATS regulations. JEA has accepted permit conditions to restrict the sulfur content of No. 6 fuel oil at Northside Unit 3, and no additional controls are expected to be necessary. Although well-controlled, JEA also had to revise the permit conditions to assure that Northside Units 1 and 2 are subject to enforceable MATS-based SO₂ emission standards.

Water

On May 14, 2014, the EPA promulgated a draft rule 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 (“BTA”) for minimizing adverse environmental impacts. Under the rule, existing facilities that withdraw very large amounts of water 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. The final rule was published in the Federal Register on August 15, 2014 and became effective October 14, 2014.

The new standards in the final rule do not affect any of its facilities other than Northside. Northside 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. It is possible that new standards may prospectively require upgrades to the system, varying from establishment of existing facilities as the BTA, to improvements to the existing screening facilities to the installation of other cooling technologies. A full two-year study is required to evaluate site specific conditions and form a basis

for assessing BTA. JEA completed these studies in March 2020. Analyses of that data is underway, and a full peer reviewed submittal to the regulatory agency is expected to be completed in 2026. Accordingly, costs have not been determined for Northside and are not currently included in JEA's capital program for the Electric System.

Effluent Limitation Guidelines

The EPA issued the final Steam Electric Effluent Limitations Guidelines ("ELG") on September 30, 2015, and they became final on January 4, 2016. On August 31, 2020, the EPA finalized an ELG reconsideration rule. Under the reconsideration rule, the phase-in dates for new requirements for existing power plants would be extended until 2025. The ELG reconsideration will be subject to legal challenges. Requirements under the rule are waste stream specific within a generating facility. JEA has evaluated compliance strategies that are being planned for Northside and currently anticipates that the investments to ensure compliance will not be material. Options for compliance at Plant Scherer are being developed by all co-owners and are being phased in from 2017 to 2028.

On March 8, 2023, a proposed rule was issued that sets new limits that are significantly more stringent than the current rule. The waste streams impacted by this proposed rule are flue gas desulfurization wastewater ("FGDW"), bottom ash transport water ("BATW") and combustion residual leachate ("CRL").

On April 25, 2024, the EPA issued the final rule that sets new limits that are significantly more stringent than the current rule. The waste streams impacted by this proposed rule are FGDW, BATW, and CRL. BAT for FGDW and BATW continues to be zero discharge. The CRL discharge effluent limits for Arsenic (11ug/l max day) and Mercury (788 ug/l max day) which is based on chemical precipitation technology.

New reporting rules requirements that the utility must maintain a publicly accessible internet site containing a lengthy list of specified information. The website must be titled "ELG Rule Compliance Data and Information" and must provide a "contact us" form or email address for the public to use to submit questions and issues relating to the availability of information on the website. This website may be combined with the website required for CCR.

This rule only impacts Northside. Northside does not have FGD or BAT waste streams so the only concern is CRL. The final rule establishes zero discharge treatment systems as BAT for CRL. The BSA sumps may have to be isolated from the storm water ponds and the water evaporated, any permeate or distillate produced would then need to be circulated back into the process or disposed of back into BSA.

Other Environmental

On May 27, 2015, the EPA and the U.S. Army Corps of Engineers ("USACE") released the prepublication version of the final "Clean Water Rule: Definition of 'Waters of the United States'" ("WOTUS"), redefining the extent of Clean Water Act jurisdiction and which was published in the Federal Register on July 29, 2015. This rule (the "2015 Rule") contains many specific exemptions for connecting surface water features that are portions of the City's existing stormwater management

system permitted under the National Pollutant Discharge Elimination System (“NPDES”) Municipal Separate Stormwater Sewer System permits. Also, this rule specifically exempts JEA’s permitted NPDES wastewater treatment ponds and potentially exempts identified NPDES stormwater ponds from being considered as waters of the U.S., although discharges from such ponds would continue to be regulated.

The 2015 Rule was stayed nationwide on October 9, 2015 and is the subject of ongoing legal challenges. On February 2, 2018, the EPA and the USACE finalized a proposed rule that would postpone the effective date of the 2015 Rule for a period of two years. During the two-year period, the agencies were directed to proceed with a repeal and replace rulemaking process and eventually promulgate a new WOTUS definition and rule. On January 23, 2020, the EPA and the USACE released a pre-publication version of the rule. The final Rule repeals the 2015 Rule and restores the regulatory text that existed prior to the 2015 Rule. The official version of The Navigable Waters Protection Rule (“NWPR”): Definition of “Waters of the United States” was published in the Federal Register April 21, 2020. This Rule was effective June 22, 2020 but was subject to legal challenges. On August 30, 2021, the NWPR was vacated by an Arizona federal court (*Pascua Yaqui Tribe v. U.S. Environmental Protection Agency*, No. 20-00266 (D. Ariz. Aug. 30, 2021)). As a result, the EPA’s position is that the NWPR is no longer in effect. On November 18, 2021, the agencies announced the signing of a proposed rule to revise the definition of “waters of the United States.” The agencies propose to put back into place the pre-2015 definition of “waters of the United States,” updated to reflect consideration of Supreme Court decisions. This familiar approach is thought to support a stable implementation of “waters of the United States” while the agencies continue to consult with states, tribes, local governments, and a broad array of stakeholders in both the current implementation and future regulatory actions. The EPA will hold public roundtable discussions to aid in developing a new rule to define jurisdictional Waters of the United States.

On December 17, 2020, the EPA approved the State’s assumption of the Clean Water Act section 404, providing for the State administration oversight of the 404 program in lieu of USACE. The assumption became effective on December 22, 2020. However, the program was later revoked.

On February 15, 2024, District court issued an order vacating state 404 assumption on ESA grounds and reverting permitting back to EPA and the USACE. FDEP unsuccessfully filed a motion to stay on February 26, 2024 until litigation is resolved. The D.C. Circuit Court of Appeals denied the motion to stay the lower court decision pending appeal on May 21, 2024. The Briefing continued through November 20, 2024. A decision is anticipated during the summer of 2025.

JEA’s electric utility operations are subject to continuing environmental regulation. Federal, state, regional and local standards and procedures which regulate the environmental impact of JEA’s system are subject to change. These changes may arise from continuing legislative, regulatory and judicial action regarding such standards and procedures. Consequently, there is no assurance that the units in operation, under construction or contemplated will remain subject to the regulations currently in effect, will always be in compliance with future regulations or will always be able to obtain all required operating permits. An inability to comply with environmental standards could result in increased costs of operating units, reduced operating levels or the complete shutdown of individual electric generating units not in compliance.

JEA cannot predict at this time whether any additional legislation or rules will be enacted which will affect JEA's operations, and if such laws or rules are enacted, what the costs to JEA might be in the future because of such action.

Certain Factors Affecting the Electric Utility Industry

General

The electric utility industry has been, and in the future, may be, affected by a number of factors which could have an impact on the financial condition of an electric utility such as the Electric System. These factors likely would affect individual utilities in different ways. Such factors include, among others: (a) effects of compliance with changing environmental, licensing and regulatory requirements, (b) regulatory changes and changes that might result from a national energy policy, (c) uncertain access to low cost capital for replacement of aging fixed assets, (d) increases in operating costs, (e) effects of competition from other suppliers of electricity and (f) issues relating to the reliability of electric transmission systems and grids. In addition, municipal electric utilities may face competition from companies in other industries looking to diversify into the energy sector. Examples of developing competitive areas include retail sale of electricity, distributed battery and electric storage resources, renewable distributed generation, customer installation of fuel cells, third-party electric vehicle charging, home or business automation that enables greater customer participation in energy markets, and third-party provision of energy management software and solutions. These factors, and others, are discussed in more detail below in relation to how they affect JEA.

The future financial condition of the Electric System could be adversely affected by, among other things, legislation, environmental and other regulatory actions promulgated by applicable federal, state and local governmental agencies. Future changes to new and existing regulations may substantially increase the cost of electric service by requiring changes in the design or operation of existing or new facilities. JEA cannot predict future policies such agencies may adopt.

Legislation

From time to time, additional federal or state legislation or regulations affecting the electric utility industry may be enacted. Such legislation can radically change the regulatory context in which JEA operates and can require increased capital or operating expenditures, or reduced operations, at existing and/or new generating facilities. Any such legislative changes are inherently impossible to predict with any certainty, particularly in the way they might apply to specific organizations or facilities, such as JEA. JEA, through its consultants and participation in state and national advocacy groups, maintains awareness of legislative issues that may impact operations, participating in advocacy roles as warranted.

Compliance with any future GHG emission reduction requirements could require JEA, at significant cost, to purchase allowances or offsets, change the type of boiler fuel JEA uses, retire high-emitting generation facilities and replace them with lower-emitting generation facilities, or implement carbon capture and sequestration technology. The estimation of costs of compliance with GHG legislation or with EPA rules is subject to significant uncertainties because it is based on several interrelated assumptions and variables, including timing of the implementation of rules, required levels

of reductions, allocation requirements, the maturation and commercialization of carbon capture and sequestration technology and associated regulations, and JEA's selected compliance alternatives.

Any new state or federal legislation or changes to existing legislation or regulations could affect JEA's operations. JEA cannot predict whether any additional legislation or regulations will be enacted which will affect JEA's operations and if such laws are enacted, what the costs to JEA might be in the future.

Retail Competition

On October 5, 2018, the Florida Division of Elections approved a ballot initiative to amend the Florida Constitution to allow retail energy choice, as sought by an organization known as Floridians for Affordable Reliable Energy ("FARE"). Even though the initiative secured enough signatures to be allowed on the ballot in 2020, the Florida Supreme Court ruled that the ballot language was misleading, disallowing it from being on the ballot. FARE stated it that would continue its effort in subsequent elections.

Currently, neither FARE nor any other similar group have initiated any public efforts to implement retail choice for electric customers in Florida. There are no current or anticipated proposals in the Florida Legislature or at the Florida Public Service to evaluate or implement retail choice for electric customers in Florida.

FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS

Debt Relating to Electric Utility Functions

Electric System Bonds

As of September 30, 2024, \$846,390,000 in aggregate principal amount of bonds issued pursuant to the Electric System Resolution (the "Electric System Bonds") was outstanding. As of the date of this Annual Disclosure Report, there is \$800,030,000 in aggregate principal amount of Electric System Bonds outstanding under the Electric System Resolution, consisting of (a) \$25,000,000 in aggregate principal amount of variable rate Electric System Bonds and (b) \$775,030,000 in aggregate principal amount of fixed rate Electric System Bonds.

Electric System Bonds may be issued to finance any lawful purpose of JEA relating to the Electric System (other than for the purpose of financing the generating facilities of the Electric System). See "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION - Issuance of Additional Electric System Bonds" in APPENDIX B attached hereto.

On September 26, 2023, the JEA Board approved a resolution changing JEA's historical approach to seeking incremental debt authorization from the Council. The resolution established a not-to-exceed debt outstanding amount of \$1.9 billion for the Electric System. The not-to-exceed amount is for the purposes of providing funds for both new money and the refunding of existing debt. The Council approved this new approach pursuant to Ordinance 2023-724-E enacted on November 14, 2023. This new methodology for debt authorization replaces the previous incremental approach. JEA will submit a summary, as part of its annual budget submission to the City, showing outstanding and

anticipated borrowings against the not-to-exceed authorization amount. In the event additional authorization is needed in the future, it will be requested from the Board and the Council.

A summary of certain provisions of the Electric System Resolution, including a description of the proposed amendments thereto described below, is attached to this Annual Disclosure Report as APPENDIX B.

Liquidity support in connection with tenders for purchase of JEA's Variable Rate Electric System Revenue Bonds, Series Three 2008A, Series Three 2008B-2, Series Three 2008B-3, Series Three 2008C-1, Series Three 2008C-2 and Series Three 2008C-3 (collectively, the "Senior Liquidity Supported Electric System Bonds") currently is provided by certain banks pursuant to standby bond purchase agreements between JEA and each such bank. Any Senior Liquidity Supported Electric System Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement between JEA and such bank and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Senior Liquidity Supported Electric System Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" on the part of JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Senior Liquidity Supported Electric System Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain "ratings triggers" contained in such standby bond purchase agreements giving rise to such an event of default, see "OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes" herein.

As of the date of this Annual Disclosure Report, no Senior Liquidity Supported Electric System Bonds are held by the banks providing such standby bond purchase agreements. The standby bond purchase agreements are subject to periodic renewal at the discretion of the respective bank. As of the date of this Annual Disclosure Report, JEA's Variable Rate Electric System Revenue Bonds, Series Three 2008C-3 are the only outstanding bonds of the Senior Liquidity Supported Electric System Bonds, and the standby bond purchase agreement for these bonds has an expiration date of July 26, 2026.

On July 27, 2010, the bank previously providing liquidity support for JEA Variable Rate Electric System Revenue Bonds, Series Three 2008B-1 and Series Three 2008D-1 and on October 22, 2012, the bank previously providing credit and liquidity support for JEA's Variable Rate Electric System Revenue Bonds, Series Three 2008B-4 (such Series Three 2008B-1, 2008D-1 and 2008B-4 Bonds are referred to herein collectively as the "Bank Purchased Bonds") purchased the applicable Bank Purchased Bonds pursuant to three substantially similar direct purchase agreements. The Bank Purchased Bonds are, as of the date of this Annual Disclosure Report, no longer outstanding.

Upon such purchases, the letter of credit and standby bond purchase agreement previously in effect for the respective Bank Purchased Bonds terminated. Except as described below, the bank does not have the option to tender the respective Bank Purchased Bonds for purchase for a period specified in the respective direct purchase agreements, which period would be subject to renewal under certain conditions. The three direct purchase agreements were amended effective September 17, 2015, December 11, 2018, and December 9, 2021, and, as of September 30, 2024, the expiration date of each is December 9, 2024. At the end of the period specified, which period is subject to extension under

certain conditions, the Bank Purchased Bonds are subject to mandatory tender for purchase. Any Bank Purchased Bond that is not remarketed and purchased from such bank on the 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 such mandatory tender date. Such bank has no option to tender the Bank Purchased Bonds for payment by JEA during the holding period except upon the occurrence of certain “events of default” on the part of JEA under the respective direct purchase agreements and the occurrence of certain other conditions. Upon any such tender for payment, the Bank Purchased Bond so tendered would be due and payable immediately. The Bank Purchased Bonds were redeemed and the direct purchase agreements were terminated on December 9, 2024.

Proposed Amendments to the Electric System Resolution

In May 1998, JEA adopted a resolution (as amended, the “May 1998 Amending Resolution”) for the purpose of making certain material amendments to the Electric System Resolution. In addition to certain amendments to the Electric System Resolution that heretofore have become effective, the May 1998 Amending Resolution provides for the amendment of certain provisions of the Electric System Resolution relating to the priority of payments from the Electric System with respect to the Power Park (the “Power Park Amendment”), in a manner requiring (a) the consent of FPL, (b) the consent of the holders of 60 percent or more in principal amount of the Power Park Issue Two Bonds¹ outstanding and (c) the consent of the holders of a majority in principal amount of the Power Park Issue Three Bonds outstanding. As of the date of this Annual Disclosure Report, JEA has not solicited any consents to the Power Park Amendment and has no intention of soliciting any such consents in the future.

If the Power Park Amendment ever were to become effective, it would amend the provisions of the Electric System Resolution relating to the priority of payments with respect to the Power Park to provide that payments with respect to (a) debt service on obligations issued by JEA with respect to the Power Park (including the Power Park Issue Two Bonds¹ and the Power Park Issue Three Bonds) and any additional amounts relating to “debt service coverage” with respect thereto and (b) deposits into any renewal and replacement or similar fund with respect to the Power Park will no longer constitute a portion of the Cost of Operation and Maintenance (as defined in the Electric System Resolution), but will be payable on a parity with Subordinated Bonds (as defined in the Electric System Resolution) that may be issued in accordance with the provisions of the Electric System Resolution, including the Subordinated Electric System Bonds.

The amendments to the Electric System Resolution contained in the May 1998 Amending Resolution also would have amended the provisions of the Electric System Resolution relating to the priority of payments with respect to the Scherer 4 Project (and any other project that may be financed under the Restated and Amended Bulk Power Supply System Resolution) in a manner similar to that described above with respect to the Power Park, but the amendments relating to the Scherer 4 Project (and any other project that may be financed under the Restated and Amended Bulk Power Supply

¹ The Power Park Issue Two Bonds were defeased on January 5, 2018 in connection with the shutdown of SJRPP and are no longer outstanding.

System Resolution) were rescinded by JEA in conjunction with the adoption of the Restated and Amended Bulk Power Supply System Resolution.

Subordinated Electric System Bonds

On August 16, 1988, JEA adopted a resolution (as amended, restated and supplemented, the “Subordinated Electric System Resolution”) authorizing the issuance of obligations of JEA (the “Subordinated Electric System Bonds”) that are junior and subordinate in all respects to the Electric System Bonds as to lien on, and source and security for payment from, the revenues of the Electric System. As of September 30, 2024, \$461,355,000 in aggregate principal amount of Subordinated Electric System Bonds was outstanding. As of the date of this Annual Disclosure Report, there is \$436,075,000 in aggregate principal amount of Subordinated Electric System Bonds outstanding under the Subordinated Electric System Resolution, consisting of (a) \$4,145,000 in aggregate principal amount of variable rate Subordinated Electric System Bonds and (b) \$431,930,000 in aggregate principal amount of fixed rate Subordinated Electric System Bonds.

The Subordinated Electric System Bonds may be issued for the purpose of financing the cost of acquisition and construction of additions, extensions and improvements to the Electric System, or any other lawful purpose of JEA relating to the Electric System, or to refund any of the Electric System Bonds or the Subordinated Electric System Bonds.

Pursuant to the Subordinated Electric System Resolution and the laws of the State, and in accordance with the Electric System Resolution, the amount of Subordinated Electric System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Subordinated Electric System Resolution. For a discussion of the Council authorization currently in effect for the issuance of Electric System Bonds and/or Subordinated Electric System Bonds, see subsection “*Electric System Bonds*” above in this section.

A summary of certain provisions of the Subordinated Electric System Resolution, including a description of the proposed amendments thereto described below, is attached to this Annual Disclosure Report as APPENDIX C. See “SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION - Additional Subordinated Bonds; Conditions to Issuance” in APPENDIX C attached hereto.

Liquidity support in connection with tenders for purchase of the Variable Rate Electric System Subordinated Revenue Bonds, 2000 Series A and 2008 Series D (collectively, the “Subordinated Liquidity Supported Electric System Bonds”) currently is provided by a certain bank pursuant to standby bond purchase agreements between JEA and such bank. Any Subordinated Liquidity Supported Electric System Bond that is purchased by the bank pursuant to its standby bond purchase agreement between JEA and such bank and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Subordinated Liquidity Supported Electric System Bond that is purchased by the bank pursuant to its standby bond purchase agreement will constitute an “Option Subordinated Bond” within the meaning of the Subordinated Electric System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” on the part of JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Subordinated Liquidity Supported Electric System Bond so tendered or deemed tendered

will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreements giving rise to such an event of default, see “OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes” herein.

Such standby bond purchase agreements are subject to periodic renewal. As of the date of this Annual Disclosure Report, the Variable Rate Electric System Subordinated Revenue Bonds, 2008 Series D are no longer outstanding and the expiration date of the standby bond purchase agreement for the Variable Rate Electric System Subordinated Revenue Bonds, 2000 Series A is September 8, 2026. As of the date of this Annual Disclosure Report, no Subordinated Liquidity Supported Electric System Bonds are held by the bank providing such standby bond purchase agreement.

Power Park Issue Three Bonds

On February 20, 2007, the JEA Board adopted a resolution entitled “St. Johns River Power Park System Second Revenue Bond Resolution” (as supplemented, the “Second Power Park Resolution”). Bonds issued under the Second Power Park Resolution are referred to herein as the “Power Park Issue Three Bonds.” As of September 30, 2024, \$76,850,000 of Power Park Issue Three Bonds was outstanding under the Second Power Park Resolution. As of the date of this Annual Disclosure Report, \$60,405,000 in aggregate principal amount of Power Park Issue Three Bonds is outstanding under the Second Power Park Resolution.

The Second Power Park Resolution provides for the issuance of Power Park Issue Three Bonds in order to pay the costs of JEA’s ownership interest in certain additional facilities of the Power Park. Pursuant to the Electric System Resolution, JEA’s obligation to make debt service payments on the Power Park Issue Three Bonds is a Contract Debt payable as a Cost of Operation and Maintenance of the Electric System regardless of whether the Power Park is operational. Such payments are payable from the revenues of the Electric System prior to any payments from such revenues for indebtedness not constituting Contract Debts issued for the Electric System, including the Electric System Bonds and the Subordinated Electric System Bonds. See the subsection “*Electric System Contract Debts*” below in this section. FPL has no obligation for debt service in respect of the Power Park Issue Three Bonds.

A summary of certain provisions of the Second Power Park Resolution, including a description of the amendments thereto described below, is attached to this Annual Disclosure Report as APPENDIX D.

Bulk Power Supply System Bonds

JEA financed the acquisition of a portion of its ownership in the Scherer 4 Project through the issuance of its bonds (the “Original Bulk Power Supply System Bonds”) issued pursuant to a resolution of JEA adopted on February 5, 1991, as amended and supplemented (the “Original Bulk Power Supply System Resolution”). On November 18, 2008, the JEA Board adopted a resolution that readopted, amended and restated the Original Bulk Power Supply System Resolution (the Original Bulk Power Supply System Resolution, as so readopted, amended and restated, is referred to herein as the “Restated and Amended Bulk Power Supply System Resolution”). The Restated and Amended Bulk Power Supply System Resolution permits JEA to issue one or more series of bonds thereunder (“Additional Bulk Power Supply System Bonds”) for any lawful purpose of JEA related to the

Scherer 4 Project (and any other projects that may be financed thereunder). All costs of operating and maintaining the Scherer 4 Project, including the payment of debt service on the Additional Bulk Power Supply System Bonds is paid as a Contract Debt of the Electric System, payable as part of the Electric System's Cost of Operation and Maintenance. See subsection "*Electric System Contract Debts*" below in this section.

As of September 30, 2024, \$22,270,000 in aggregate principal amount of bonds was outstanding under the Restated and Amended Bulk Power Supply System Resolution. As of the date of this Annual Disclosure Report, \$19,690,000 in aggregate principal amount of bonds is outstanding under the Restated and Amended Bulk Power Supply System Resolution.

A summary of certain provisions of the Restated and Amended Bulk Power Supply System Resolution is attached to this Annual Disclosure Report as APPENDIX E.

Electric System Contract Debts

"Contract Debts," a component of the Electric System's Cost of Operation and Maintenance, is defined by the Electric System Resolution to mean any obligations of JEA under any contract, lease, installment sale agreement, bulk electric power purchase agreement or otherwise to make payments out of the revenues of the Electric System for property, services or commodities whether or not the same are made available, furnished or received, but shall not include (a) payments required to be made in respect of (i) debt service on any obligations incurred by JEA in connection with the financing of any separate bulk power supply utility or system undertaken by JEA and any additional amounts relating to "debt service coverage" with respect thereto and (ii) deposits into any renewal and replacement or other similar fund or account established with respect to any such separate bulk power supply utility or system (in each such case, other than the Power Park and the Bulk Power Supply System Projects (as defined in the Electric System Resolution and which includes additional electric generating plants)) and (b) payments required to be made in respect of any other arrangement(s) for the supply of power and/or energy to the Electric System for resale entered into after February 29, 2000 as may be determined by JEA to be payable on a parity with the payment of Subordinated Bonds (as defined in the Electric System Resolution), including the Subordinated Electric System Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION" in APPENDIX B attached hereto. For a discussion of certain proposed amendments to the Electric System Resolution that amend the provisions thereof with respect to the priority of payment of JEA's obligations with respect to the Power Park, see subsection "Proposed Amendments to the Electric System Resolution" above in this section and "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION - *Proposed Amendments to the Electric System Resolution - May 1998 Amending Resolution*" in APPENDIX B attached hereto.

JEA's obligation to make payments from the Electric System to provide revenues to pay debt service on the Power Park Issue Three Bonds, whether or not the Power Park is operating or operable, is a Contract Debt payable as a Cost of Operation and Maintenance of the Electric System pursuant to the Electric System Resolution.

Pursuant to the Restated and Amended Bulk Power Supply System Resolution, JEA is obligated to make the output and capacity of the Scherer 4 Project (and any other projects that may be financed under the Restated and Amended Bulk Power Supply System Resolution) available to the

Electric System and is obligated to make payments from the Electric System on a “take-or-pay” basis to provide revenues to pay operating and maintenance expenses of the Scherer 4 Project (and such other projects), debt service on the Additional Bulk Power Supply System Bonds, renewal and replacement costs relating to the Scherer 4 Project (and such other projects) and all other costs relating to the Scherer 4 Project (and such other projects), and such payments constitute a Contract Debt of the Electric System, payable as a Cost of Operation and Maintenance of the Electric System.

See also “ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Electric System - *Power Purchase Contracts*” herein for a description of JEA’s obligations pursuant to certain power purchase contracts, which obligations also constitute Contract Debts payable as a Cost of Operation and Maintenance of the Electric System pursuant to the Electric System Resolution.

JEA is authorized under the Electric System Resolution to construct or acquire and own and/or operate other electric generating utilities or systems for the purpose of furnishing and supplying electric energy and to issue debt obligations to finance the costs of any such separate electric generating utilities or systems, which obligations shall be payable on a parity with the payment of Subordinated Bonds (as defined in the Electric System Resolution), including the Subordinated Electric System Bonds. None of the revenues derived by JEA from the operation of any other separate bulk power supply utility or system undertaken by JEA shall be deemed under the Second Power Park Resolution, the Restated and Amended Bulk Power Supply System Resolution or the Electric System Resolution to be revenues of the Electric System. For a discussion of certain proposed amendments to the Electric System Resolution that amend the provisions thereof with respect to the priority of payment of JEA’s obligations with respect to the Power Park, see subsection “Proposed Amendments to the Electric System Resolution” above in this section and “SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION - *Proposed Amendments to the Electric System Resolution - May 1998 Amending Resolution*” in APPENDIX B attached hereto.

Schedules of Debt Service Coverage

The following table shows the Electric System Schedules of Debt Service Coverage for the Fiscal Years ended September 30, 2024 and September 30, 2023, respectively. Such Schedules of Debt Service Coverage were derived from supplemental information included with JEA’s 2023 Financial Statements and certain other information available to JEA. Such Schedules of Debt Service Coverage should be read in conjunction with such financial statements and the notes thereto. Set forth in APPENDIX A to this Annual Disclosure Report are Schedules of Debt Service Coverage for the Power Park and the Bulk Power Supply System for the Fiscal Years ended September 30, 2024 and September 30, 2023. In accordance with the requirements of the Electric System Resolution, all the Contract Debt payments from the Electric System to the Power Park and the Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of the Power Park and the Bulk Power Supply System are reflected as a purchased power expense on the Electric System Schedules of Debt Service Coverage. The Electric System Schedules of Debt Service Coverage do not include revenues of the Power Park or the Bulk Power Supply System, except that the purchased power expense described in the preceding sentence is net of interest income on funds maintained under the Second Power Park Resolution and the Restated and Amended Bulk Power Supply System Resolution.

Electric System Schedules of Debt Service Coverage
(In Thousands)

	Fiscal Year Ended September 30,	
	2024	2023
Revenues		
Electric	\$1,389,106	\$1,481,583
Investment income ⁽¹⁾	23,619	17,919
Earnings from The Energy Authority	13,286	23,603
Other, net ⁽²⁾	24,750	35,709
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund....	7,551	15,034
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	(1)	(197,071)
Total Revenues	\$1,458,311	\$1,376,777
Cost of Operation and Maintenance ⁽³⁾		
Fuel	354,743	438,127
Purchased power ⁽⁴⁾	370,984	306,647
Maintenance and other operating expenses	311,752	304,327
State utility and franchise taxes	67,162	72,490
Total Cost of Operation and Maintenance	1,104,641	1,121,591
Net Revenues	\$ 353,670	\$ 255,186
Debt Service Requirement on Electric System Bonds (prior to reduction of investment income on sinking fund and Build America Bonds subsidy)	\$ 53,914	\$ 42,012
Less: investment income on sinking fund	(296)	(1,231)
Less: Build America Bonds subsidy	(1,535)	(1,535)
Debt Service Requirement on Electric System Bonds	\$ 52,083	\$ 39,246
Debt service coverage on Electric System Bonds ⁽⁵⁾	6.79x	6.50x
Debt Service Requirement on Electric System Bonds (from above)	52,083	39,246
Plus: Aggregate Subordinated Debt Service on Subordinated Electric System Bonds (prior to reduction of Build America Bonds subsidy)	33,884	31,179
Less: Build America Bonds subsidy	(1,698)	(1,775)
Aggregate Subordinated Debt Service on Subordinated Electric System Bonds	32,186	29,404
Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds	\$ 84,269	\$ 68,650
Debt service coverage on Electric System Bonds and Subordinated Electric System Bonds ⁽⁶⁾	4.20x	3.72x

⁽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 are reflected as a purchased power expense on these schedules. These schedules do not include revenues 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 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.

Management's Discussion and Analysis of Electric System Schedules of Debt Service Coverage

Revenues

Total Revenues increased \$81.5 million, or 5.9 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, primarily related to a reduction in amounts paid from the Revenue Fund into the Rate Stabilization Fund, offset, in part, by lower electric revenues.

Electric revenues decreased \$92.5 million, or 6.2 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, related to a \$94.5 million decrease in territorial sales revenues, due to a \$144.0 million decrease in fuel revenues resulting from a decrease in fuel costs, offset, in part, by a \$49.5 million increase in base revenues.

Amounts paid from the Revenue Fund into the Rate Stabilization Fund decreased \$197.1 million, or 100.0 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, primarily related to a \$191.0 million decrease in purchased power contributions.

Cost of Operation and Maintenance

Total Cost of Operation and Maintenance decreased \$17.0 million, or 1.5 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023. Total fuel and purchased power expenses decreased \$19.0 million, or 2.6 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, related to a 19.0 percent decrease in fuel expense, offset, in part, by a 21.0 percent increase in purchased power expense. As commodity prices have fluctuated over these periods, the mix between generation and purchased power has shifted as JEA has taken advantage of the most economical sources of power. Total MWh power generated and purchased increased 2.6 percent for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, to 13,191,338 MWh from 12,851,171 MWh, with a 9.7 percent increase in MWh purchased, offset, in part, by a 0.5 percent decrease in MWh generated. The cost per MWh of power generated decreased 30.1 percent and the cost per MWh of purchased power increased 10.5 percent.

Net Revenues

Net Revenues available for debt service increased \$98.5 million, or 38.6 percent, to \$353.7 million for the Fiscal Year ended September 30, 2024, from \$255.2 million for the Fiscal Year ended September 30, 2023.

Debt Service Requirement on Electric System Bonds

The Debt Service Requirement on Electric System Bonds increased \$12.8 million, or 32.7 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, related to a \$10.3 million increase in scheduled principal amortization and a \$2.5 million increase in variable interest rate expense.

JEA did not issue any Electric System Bonds during the Fiscal Year ended September 30, 2024 and 2023.

Debt Service Coverage on Electric System Bonds

The debt service coverage on Electric System Bonds increased to 6.79 times for the Fiscal Year ended September 30, 2024, as compared to the debt service coverage of 6.50 times for the Fiscal Year ended September 30, 2023, as a result of the 38.6 percent increase in Net Revenues available for debt service being proportionately greater than the 32.7 percent increase in the Debt Service Requirement on Electric System Bonds between such periods.

Aggregate Subordinated Debt Service on Subordinated Electric System Bonds

Aggregate Subordinated Debt Service on Subordinated Electric System Bonds increased \$2.8 million, or 9.5 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, related to a \$2.8 million increase in scheduled principal amortization.

JEA did not issue any Subordinated Electric System Bonds during the Fiscal Year ended September 30, 2024 and 2023.

Debt Service Coverage on Electric System Bonds and Subordinated Electric System Bonds

The combined debt service coverage on Electric System Bonds and Subordinated Electric System Bonds increased to 4.20 times for the Fiscal Year ended September 30, 2024, as compared to the debt service coverage of 3.72 times for the Fiscal Year ended September 30, 2023, as a result of the 38.6 percent increase in Net Revenues available for debt service being proportionately greater than the 22.8 percent increase in the combined Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds between such periods.

Liquidity Resources

The Days of Cash on Hand for the Electric System on September 30, 2024 was 112 days, and the Days of Liquidity was 198 days. The Days of Cash on Hand for the Electric System on September 30, 2023 was 148 days, and the Days of Liquidity was 236 days. The Days of Cash on Hand computation is as follows:

(Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2024 Financial Statements attached hereto as APPENDIX A) / ((Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)

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The Days of Liquidity computation is as follows:

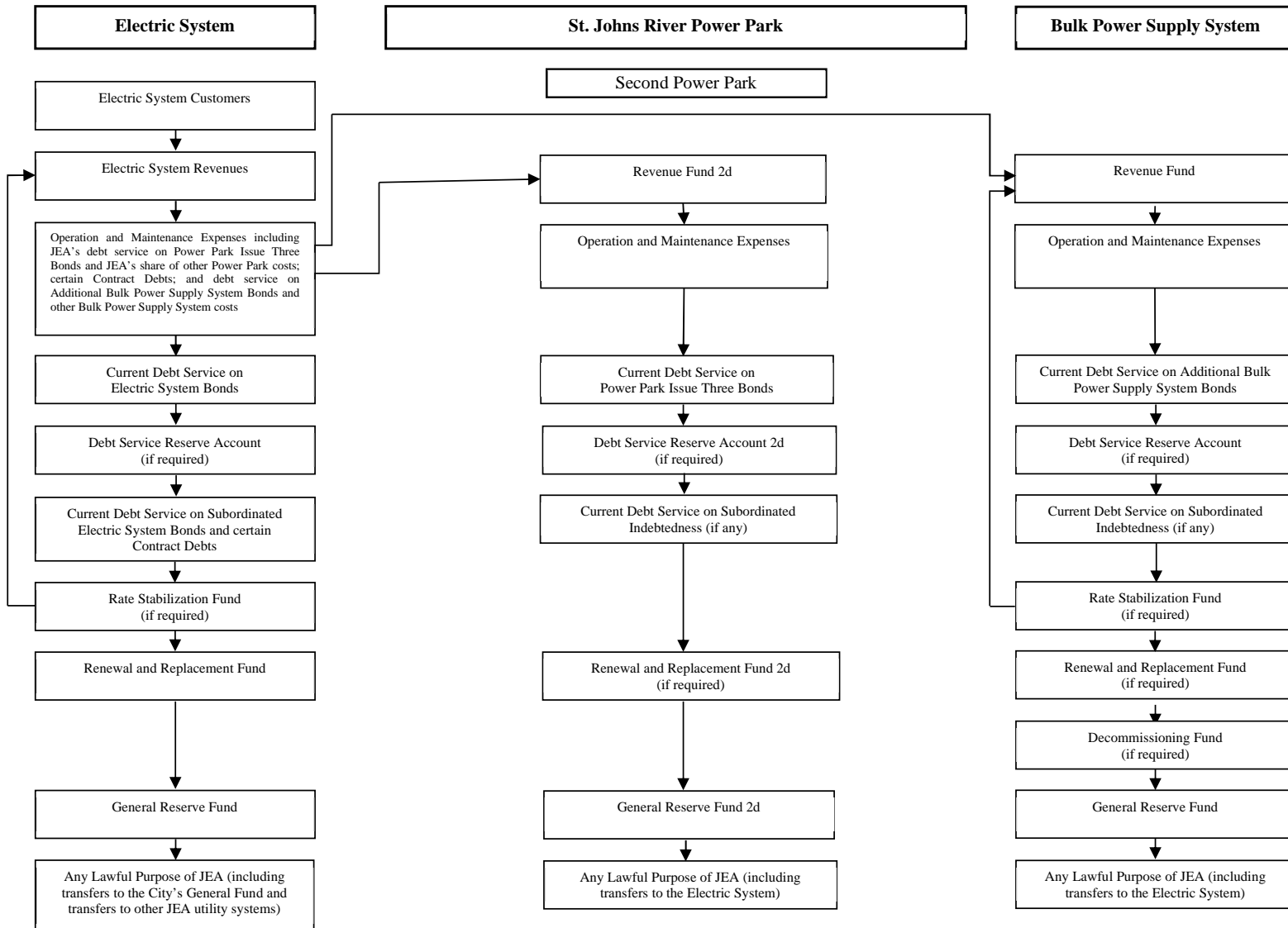
(Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2024 Financial Statements attached hereto as APPENDIX A + allocated share of available Revolving Credit Facility^{*}) / ((Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)

* Allocated share of available Revolving Credit Facility on September 30, 2024 was approximately \$282.5 million and approximately \$295.4 million on September 30, 2023; however, the total balance of \$353 million could have been drawn as of September 30, 2024.

APPLICATION OF ELECTRIC SYSTEM REVENUES

The following chart shows a summary of the major components of the application of revenues under the Electric System Resolution, the Second Power Park Resolution and the Restated and Amended Bulk Power Supply System Resolution. For a discussion of certain proposed amendments to the Electric System Resolution that amend the provisions thereof with respect to the priority of payment of JEA's obligations with respect to the Power Park, see the subsection "ELECTRIC UTILITY SYSTEM - *FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS* - Debt Relating to Electric Utility Functions - *Proposed Amendments to the Electric System Resolution*" herein and "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION - Proposed Amendments to the Electric System Resolution - *May 1998 Amending Resolution*" in APPENDIX B attached hereto.

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OTHER FINANCIAL INFORMATION

General

JEA maintains separate accounting records for the Electric System, the Scherer 4 Project (which is sometimes referred to herein and in JEA's financial statements as the "Bulk Power Supply System"), and the Power Park. For purposes of financial reporting, however, JEA prepares combined financial statements that include the Electric System, the Bulk Power Supply System, the Power Park, the Water and Sewer System and the District Energy System. Set forth in APPENDIX A hereto are (a) the financial statements of JEA for its Fiscal Years ended September 30, 2024 (which consist of the statement of net position of JEA as of September 30, 2024 and September 30, 2023 and the related statement of revenues, expenses, and changes in net position and cash flows for the years then ended and the notes thereto; such financial statements are hereinafter referred to as "JEA's 2024 Financial Statements"), together with the report of Ernst & Young LLP, independent auditors, on such financial statements, (b) certain supplemental data as of September 30, 2024 and September 30, 2023 and for the year then ended (which consist of the combining statement of net position, the combining statement of revenues, expenses and changes in net position and the combining statement of cash flows) and (c) certain statements of bond compliance information (which consist of schedules of debt service coverage for the year ended September 30, 2024 and September 30, 2023 for the Electric System, the Bulk Power Supply System, the Power Park, the Water and Sewer System and the District Energy System), together with the report of Ernst & Young LLP, independent auditors, on such schedules. All such statements, information, data and schedules should be read in conjunction with the notes to JEA's 2024 Financial Statements, which are an integral part of the financial statements.

The assets reflected in the statement of net position included in JEA's 2024 Financial Statements include all of the assets of the Electric System, the Bulk Power Supply System, the Power Park, the Water and Sewer System and the District Energy System, and the liabilities reflected in such statement of net position include, among other things, the Electric System Bonds, the Subordinated Electric System Bonds, the Power Park Issue Three Bonds, the Additional Bulk Power Supply System Bonds, the Water and Sewer System Bonds, the Subordinated Water and Sewer System Bonds and the District Energy System Bonds. The statement of revenues, expenses, and changes in net assets includes all expenses (*e.g.*, interest charges, operating and maintenance expenses, fuel expenses) of the Electric System, the Bulk Power Supply System, the Power Park, the Water and Sewer System and the District Energy System. However, revenues of the Power Park and the Bulk Power Supply System are not included in such statement of revenues, expenses, and changes in net assets, except that interest income on funds maintained under the Second Power Park Resolution and the Restated and Amended Bulk Power Supply System Resolution.

For financing purposes, the debt of JEA relating to the Electric Utilities Functions, the debt of JEA relating to its Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources (*i.e.*, (a) the debt of JEA relating to its Electric Utility Functions is payable from and secured by the revenues derived by the Electric System from the sale of electricity and related services; (b) the debt of JEA relating to the Water and Sewer System is payable from and secured by the revenues derived by the Water and Sewer System from the sale of water and the provision of wastewater treatment and related services; and

(c) the debt of JEA relating to the District Energy System is payable from and secured by the revenues derived by the District Energy System from the sale of chilled water and related services; provided, however, available revenues of the Water and Sewer System shall be deposited into a Debt Service Reserve Account established for the District Energy System Refunding Revenue Bonds, 2013 Series A (Federally Taxable) (the “2013 DES Bonds”) and pledged to pay debt service on the 2013 DES Bonds in the event that revenues of the District Energy System are insufficient to pay debt service on the 2013 DES Bonds). Accordingly, potential purchasers of the Electric System Bonds are advised that the information in JEA’s 2024 Financial Statements relating to JEA’s Water and Sewer System and District Energy System is not relevant to a decision to purchase the Electric System Bonds and should not be taken into account with respect thereto.

Transfers to the City

The Charter currently provides that, as consideration for the unique relationship between the City and JEA, there shall be assessed upon JEA in each Fiscal Year, for the uses and purposes of the City, from the revenues of the Electric System and Water and Sewer System operated by JEA available after the payment of all costs and expenses incurred by JEA in connection with the operation of the Electric System and the Water and Sewer System (including, without limitation, all costs of operation and maintenance, debt service on all obligations issued by JEA in connection with the Electric System and the Water and Sewer System and required reserves therefor and the annual deposit to the depreciation and reserve account required pursuant to the terms of the Charter), an amount that is periodically negotiated by JEA and the City. The City’s annual assessment of JEA does not include assessments pertaining to the District Energy System. See “ELECTRIC UTILITY SYSTEM - APPLICATION OF ELECTRIC SYSTEM REVENUES” herein.

The Charter provides that the Council may reconsider the assessment calculations every five years; however, pursuant to the Charter, the Council may also revise the assessments at any time by amending the Charter with a two-thirds vote of the Council. From time to time, proposals have been made, and may be made in the future, to increase the amount of the City’s annual assessment on JEA.

Effective October 1, 2008, JEA is required to pay to the City a combined assessment for the Electric System and the Water and Sewer System and this combined assessment has been set forth in the Charter.

JEA and the City reached agreement on amendments to the Charter which affect the amount of the combined assessment that JEA is required to pay to the City. The combined assessment for the Electric System and the Water and Sewer System will be equal, but not exceed the greater of (A) the sum of (i) the amount calculated by multiplying 7.468 mills (a “mill” is one one-thousandth of a U.S. Dollar) by the gross kilowatt hours delivered by JEA to retail users of electricity in JEA’s service area and to wholesale customers under firm contracts having an original term of more than one year during the 12-month period ending on April 30 of the Fiscal Year immediately preceding the Fiscal Year for which such assessment is applicable, plus (ii) the amount calculated by multiplying 389.20 mills by the number of kgals (1000 gallons) potable water and sewer service, excluding reclaimed water service, provided to consumers during the 12-month period ending on April 30 of the Fiscal Year immediately preceding the Fiscal Year for

which such assessment is applicable or (B) a minimum calculated amount which increases by 1% per year using the fiscal year 2016 combined assessment of \$114,187,538 as the base year. The amounts applicable to clause (B) above for fiscal year 2025 is \$137,424,496. As provided in the Charter, the Council may change the assessment calculation by ordinance within the provisions of the relevant section of the Charter. In the event the Council does not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas specified in the Charter, including a minimum calculated amount in clause (B) therein, which increases by one percent per year for each fiscal year computed as provided in the Charter.

The portion of the budgeted aggregate assessment calculated with respect to the Electric System has increased from approximately \$95,209,531 for the Fiscal Year ended September 30, 2024 to \$97,708,817 for the Fiscal Year ending September 30, 2025. While the Charter requires JEA to pay the JEA assessment to the City at such times as the City requests, but not in advance of collection, the Ordinance Code of the City requires JEA to pay the JEA assessment on a monthly basis. Pursuant to Section 21.07(f) of the Charter, although the calculation of the amounts assessed upon JEA pursuant to the Charter and the annual transfer of available revenues from JEA to the City pursuant to the Charter are based on formulas that are applied specifically to the respective utility systems operated by JEA, JEA may, in its discretion, determine how to allocate the aggregate assessment between the Electric System and the Water and Sewer System, and the aggregate assessment may be paid from any available revenues of JEA.

The JEA Board has additionally approved a one-time contribution to the City of \$40 million in Fiscal Year 2026, and that such amount shall be allocated to the Electric System. This additional one-time contribution is subject to the approval of the Council.

In addition, the Charter provides that the Council shall have the power to appropriate annually a portion of the available revenues of each utility system operated by JEA (other than electric, water and sewer systems) for the uses and purposes of the City in an amount to be based on a formula to be agreed upon by JEA and the Council.

The Charter imposes a monthly Franchise Fee which JEA was required to pay to the City commencing June 1, 2008 for revenues derived effective April 1, 2008 in an amount initially equal to three percent (and not to exceed six percent, with increases requiring a request by the Mayor of the City and a two-thirds supermajority vote by the Council) of the revenues of the Electric System derived within Duval County other than the beach communities and the Town of Baldwin and subject to a per customer maximum. The Charter authorizes JEA to pass through the amount of the Franchise Fee to the customers of JEA, which JEA does. As a result, the Franchise Fee has no effect on JEA's net revenues.

JEA Participation in Project with Jacksonville Port Authority

The Jacksonville Port Authority ("JaxPort") identified that increasing the height of six aerial high-voltage electric transmission lines – from 175 feet to 225 feet – that cross the St. Johns River at the Fulton Cut crossing will improve the conditions for the size and types of ships anticipated to traverse the water crossing thereby allowing for expanded navigation capacity in Jacksonville.

On March 28, 2023, the Board approved JEA to enter into an Interlocal Agreement with JaxPort, via Resolution 2023-17, to proceed with this project. At the time this resolution was approved, the preliminary estimated aggregate cost of the project was \$45,000,000, inclusive of the contingency amounts. JaxPort had secured funding for the project via a \$22,500,000 grant from the Florida Department of Transportation (“FDOT”), and \$22,500,000, comprised of a \$10,000,000 grant and a \$12,500,000 loan, from the City to be disbursed to JaxPort during the project duration.

Since passage of resolution 2023-17, various reconfiguration alternatives were analyzed to ensure safe construction to raise the lines to at least 225 feet above mean high water to provide a minimum of 205 feet of navigation operational clearance by no later than December 31, 2026. Subsequently, the total aggregate cost of the project has increased to \$117,000,000, inclusive of contingency amounts.

On February 25, 2025, the Board adopted Resolution 2025-11b which terminated the previously approved Interlocal Agreement between JEA and JaxPort and approved JEA to enter into a Triparte Interlocal Agreement with JaxPort and the City for the project. JaxPort has secured partial funding for the project via a \$22,500,000 grant from the FDOT, and a \$29,500,000 grant from the City comprised of \$22,500,000 in funding approved by the City in 2023 and \$7,000,000 of cost savings credited to the City from funding previously approved for the St. Johns River Harbor Deepening Project as authorized by ordinance 2020-377-E. Additionally, JEA and JaxPort have agreed to each contribute \$32,500,000 towards the cost of the project.

Effect of JEA Credit Rating Changes

General

JEA has entered into certain agreements that contain provisions giving counterparties certain rights and options in the event of a downgrade in JEA’s credit ratings below specified levels, which provisions commonly are referred to as “ratings triggers.”

The table below sets forth the current ratings and outlooks for JEA’s Electric System Bonds and Subordinated Electric System Bonds, without giving effect to any third-party credit enhancement. Given JEA’s current levels of ratings, JEA’s management does not believe that the ratings triggers contained in any of its existing agreements will have a material adverse effect on its results of operations or financial condition. However, JEA’s ratings reflect the views of the rating agencies and not of JEA, and therefore JEA cannot give any assurance that its ratings will be maintained at current levels for any period of time.

	<u>Fitch Ratings</u>	<u>Moody’s</u>	<u>S&P</u>
Outstanding Electric System Bonds	AA (stable)	A1 (stable)	A+ (stable)
Outstanding Subordinated Electric System Bonds	AA (stable)	A2 (stable)	A (stable)

Liquidity Support for JEA’s Variable Rate Bonds

In particular, JEA has entered into standby bond purchase agreements with certain commercial banks in order to provide liquidity support in connection with tenders for purchase of the Senior Liquidity Supported Electric System Bonds, and the Subordinated Liquidity Supported

Electric System Bonds (collectively the “Liquidity Supported Bonds”). As of the date of this Annual Disclosure Report, there is \$25,000,000 in aggregate principal amount of Senior Liquidity Supported Electric System Bonds outstanding and \$4,145,000 in aggregate principal amount of Subordinated Liquidity Supported Electric System Bonds outstanding. The standby bond purchase agreements relating to the Liquidity Supported Bonds provide that any of such Liquidity Supported Bonds that are purchased by the applicable bank pursuant to its standby bond purchase agreement may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” with respect to JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, such Liquidity Supported Bonds so tendered or deemed tendered will be due and payable immediately.

In general, each standby bond purchase agreement provides that it is an event of default on the part of JEA thereunder if the long-term ratings on the Liquidity Supported Bonds to which such standby bond purchase agreement relates, without giving effect to any third-party credit enhancement, fall below “BBB” by Fitch Ratings Inc. (“Fitch”), “Baa3” by Moody’s Investors Service (“Moody’s”) and/or “BBB-” by S&P Global Ratings, a division of S&P Global Inc. (“S&P”) or are suspended or withdrawn (generally for credit-related reasons).

Interest Rate Swap Transactions

From time to time, JEA enters into interest rate swap transactions pursuant to both its debt management policy (see “Debt Management Policy” below) and its investment policies (see “Investment Policies” below), which interest rate swap transactions may be for the account of the Electric System. JEA had interest rate swap transactions outstanding under interest rate swap master agreements with four different counterparties in an aggregate notional amount of \$471,990,000 as of September 30, 2024, of which, \$390,735,000 were for the account of the Electric System. For additional information concerning those interest rate swap transactions, see (a) “Debt Management Policy” below, (b) “Investment Policies” below and (c) Notes 1(k) and 8 to JEA’s 2024 Financial Statements attached hereto as APPENDIX A.

Under each master agreement, the interest rate swap transactions entered into pursuant to that master agreement are subject to early termination upon the occurrence and continuance of certain “events of default” and upon the occurrence of certain “termination events.” One of such “termination events” with respect to JEA is a suspension or withdrawal of certain credit ratings with respect to JEA or a downgrade of such ratings to below the levels set forth in the master agreement or in the confirmation related to a particular interest rate swap transaction. Upon any such early termination of an interest rate swap transaction, JEA may owe to the counterparty a termination payment, the amount of which could be substantial. The amount of any such potential termination payment would be determined in the manner provided in the applicable master agreement and would be based primarily upon market interest rate levels and the remaining term of the interest rate swap transaction at the time of termination. In general, the ratings triggers on the part of JEA contained in the master agreements range from (x) below “BBB” by S&P and below “Baa2” by Moody’s to (y) below “A” by S&P and below “A3” by Moody’s.

As of September 30, 2024, JEA’s estimated aggregate exposure under all of its then outstanding interest rate swap transactions (*i.e.*, the net amount of the termination payments that JEA would owe to its counterparties if all of the interest rate swap transactions were terminated)

was approximately \$44,085,000, of which approximately \$36,057,000 was attributable to interest rate swap transactions entered into for the account of the Electric System. On October 1, 2024, JEA terminated all of its interest rate swap transactions entered into for the account of the Electric System and paid a termination amount equal to \$36,410,500.

In connection with the issuance or proposed issuance of certain of JEA's bonds, JEA has entered into various floating-to-fixed rate interest rate swap transactions for the account of the Electric System. These swap transactions are entered into with various providers and are otherwise described in the table below.

Related Bonds	Counterparty	Initial Notional Amount	Notional Amount as of September 30, 2024	Fixed Rate of Interest	Variable Rate Index⁽¹⁾⁽²⁾	Termination Date⁽³⁾
<i>Variable Rate Electric System Revenue Bonds, Series Three 2008A</i>	Goldman Sachs Mitsui Marine Derivative Products, L.P. ("GSMMDP")	\$100,000,000	\$51,680,000	3.836%	BMA Municipal Swap Index	10/1/2036
<i>Variable Rate Electric System Revenue Bonds, Series Three 2008B-1, 2008B-2, 2008B-3 and 2008B-4</i>	Morgan Stanley Capital Services Inc. ("MSCS")	117,825,000	82,575,000	4.351	BMA Municipal Swap Index	10/1/2039
	JPMorgan Chase Bank, N.A. ("JPMorgan")	116,425,000	72,750,000	3.661	68% of 1 month LIBOR Fallback	10/1/2035
<i>Variable Rate Electric System Revenue Bonds, Series Three 2008C-1 and 2008C-2</i>	GSMMDP	174,000,000	84,800,000	3.717	68% of 1 month LIBOR Fallback	9/16/2033
<i>Variable Rate Electric System Revenue Bonds, Series Three 2008D-1</i>	MSCS	98,375,000	59,755,000	3.907	SIFMA Municipal Swap Index	10/1/2031
<i>Variable Rate Electric System Subordinated Revenue Bonds, 2008 Series D</i>	JPMorgan	40,875,000	39,175,000	3.716	68% of 1 month LIBOR Fallback	10/1/2037

⁽¹⁾ The BMA Municipal Swap Index is now known as the SIFMA Municipal Swap Index.

⁽²⁾ "LIBOR Fallback" = (Compounded SOFR + 11.448 bps fixed spread adjustment), for rates set after June 30, 2023.

⁽³⁾ Unless earlier terminated.

Debt Management Policy

JEA's debt management policy applies to all current and future debt and related hedging instruments issued by JEA. The policy is designed to provide both broad policy guidance and facilitate management, control and oversight of JEA's debt function, thus fostering ongoing access to the capital markets in order to fund future capital projects of JEA. The policy creates procedures to be followed in conjunction with the issuance of fixed rate debt, variable rate debt and debt refundings.

The counterparties with whom JEA may deal must meet the requirements for counterparties described under the caption "Investment Policies" below. The policy requires JEA staff to submit to the JEA Board an annual plan of finance, which will address, at a minimum, the amount of debt projected to be issued during the next Fiscal Year, whether such debt is senior or subordinated, whether such debt is fixed or variable, and whether any hedging instruments may be

utilized. Under the policy, JEA's net variable rate debt will not exceed 30 percent of total debt and JEA's net variable rate debt plus net fixed-to-floating interest rate swaps will not exceed 55 percent of total debt. "Net variable rate debt" is actual variable rate debt minus net variable rate assets. "Net variable rate assets" is actual variable rate assets minus the notional amount of investment/asset-matched interest rate swaps. "Net fixed-to-floating interest rate swaps" is the aggregate notional amount of fixed rate-to-floating rate swaps maturing in 10 years or less minus the aggregate notional amount of floating rate-to-fixed rate swaps maturing in 10 years or less outstanding on the last day of each month. "Total debt" equals fixed rate debt plus variable rate debt. "Variable rate debt" equals hedged and unhedged variable rate debt. "Variable rate assets" are investments maturing in less than one year. "Unhedged variable rate debt" is actual variable rate debt outstanding less variable rate debt that is associated with a floating-to-fixed rate swap where the term of the swap matches the term of the variable rate debt. The percentages are to be computed periodically.

JEA's fixed rate debt, variable rate debt and debt-related hedging instruments are to be managed in conjunction with investment assets and investment-related hedging instruments to incorporate the natural occurrence of hedging impacts in those balance sheet categories. The purpose is to use each side of the balance sheet to mitigate or hedge cash flow risks posed by the other side of the balance sheet.

The policy establishes a framework for JEA's utilization of hedging instruments including interest rate swaps and caps and collars. The utilization of hedging instruments offers JEA a cost-effective alternative to traditional debt financing choices. JEA is authorized to enter into floating-to-fixed rate swaps, fixed-rate-to-floating rate swaps and basis swaps (*i.e.*, swaps which seek to manage the risk associated with the mismatch between two benchmarks used to set the indices utilized in an interest rate swap transaction). The percentage of variable rate exposure (the notional amount of net fixed-to-floating interest rate swaps and net variable rate debt outstanding) to total debt outstanding may not exceed 55 percent. The notional amount of interest rate swaps, caps, collars and related hedging instruments is limited to the amount approved by the JEA Board from time to time.

Interest rate caps and related hedging instruments are to be utilized to help JEA manage interest rate risk in its debt management program. Generally, a fixed-to-floating interest rate swap will have an associated interest rate cap for the same notional amount at a level no greater than 200 basis points above the interest rate swap fixed rate. It is also contemplated that an interest rate cap will not always have the same maturity as the interest swap with which it is associated. The average life of the aggregate of outstanding caps will not be less than 75 percent of the average life of the associated aggregate swaps.

The policy sets out various decision rules which govern the decision to execute various hedging instruments. Valuations are performed on a quarterly basis and adjustments to fair value are included in JEA's financial statements.

The policy calls for no more than \$500,000,000 of net interest rate swap and cap or other hedging instruments to be outstanding in the aggregate with any one provider or affiliate thereof. The aggregate amount of all "long dated" (greater than 10 years) transactions executed with financial institutions and all affiliates thereof, shall be limited to an amount based on the credit

rating of the financial institution at the time of the entry into the long-dated hedging transaction as shown below:

<u>Rating Level</u>	<u>Notional Amount</u>
AAA/Aaa by one or more rating agencies	\$400,000,000
AA-/Aa3 or better by at least two rating agencies	300,000,000
A/A2 or better by at least two rating agencies	200,000,000
Below A/A2 by at least two rating agencies	0

The ratings criteria shown above apply either to the counterparty to the long-dated transaction or, if the payment obligation of such counterparty under the relevant swap agreement shall be guaranteed by an affiliate thereof, such affiliate. The overall maximum by definition of the above limits cannot exceed \$400,000,000 for long dated transactions.

These diversification requirements include all interest rate swap, cap and other hedging instruments JEA may utilize to manage interest rate risks. Interest rate swap and cap transactions are to be competitively bid (unless otherwise determined by the Managing Director and Chief Executive Officer) by at least three providers that have executed interest rate swap agreements with JEA.

Under the policy, an annual budgeted reserve contribution is to be made to a reserve fund. The contributions to the reserve fund will be funded in three equal installments of 1 percent of the notional amount beginning in the month the swap is executed. Once funded, the reserve fund shall at all times be not less than three percent of the notional amount of fixed-to-floating rate interest rate swaps outstanding but can be used for any lawful purpose as approved by JEA's Managing Director and Chief Executive Officer.

The aggregate notional amount of all hedging instrument transactions entered into for the account of the Electric System outstanding at any one time, net of offsetting transactions, under all swap agreements is established at not to exceed (a) \$1.5 billion in the case of interest rate swaps, (b) \$500,000,000 in the case of basis swaps and (c) \$1 billion in the case of caps and collars. A transaction that reverses an original transaction in every respect thereby offsetting the cash flows perfectly is referred to herein as an "offsetting transaction." Generally, in the past JEA has elected to receive or pay an upfront cash payment to reverse the original swap transaction. The phrase "net of offsetting transactions" would relate to reversals that remain on JEA's books if JEA elected not to take/make an upfront cash payment.

Investment Policies

The goals of JEA's investment policy are to (a) provide safety of capital, (b) provide sufficient liquidity to meet anticipated cash flow requirements, and (c) maximize investment yields while complying with the first two goals. Sound investment management practices help maintain JEA's competitive position since investment income reduces utility rates. JEA's funds are invested only in securities of the type and maturity permitted by its bond resolutions, Florida statutes, its internal investment policy and federal income tax limitations. JEA does not speculate on the future movement of interest rates and is not permitted to utilize debt leverage in its

investment portfolio. Debt leverage is the practice of borrowing funds solely for the purpose of reinvesting the proceeds in an attempt to earn more income than the cost of the debt.

JEA invests its funds pursuant to Section 218.415, Florida Statutes, its various bond resolutions and its JEA Board-approved investment policy. As of September 30, 2024, 36.3 percent of JEA's total investment portfolio (including funds held under the Water and Sewer System Resolution, the Subordinated Water and Sewer System Resolution, the District Energy System Resolution, the Bulk Power Supply System Resolution, the Electric System Resolution, the Subordinated Electric System Resolution, and the Second Power Park Resolution) was invested in securities issued by the United States Government, federal agencies or state and local government entities and has a weighted average maturity of approximately 3.5 years. As of September 30, 2024, the remaining 63.7 percent of such investment portfolio was invested in commercial paper rated at least "A-1" and "P-1" by S&P and Moody's, respectively, having a weighted average maturity of 111 days, and in money market mutual funds and in demand deposit bank accounts. JEA's funds that are invested in commercial paper, in money market mutual funds and in bank accounts are used primarily for operating expenses.

The JEA Board has established limits on the notional amount of JEA's interest rate swap transactions and standards for the qualification of financial institutions with whom JEA may enter into interest rate swap transactions. The counterparties with whom JEA may deal must be rated (a) "AAA"/"Aaa" by one or more nationally recognized rating agencies at the time of execution, (b) "A"/"A2" or better by at least two of such credit rating agencies at the time of execution, or (c) 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, swap agreements generally will require the counterparty to enter into a collateral agreement to provide collateral when (a) the ratings of such counterparty (or its guarantor) fall below "AA-"/"Aa3" by two rating agencies and (b) a termination payment would be 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.

JEA's payment obligations under the interest rate swap transactions consist of periodic payments based upon fluctuations in interest rates and, in the event of a termination of a transaction prior to the stated term thereof, potential termination payments. The amounts of such potential termination payments are based primarily upon market interest rate levels and the remaining term of the transaction at the time of termination. JEA is authorized to enter into both (a) interest rate swap agreements the obligations of JEA under which are payable from available funds of the Electric System ("Electric System Swap Agreements") and (b) interest rate swap agreements the obligations of JEA under which are payable from available funds of the Water and Sewer System ("Water and Sewer System Swap Agreements").

In the case of interest rate swap transactions entered into pursuant to Electric System Swap Agreements, JEA's payment obligations thereunder are payable following the payment of the operation and maintenance expenses of the Electric System, including any Contract Debts of the Electric System, debt service on Electric System Bonds, debt service on any Subordinated Bonds

of the Electric System (including Subordinated Electric System Bonds) and the deposits to the Renewal and Replacement Fund established by the Electric System Resolution.

All interest rate swap transactions for the account of the Electric System are required to be entered into pursuant to Electric System Swap Agreements. Interest rate swap transactions for the account of the Water and Sewer System may be entered into pursuant to either Water and Sewer System Swap Agreements or Electric System Swap Agreements. In the case of interest rate swap transactions for the account of the Water and Sewer System that are entered into pursuant to Electric System Swap Agreements, JEA has established procedures pursuant to which (a) all amounts received by JEA pursuant to such interest rate swap transactions are transferred to the Revenue Fund established pursuant to the Water and Sewer System Resolution and (b) all payments required to be made by JEA pursuant to such interest rate swap transactions are paid for from Revenues of the Water and Sewer System; provided, however, that no such payments may be made from Revenues of the Water and Sewer System until payment (or provision for payment) has been made of the operation and maintenance expenses of the Water and Sewer System, including any Contract Debts of the Water and Sewer System, debt service for the Water and Sewer System Bonds, debt service for any Subordinated Indebtedness of the Water and Sewer System (including the Subordinated Water and Sewer System Bonds) and the deposits to the Renewal and Replacement Fund established by the Water and Sewer System Resolution.

For further information regarding this interest rate swap program, see Notes 1(k) and 8 to JEA's 2024 Financial Statements attached hereto as APPENDIX A.

Revolving Credit Facility

Effective December 17, 2015, JEA entered into a revolving credit agreement (the "Revolving Credit Facility") with JPMorgan Chase Bank, National Association ("JPMorgan") for a \$300,000,000 commitment. Effective November 1, 2018, the parties amended the Revolving Credit Facility to increase the maximum principal amount of the credit facility available for Electric System loans by \$200,000,000, for a total commitment equal to \$500,000,000. Effective May 24, 2021, the parties further amended the Revolving Credit Facility to increase the maximum principal amount of the credit facility available for the Water and Sewer System loans by \$200,000,000, for a total commitment equal to \$500,000,000. Effective July 31, 2023, the parties amended the Revolving Credit Facility to extend the facility maturity date from May 24, 2024 to May 24, 2027. Subject to meeting various conditions, the Revolving Credit Facility is available to JEA to provide working capital and short-term and interim financing for capital projects in connection with any of its systems. Payment obligations allocable to the Electric System, Power Park (under the Second Power Park Resolution) and the Bulk Power System under the Revolving Credit Facility are payable from the respective revenues of the Electric System, Power Park (under the Second Power Park Resolution) and the Bulk Power Supply System, as applicable, but are subordinate to the payment of JEA's Electric System, Power Park and Bulk Power Supply System debt (including the Electric System Bonds, the Subordinated Electric System Bonds, the Power Park Issue Three Bonds, and the Additional Bulk Power Supply System Bonds).

As of September 30, 2024, JEA had \$147,000,000 in borrowings outstanding under the Revolving Credit Facility, of which \$120,000,000 were for the account of the Water and Sewer System and \$27,000,000 were for the account of the District Energy System. On December 5,

2024, the Revolving Credit Facility was drawn upon by the Water and Sewer System for an additional \$50,000,000 leaving \$303,000,000 available to be drawn. On January 23, 2025, the Revolving Credit Facility was drawn upon by the Electric System for \$50,000,000. On January 30, 2025, JEA repaid \$170,000,000 of borrowings on the account of the Water and Sewer System from funds available to that system and on February 20, 2025, JEA repaid \$27,000,000 of borrowings on the account of the District Energy System from funds available to that system. As of the date of this Annual Disclosure Report, JEA has \$50,000,000 in borrowings outstanding under the Revolving Credit Facility, all of which are for the account of the Electric System. As of the date of this Annual Disclosure Report, \$450,000,000 is available to be drawn.

Loans Among Utility Systems

Pursuant to the Charter, JEA has the authority to lend money from one of its utility systems to another of its utility systems under terms and conditions as determined by JEA. As of the date of this Annual Disclosure Report, no loans among the systems are outstanding.

No Default Certificates

Section 13.F of the Electric System Resolution and Section 6.08 of the Subordinated Electric System Resolution require that JEA annually obtain a certificate of its independent firm of certified public accountants setting forth any default on the part of JEA of any covenant in the Electric System Resolution and the Subordinated Electric System Resolution. Section 715.2 of the Second Power Park Resolution, and Section 714.2 of the Restated and Amended Bulk Power Supply System Resolution require that JEA annually obtain a certificate of its independent firm of certified public accountants stating whether or not, to the knowledge of the signer, JEA is in default with respect to any of the covenants, agreements or conditions on its part contained in the Second Power Park Resolution, and the Restated and Amended Bulk Power Supply System Resolution, respectively, and if so, the nature of such default. The actual certificates provided by such accountants state that *nothing has come to such accountants' attention that caused such accountants to believe that JEA failed to comply with the terms, covenants, provisions or conditions of the applicable section(s) of the relevant resolutions, insofar as they relate to accounting matters* (emphasis supplied). The accountants have advised JEA that the italicized qualifying language is required to be included by their professional standards (specifically, Statement on Auditing Standards No. 62). JEA does not believe that any other nationally recognized accounting firm will provide certificates that strictly meet the requirements of the applicable section(s) of the relevant resolutions and that differ materially from the certificates provided by JEA's accountants.

Notwithstanding the failure of the accountants' certificates to strictly meet the requirements of the respective resolutions as described above, as of the date of this Annual Disclosure Report, JEA is not in default in the performance of any of the covenants, agreements or conditions contained in the Electric System Resolution, the Subordinated Electric System Resolution, the Second Power Park Resolution, and the Restated and Amended Bulk Power Supply System Resolution.

LITIGATION AND OTHER MATTERS

General

In the opinion of the Office of General Counsel of the City (the “OGC”), there is no pending litigation, proceedings, or other matters that may result in any material adverse change in the financial condition of JEA relating to the Electric System other than as set forth in JEA’s 2024 Financial Statements attached hereto as APPENDIX A and other than the matters set forth in this Annual Disclosure Report.

JEA, like other similar bodies, is subject to a variety of lawsuits and proceedings arising in the ordinary conduct of its affairs. After reviewing the status of all current and pending litigation, the OGC, believes that, while the outcome of litigation cannot be predicted, the final dissolution of all lawsuits which have been filed and of any actions or claims pending or, to the knowledge of JEA, threatened against JEA or its officials in such capacity are adequately covered by insurance, or the City’s Risk Management fund, or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Electric System.

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AUTHORIZATION

The dissemination and use of this Annual Disclosure Report have been duly authorized by the JEA Board.

JEA

By: /s/ *Gen. Joseph P. DiSalvo*
Chair

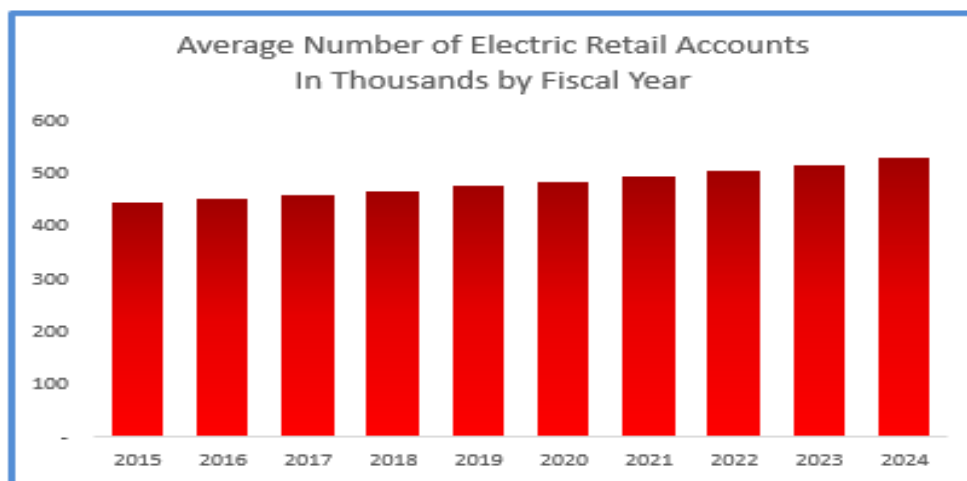
By: /s/ *Vickie P. Cavey*
Managing Director and Chief Executive Officer

SCHEDULE 1

OPERATING HIGHLIGHTS

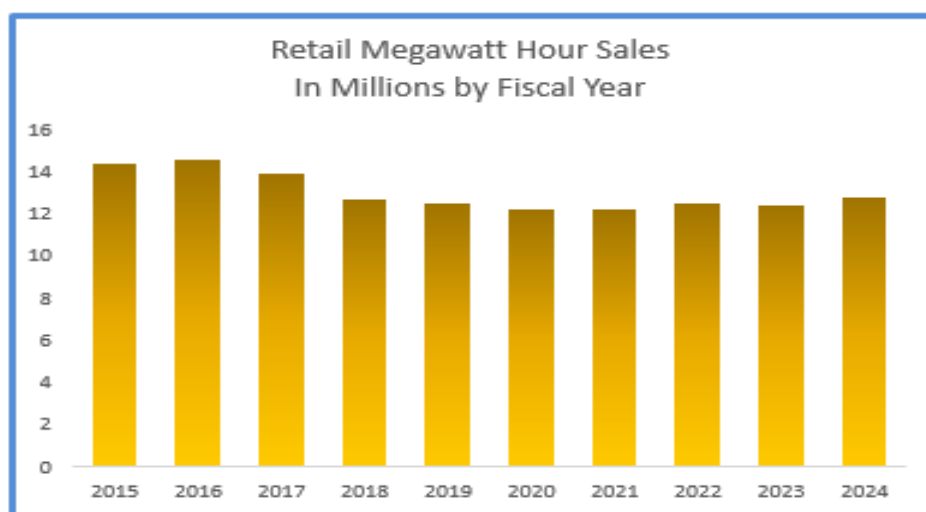
Electric Financial and Operating Highlights (unaudited)
Last 10 Fiscal Years, ending September 30th

	2015	2016	2017	2018	2019
FINANCIAL HIGHLIGHTS					
Total operating revenues (thousands)	\$ 1,370,212	\$ 1,364,242	\$ 1,428,329	\$ 1,366,111	\$ 1,300,208
Fuel and purchased power expenses (thousands)	\$ 517,239	\$ 485,874	\$ 536,250	\$ 530,246	\$ 465,573
Total operating expenses (thousands)	\$ 1,061,853	\$ 1,032,774	\$ 1,088,386	\$ 1,102,133	\$ 1,019,589
Debt service coverage:					
Senior and subordinated - Electric	5.80 x	6.59 x	7.53 x	2.30 x	2.81 x
Senior - Electric	2.63 x	2.89 x	2.53 x	6.55 x	6.51 x
Bulk Power Supply System	1.24 x	1.81 x	1.75 x	3.47 x	2.19 x
St. Johns River Power Park 2nd Resolution	1.16 x	1.17 x	1.18 x	1.60 x	1.19 x
OPERATING HIGHLIGHTS					
Sales (megawatt hours)	14,379,697	14,586,486	13,893,852	12,732,236	12,465,958
Peak demand - megawatts (60 minute net)	2,863	2,674	2,682	3,080	2,644
Total accounts - average number	443,705	451,788	458,953	466,409	475,786
Sales per residential account (kilowatt hours)	13,468	13,433	12,672	13,205	13,172
Average residential revenue per kilowatt hour	\$ 11.82	\$ 11.24	\$ 11.44	\$ 11.42	\$ 11.41
Power supply:					
Natural gas	32%	32%	39%	48%	49%
Purchases	50%	42%	43%	18%	26%
Coal	8%	11%	12%	22%	16%
Petroleum coke	10%	15%	6%	12%	9%



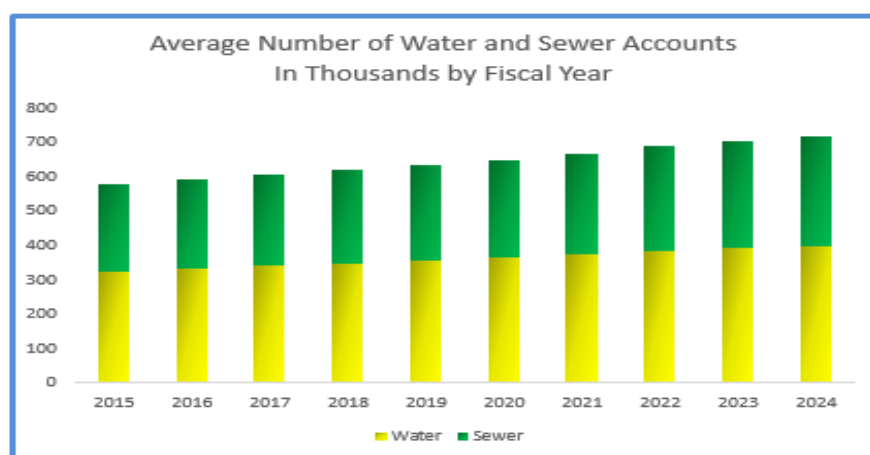
JEA in Jacksonville, FL
Electric Financial and Operating Highlights (unaudited) (continued)
Last 10 Fiscal Years, ending September 30th

	2020	2021	2022	2023	2024
FINANCIAL HIGHLIGHTS					
Total operating revenues (thousands)	\$ 1,241,506	\$ 1,308,982	\$ 1,534,816	\$ 1,324,028	\$ 1,421,162
Fuel and purchased power expenses (thousands)	\$ 376,011	\$ 475,461	\$ 771,954	\$ 711,072	\$ 693,708
Total operating expenses (thousands)	\$ 921,912	\$ 1,010,636	\$ 1,470,109	\$ 1,351,113	\$ 1,337,345
Debt service coverage:					
Senior and subordinated - Electric	4.79 x	5.17 x	5.55 x	3.72 x	4.20 x
Senior - Electric	10.68 x	11.80 x	10.03 x	6.50 x	6.79 x
Bulk Power Supply System	1.96 x	1.27 x	9.36 x	2.15 x	2.10 x
St. Johns River Power Park 2nd Resolution	1.15 x	1.15 x	2.31 x	1.15 x	1.15 x
OPERATING HIGHLIGHTS					
Sales (megawatt hours)	12,202,973	12,239,149	12,488,252	12,366,462	12,769,116
Peak demand - megawatts (60 minute net)	2,658	2,582	2,816	2,816	2,765
Total accounts - average number	485,000	494,656	503,934	515,514	528,050
Sales per residential account (kilowatt hours)	13,026	12,932	12,907	12,401	12,615
Average residential revenue per kilowatt hour	\$ 11.21	\$ 11.42	\$ 13.69	\$ 13.46	\$ 12.49
Power supply:					
Natural gas	63%	62%	58%	58%	61%
Purchases	13%	15%	29%	30%	32%
Coal	12%	15%	6%	3%	1%
Petroleum coke	12%	8%	7%	9%	6%



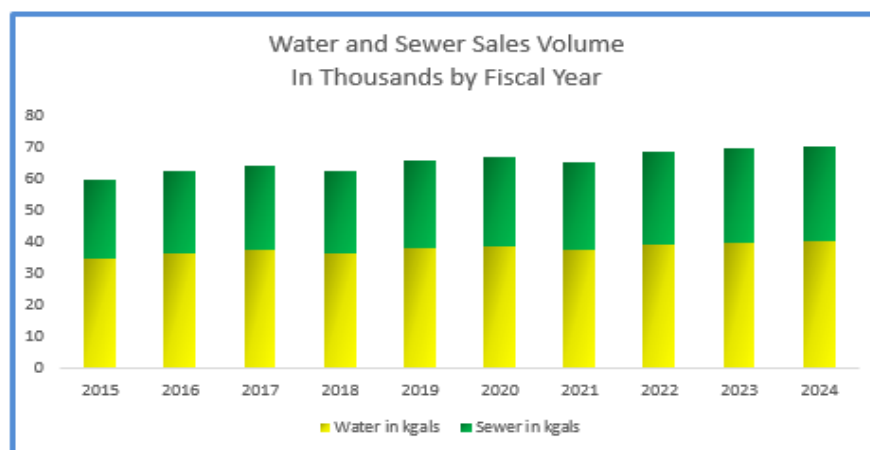
JEA in Jacksonville, FL
Water and Sewer Financial and Operating Highlights (unaudited)
Last 10 Fiscal Years, ending September 30th

	2015	2016	2017	2018	2019
FINANCIAL HIGHLIGHTS					
Total operating revenues (thousands)	\$ 389,733	\$ 427,750	\$ 457,908	\$ 435,682	\$ 463,817
Operating expenses (thousands)	\$ 269,509	\$ 297,325	\$ 305,131	\$ 310,435	\$ 334,177
Debt service coverage:					
Senior and subordinated	3.13 x	3.78 x	2.99 x	2.79 x	3.02 x
Senior	2.75 x	3.28 x	3.54 x	3.33 x	3.59 x
OPERATING HIGHLIGHTS					
WATER					
Total sales (kgals)	34,558,284	36,357,919	37,245,188	36,186,559	37,696,072
Total accounts - average number	325,352	333,139	341,016	348,159	355,635
Average sales per residential account (kgals)	61.32	62.78	63.21	59.33	61.28
Average residential revenue per kgal	\$ 5.30	\$ 5.26	\$ 5.48	\$ 5.43	\$ 5.40
SEWER					
Total sales (kgals)	24,922,141	25,817,658	26,712,770	26,340,622	27,726,796
Total accounts - average number	250,974	257,719	264,336	270,871	277,815
Average sales per residential account (kgals)	59.75	60.96	61.84	57.91	60.61
Average residential revenue per kgal	\$ 9.33	\$ 9.26	\$ 9.46	\$ 9.52	\$ 9.30
REUSE					
Total sales (kgals)	1,783,730	2,644,046	3,290,311	3,119,739	3,884,210
Total accounts - average number	5,891	7,498	9,391	11,498	14,267



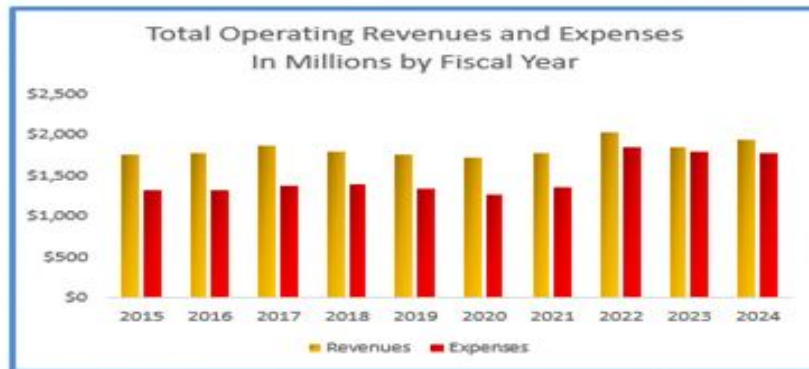
JEA in Jacksonville, FL
 Water and Sewer Financial and Operating Highlights (unaudited) (continued)
 Last 10 Fiscal Years, ending September 30th

	2020	2021	2022	2023	2024
FINANCIAL HIGHLIGHTS					
Total operating revenues (thousands)	\$ 483,859	\$ 471,430	\$ 509,862	\$ 538,308	\$ 529,995
Operating expenses (thousands)	\$ 352,973	\$ 358,288	\$ 396,512	\$ 458,489	\$ 459,813
Debt service coverage:					
Senior and subordinated	4.96 x	6.33 x	6.65 x	3.62 x	3.01 x
Senior	5.58 x	7.24 x	7.71 x	4.35 x	3.46 x
OPERATING HIGHLIGHTS					
WATER					
Total sales (kgals)	38,271,797	37,180,568	39,208,877	39,733,861	40,024,840
Total accounts - average number	363,597	373,075	383,481	391,859	399,307
Average sales per residential account (kgals)	62.83	59.78	60.23	60.20	59.88
Average residential revenue per kgal	\$5.32	\$5.44	\$5.48	\$5.50	\$5.56
SEWER					
Total sales (kgals)	28,160,202	28,139,524	29,252,868	29,666,832	29,969,997
Total accounts - average number	285,104	293,870	303,550	311,873	319,114
Average sales per residential account (kgals)	61.57	58.72	59.13	59.13	58.76
Average residential revenue per kgal	\$9.26	\$9.45	\$9.38	\$9.40	\$9.44
REUSE					
Total sales (kgals)	4,426,905	4,463,047	5,166,479	5,277,237	5,448,304
Total accounts - average number	17,031	19,704	22,634	25,764	28,351



JEA in Jacksonville, FL
Consolidated Financial Summary (in thousands) (unaudited)
Last 10 Fiscal Years, ending September 30th

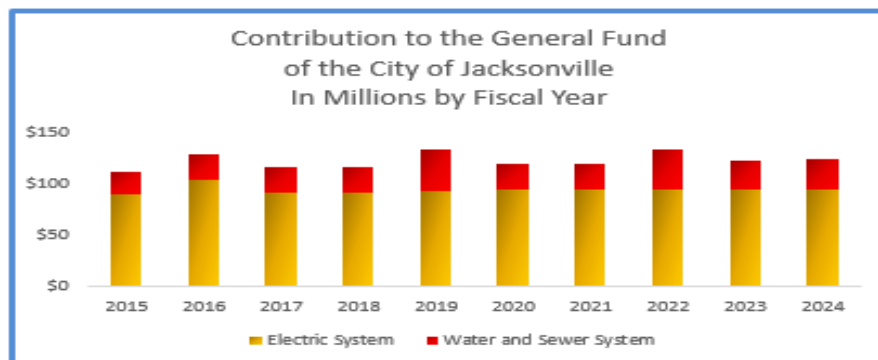
	2015	2016	2017	2018	2019
Operating revenues:					
Electric	\$1,324,883	\$1,321,713	\$1,382,206	\$1,267,202	\$1,259,815
Water and sewer	379,789	417,404	448,057	423,480	450,116
District energy system	8,778	8,337	8,185	8,348	8,504
Other	35,930	34,298	36,729	90,952	33,526
Total operating revenues	1,749,380	1,781,752	1,875,177	1,789,982	1,751,961
Operating expenses:					
Maintenance and other operating expenses	374,166	380,219	392,142	431,269	395,692
Fuel and purchased power	517,239	485,874	536,250	530,246	465,573
Depreciation	366,486	382,432	386,699	360,609	362,313
State utility and franchise taxes	72,510	71,244	69,683	70,027	71,569
Recognition of deferred costs and revenues, net	(11,168)	(1,527)	(4,075)	6,856	44,792
Total operating expenses	1,319,233	1,318,242	1,380,699	1,399,007	1,339,939
Operating income	430,147	463,510	494,478	390,975	412,022
Nonoperating revenues (expenses):					
Interest on debt	(198,199)	(184,457)	(182,992)	(166,508)	(175,046)
Earnings from The Energy Authority	1,461	6,136	6,335	4,074	2,412
Allowance for funds used during construction	5,723	9,407	11,774	11,764	14,099
Other nonoperating income, net	11,634	8,765	5,918	9,857	9,082
Investment income (loss)	12,904	14,225	10,576	11,826	39,745
Other interest, net	(68)	(403)	(451)	(1,825)	(1,626)
Total nonoperating expenses, net	(166,545)	(146,327)	(148,840)	(130,812)	(111,334)
Income before contributions and special item	263,602	317,183	345,638	260,163	300,688
Contributions (to) from:					
General fund, City of Jacksonville	(111,688)	(129,187)	(115,823)	(116,620)	(132,802)
Capital contributions:					
Developers and other	52,709	53,652	66,875	82,157	97,726
Reduction of plant cost through contributions	-	(31,632)	(42,069)	(54,114)	(68,188)
Water & Sewer Expansion Authority	(33,105)	-	-	-	-
Total contributions, net	(92,084)	(107,167)	(91,017)	(88,577)	(103,264)
Special item	151,490	-	-	(45,099)	-
Change in net position	323,008	210,016	254,621	126,487	197,424
Net position - beginning of year, originally reported	1,843,901	2,166,909	2,376,925	2,628,822	2,755,309
Effect of change in accounting	-	-	(2,724)	-	-
Net position - beginning of year, as restated	1,843,901	2,166,909	2,374,201	2,628,822	2,755,309
Net position - end of year	\$2,166,909	\$2,376,925	\$2,628,822	\$2,755,309	\$2,952,733



JEA in Jacksonville, FL

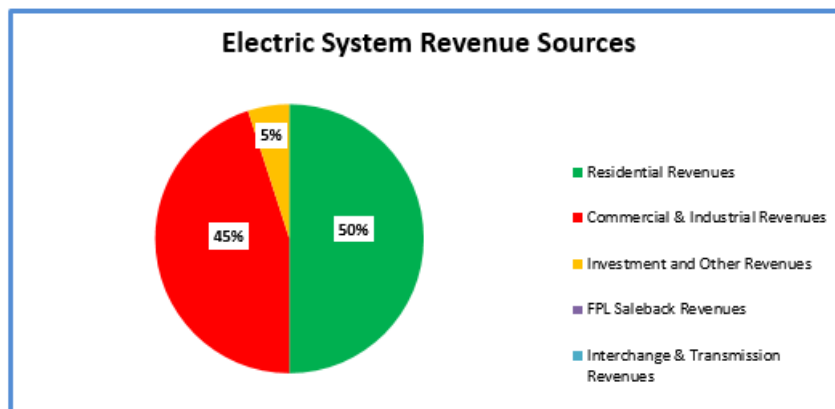
Consolidated Financial Summary (in thousands) (unaudited) (continued)
Last 10 Fiscal Years, ending September 30th

	2020	2021	2022	2023	2024
Operating revenues:					
Electric	\$1,203,688	\$1,267,212	\$1,491,097	\$1,276,715	\$1,373,911
Water and sewer	469,914	457,076	489,814	518,767	503,610
District energy system	8,235	7,704	8,516	11,934	12,118
Other	32,621	37,269	40,435	37,533	41,656
Total operating revenues	1,714,458	1,769,261	2,029,862	1,844,949	1,931,295
Operating expenses:					
Maintenance and other operating expenses	422,925	387,916	402,290	521,676	560,685
Fuel and purchased power	376,011	475,461	771,954	711,072	693,708
Depreciation	365,146	391,715	500,257	432,147	413,121
State utility and franchise taxes	69,769	70,966	83,892	83,809	78,644
Recognition of deferred costs and revenues, net	28,619	30,718	92,261	39,718	27,112
Total operating expenses	1,262,470	1,356,776	1,850,654	1,788,422	1,773,270
Operating income	451,988	412,485	179,208	56,527	158,025
Nonoperating revenues (expenses):					
Interest on debt	(141,213)	(120,911)	(114,707)	(109,275)	(120,359)
Earnings from The Energy Authority	2,848	15,378	29,731	23,603	13,286
Allowance for funds used during construction	19,713	9,305	13,866	25,853	41,667
Other nonoperating income, net	7,370	4,796	6,853	6,600	6,473
Investment income (loss)	15,721	2,165	(9,668)	27,787	35,772
Other interest, net	666	(23)	(1,343)	(7,744)	(6,859)
Total nonoperating expenses, net	(94,895)	(89,290)	(75,268)	(33,176)	(30,020)
Income before contributions and special item	357,093	323,195	103,940	23,351	128,005
Contributions (to) from:					
General fund, City of Jacksonville	(118,824)	(120,012)	(133,713)	(122,424)	(123,648)
Capital contributions:					
Developers and other	109,546	94,580	121,227	176,771	219,666
Reduction of plant cost through contributions	(76,558)	(54,299)	(74,016)	(112,236)	(130,405)
Water & Sewer Expansion Authority	-	-	-	-	-
Total contributions, net	(85,836)	(79,731)	(86,502)	(57,889)	(34,387)
Special item	-	-	100,000	11,135	-
Change in net position	271,257	243,464	117,438	(23,403)	93,618
Net position - beginning of year, originally reported	2,952,733	3,223,990	3,467,454	3,584,892	3,561,489
Effect of change in accounting	-	-	-	-	-
Net position - beginning of year, as restated	2,952,733	3,223,990	3,467,454	3,584,892	3,561,489
Net position - end of year	\$3,223,990	\$3,467,454	\$3,584,892	\$3,561,489	\$3,655,107



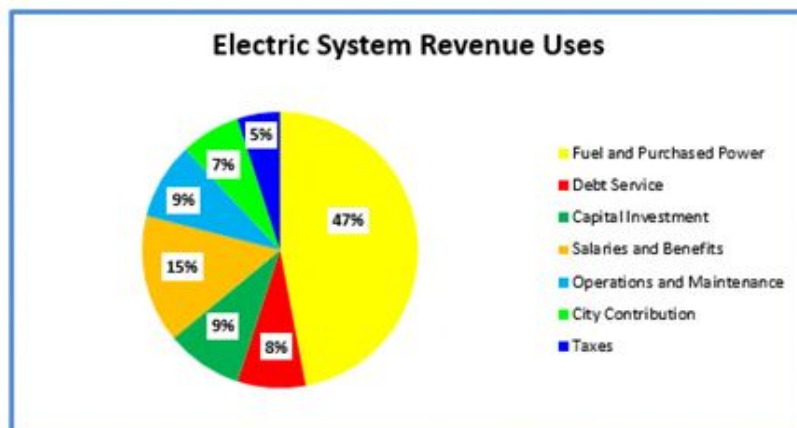
Revenue Statistics – Electric Services (unaudited)
Last 10 Fiscal Years, ending September 30th

	2015	2016	2017	2018	2019
Electric revenues (000s omitted):					
Residential	\$ 619,897.0	\$ 599,009.0	\$ 584,663.0	\$ 618,171.0	\$ 629,355.0
Commercial and industrial	627,547	597,796	587,972	594,395	590,473
Public street lighting	11,982	13,488	13,069	12,873	13,176
Sales for resale	32,424	31,210	21,813	5,474	3,914
Florida Power & Light saleback	128,475	130,053	128,737	30,767	1,664
Total	\$ 1,420,325	\$ 1,371,556	\$ 1,336,254	\$ 1,261,680	\$ 1,238,582
Sales (megawatt hours):					
Residential	5,243,002	5,328,245	5,108,945	5,414,721	5,515,428
Commercial and industrial	6,767,836	6,847,583	6,725,201	6,851,803	6,793,557
Public street lighting	89,376	80,108	65,721	59,176	57,410
Sales for resale	417,361	474,352	300,903	74,069	99,563
Florida Power & Light saleback	1,862,122	1,856,198	1,693,082	332,467	-
Total	14,379,697	14,586,486	13,893,852	12,732,236	12,465,958
Average number of accounts:					
Residential	389,287	396,664	403,164	410,060	418,728
Commercial and industrial	50,867	51,472	52,060	52,573	53,204
Public street lighting	3,549	3,649	3,727	3,776	3,854
Total	443,703	451,785	458,951	466,409	475,786
System installed capacity - MW	3,759	3,722	3,722	3,084	3,114
Peak demand - MW (60 minute net)	2,863	2,674	2,682	3,080	2,644
System load factor - %	51%	56%	53%	48%	56%
Residential averages - annual:					
Revenue per account - \$	1,592.39	1,510.12	1,450.19	1,507.51	1,503.02
kWh per account	13,468	13,433	12,672	13,205	13,172
Revenue per kWh - ¢	11.82	11.24	11.44	11.42	11.41
All other retail - annual:					
Revenue per account - \$	11,752.59	11,089.86	10,773.85	10,776.91	10,579.57
kWh per account	126,015	125,682	121,729	122,646	120,070
Revenue per kWh - ¢	9.33	8.82	8.85	8.79	8.81
Heating-cooling degree days	4,159	4,117	3,737	4,256	4,294



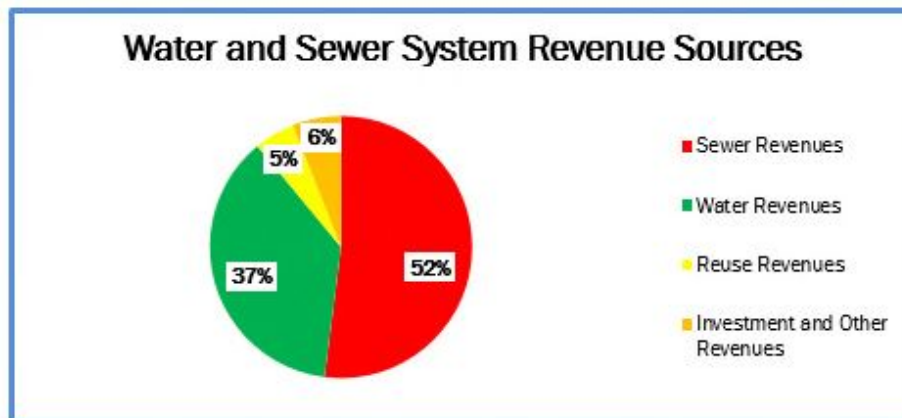
JEA in Jacksonville, FL
Revenue Statistics – Electric Services (unaudited) (concluded)
Last 10 Fiscal Years, ending September 30th

	2020	2021	2022	2023	2024
Electric revenues (000s omitted):					
Residential	\$ 624,078.0	\$ 644,639.0	\$ 785,986.0	\$ 760,374.0	\$ 736,195.0
Commercial and industrial	556,722	566,942	714,288	708,529	638,805
Public street lighting	13,410	13,821	15,039	15,423	14,813
Sales for resale	2,128	2,137	1,341	2,254	2,800
Florida Power & Light saleback	(1)	1	-	-	-
Total	\$ 1,196,337	\$ 1,227,540	\$ 1,516,654	\$ 1,486,580	\$ 1,392,613
Sales (megawatt hours):					
Residential	5,566,222	5,642,412	5,741,350	5,650,016	5,894,674
Commercial and industrial	6,562,365	6,518,435	6,674,205	6,608,722	6,744,599
Public street lighting	55,974	55,487	54,939	54,822	55,802
Sales for resale	18,412	22,815	17,758	52,902	74,041
Florida Power & Light saleback	-	-	-	-	-
Total	12,202,973	12,239,149	12,488,252	12,366,462	12,769,116
Average number of accounts:					
Residential	427,321	436,299	444,840	455,609	467,268
Commercial and industrial	53,750	54,381	55,105	55,895	56,727
Public street lighting	3,929	3,976	3,989	4,010	4,055
Total	485,000	494,656	503,934	515,514	528,050
System installed capacity - MW					
	3,113	3,129	2,931	2,931	2,931
Peak demand - MW (60 minute net)					
	2,658	2,582	2,816	2,816	2,765
System load factor - %					
	54%	56%	52%	52%	54%
Residential averages - annual:					
Revenue per account - \$	1,460.44	1,477.52	1,766.90	1,668.92	1,575.53
kWh per account	13,026	12,932	12,907	12,401	12,615
Revenue per kWh - ¢	11.21	11.42	13.69	13.46	12.49
All other retail - annual:					
Revenue per account - \$	9,884.57	9,951.90	12,341.81	12,085.00	10,753.48
kWh per account	114,744	112,650	113,872	111,235	111,882
Revenue per kWh - ¢	8.61	8.83	10.84	10.86	9.61
Heating-cooling degree days					
	4,015	4,012	3,937	4,004	4,164



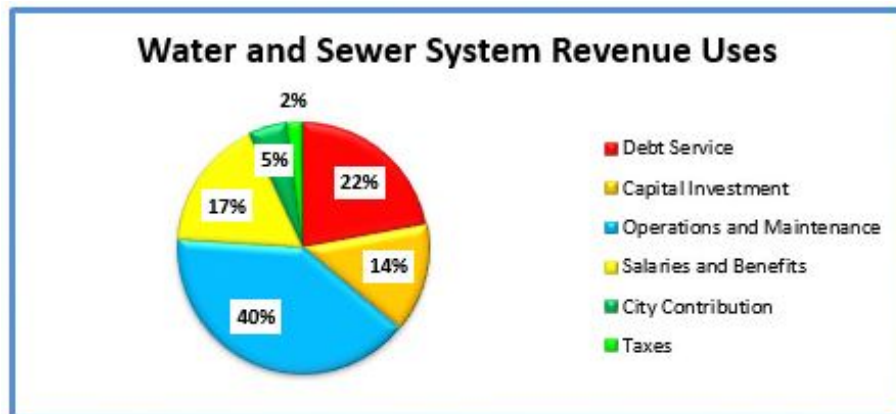
JEA in Jacksonville, FL
Revenue Statistics – Water, Sewer, and Reuse Services (unaudited)
Last 10 Fiscal Years, ending September 30th

		2015	2016	2017	2018	2019
WATER	Water revenues (000s omitted):					
	Residential	\$ 86,215	\$ 89,946	\$ 96,615	\$ 91,954	\$ 96,699
	Commercial and industrial	45,078	46,212	47,969	47,494	47,619
	Irrigation	32,681	34,846	36,836	32,004	34,800
	Total	\$ 163,974	\$ 171,004	\$ 181,420	\$ 171,452	\$ 179,118
	Water sales (kgals):					
	Residential	16,271,698	17,086,586	17,624,952	16,932,812	17,921,588
	Commercial and industrial	12,870,984	13,343,376	13,402,094	14,023,130	13,958,000
	Irrigation	5,415,602	5,927,957	6,218,142	5,230,617	5,816,484
	Total	34,558,284	36,357,919	37,245,188	36,186,559	37,696,072
	Average number of accounts:					
	Residential	265,373	272,157	278,838	285,404	292,460
	Commercial and industrial	23,951	24,698	25,423	25,702	25,963
	Irrigation	36,028	36,284	36,755	37,053	37,212
	Total	325,352	333,139	341,016	348,159	355,635
	Residential averages - annual:					
	Revenue per account - \$	324.88	330.49	346.49	322.19	330.64
	kgals per account	61.32	62.78	63.21	59.33	61.28
	Revenue per kgal - \$	5.30	5.26	5.48	5.43	5.40
SEWER	Sewer revenues (000s omitted):					
	Residential	\$ 129,976	\$ 135,288	\$ 143,967	\$ 139,174	\$ 146,186
	Commercial and industrial	101,910	103,731	107,446	108,126	110,724
	Total	\$ 231,886	\$ 239,019	\$ 251,413	\$ 247,300	\$ 256,910
	Volume (kgals):					
	Residential	13,934,981	14,614,026	15,225,124	14,623,682	15,717,129
	Commercial and industrial	10,987,160	11,203,632	11,487,646	11,716,940	12,009,667
	Total	24,922,141	25,817,658	26,712,770	26,340,622	27,726,796
	Average number of accounts:					
	Residential	233,203	239,738	246,187	252,531	259,308
	Commercial and industrial	17,771	17,981	18,149	18,340	18,507
	Total	250,974	257,719	264,336	270,871	277,815
	Residential averages - annual:					
	Revenue per account - \$	557.35	564.32	584.79	551.12	563.75
	kgals per account	59.75	60.96	61.84	57.91	60.61
	Revenue per kgal - \$	9.33	9.26	9.46	9.52	9.30
REUSE	Reuse revenues (000s omitted):	\$ 7,378	\$ 10,267	\$ 13,216	\$ 13,659	\$ 17,909
	Reuse sales (kgals):	1,783,730	2,644,046	3,290,311	3,119,739	3,884,210
	Average number of accounts:	5,891	7,498	9,391	11,498	14,267
RAINFALL	Inches	49.43	31.38	72.89	57.41	45.95
	Days	114.00	98	98	120	123



JEA in Jacksonville, FL
Revenue Statistics – Water, Sewer, and Reuse Services (unaudited) (concluded)
Last 10 Fiscal Years, ending September 30th

		2020	2021	2022	2023	2024
WATER	Water revenues (000s omitted):					
	Residential	\$ 100,316	\$ 100,361	\$ 105,065	\$ 107,920	\$ 110,867
	Commercial and industrial	47,011	47,429	49,302	49,970	50,788
	Irrigation	35,030	31,666	34,510	34,291	34,694
	Total	\$ 182,357	\$ 179,456	\$ 188,877	\$ 192,181	\$ 196,349
	Water sales (kgals):					
	Residential	18,839,990	18,448,336	19,168,978	19,632,070	19,941,731
	Commercial and industrial	13,540,631	13,675,041	14,321,083	14,423,321	14,437,002
	Irrigation	5,891,176	5,057,191	5,718,816	5,678,470	5,646,107
	Total	38,271,797	37,180,568	39,208,877	39,733,861	40,024,840
	Average number of accounts:					
	Residential	299,872	308,626	318,284	326,119	333,002
	Commercial and industrial	26,190	26,518	26,939	27,265	27,597
	Irrigation	37,535	37,931	38,258	38,475	38,708
	Total	363,597	373,075	383,481	391,859	399,307
	Residential averages - annual:					
	Revenue per account - \$	334.53	325.19	330.10	330.92	332.93
	kgals per account	62.83	59.78	60.23	60.20	59.88
	Revenue per kgal - \$	5.32	5.44	5.48	5.50	5.56
SEWER	Sewer revenues (000s omitted):					
	Residential	\$ 151,893	\$ 152,684	\$ 157,706	\$ 162,512	\$ 166,236
	Commercial and industrial	109,682	111,255	114,448	114,093	114,859
	Total	\$ 261,575	\$ 263,939	\$ 272,154	\$ 276,605	\$ 281,095
	Volume (kgals):					
	Residential	16,405,359	16,148,759	16,816,302	17,295,189	17,600,743
	Commercial and industrial	11,754,843	11,990,765	12,436,566	12,371,643	12,369,254
	Total	28,160,202	28,139,524	29,252,868	29,666,832	29,969,997
	Average number of accounts:					
	Residential	266,460	275,022	284,401	292,490	299,540
	Commercial and industrial	18,644	18,848	19,149	19,383	19,574
	Total	285,104	293,870	303,550	311,873	319,114
	Residential averages - annual:					
	Revenue per account - \$	570.04	555.17	554.52	555.62	554.97
	kgals per account	61.57	58.72	59.13	59.13	58.76
	Revenue per kgal - \$	9.26	9.45	9.38	9.40	9.44
REUSE	Reuse revenues (000s omitted):	\$ 21,097	\$ 20,644	\$ 25,260	\$ 26,150	\$ 27,949
	Reuse sales (kgals):	4,426,905	4,463,047	5,166,479	5,277,237	5,448,304
	Average number of accounts:	17,031	19,704	22,634	25,764	28,351
RAINFALL	Inches	60.97	56.40	59.32	50.07	71.85
	Days	122	135	109	104	132



APPENDIX A

JEA FINANCIAL INFORMATION

FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION,
AND BOND COMPLIANCE INFORMATION

JEA

Years Ended September 30, 2024 and 2023
With Report of Independent Auditors

Ernst & Young LLP



JEA

Financial Statements, Supplementary Information, and Bond Compliance Information

Years Ended September 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.



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 13, 2024, 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 13, 2024

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, 2024 and 2023. 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, 2024 and 2023. 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 2024 and 2023 fiscal years:

Condensed Statements of Net Position

	2024	2023	2022
	<i>(In millions)</i>		
Assets and deferred outflows of resources			
Current assets	\$ 897	\$ 844	\$ 734
Other noncurrent assets	1,437	1,384	1,725
Net capital assets	6,230	5,889	5,464
Deferred outflows of resources	365	455	306
Total assets and deferred outflows of resources	<u>\$ 8,929</u>	<u>\$ 8,572</u>	<u>\$ 8,229</u>
Liabilities and deferred inflows of resources			
Current liabilities	\$ 244	\$ 244	\$ 267
Current liabilities payable from restricted assets	286	280	218
Net pension liability	966	959	646
Other noncurrent liabilities	221	222	96
Long-term debt	3,166	2,873	2,870
Deferred inflows of resources	391	433	547
Net position			
Net investment in capital assets	3,153	3,043	2,831
Restricted	166	229	424
Unrestricted	336	289	330
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,929</u>	<u>\$ 8,572</u>	<u>\$ 8,229</u>

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
	<i>(In millions)</i>		
Operating revenue	\$ 1,931	\$ 1,845	\$ 2,030
Operating expense	(1,773)	(1,789)	(1,851)
Operating income	158	56	179
Nonoperating expense, net	(30)	(33)	(75)
Contributions	(34)	(58)	(86)
Special Item	—	11	100
Change in net position	94	(24)	118
Net position – beginning of the year	3,561	3,585	3,467
Net position – end of the year	<u>\$ 3,655</u>	<u>\$ 3,561</u>	<u>\$ 3,585</u>

Management's Discussion and Analysis (continued)

Financial Analysis of JEA for fiscal years 2024 and 2023

2024 Compared to 2023

*Electric Enterprise**Operating Revenues*

Total operating revenues increased approximately \$97 million (7.3%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating revenues	\$	1,324
Stabilization funds		190
Territorial sales		(95)
Other		2
September 2024 operating revenues	\$	1,421

Stabilization fund revenues increased \$190 million due to decreases in contributions to the purchased power stabilization fund. Territorial sales revenues decreased \$95 million, due primarily to a \$144 million decrease in fuel revenues resulting from a decrease in fuel costs.

Operating Expenses

Total operating expenses decreased approximately \$14 million (-1.0%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating expenses	\$	1,351
Fuel		(83)
State utility and franchise taxes		(6)
Recognition of deferred costs and revenues, net		(1)
Depreciation		2
Maintenance and other operating expense		8
Purchased power		66
September 2024 operating expenses	\$	1,337

Fuel expense decreased \$83 million (19.0%) primarily due to decreased fuel generation costs.

State utility and franchise taxes decreased \$6 million (-7.4%), as a result of lower taxable revenues.

Recognition of deferred costs and revenues, net decreased \$1 million (-4.4%) driven by a decrease in regulatory environmental costs.

Depreciation expense increased \$2 million (1.0%) due to an increase in depreciable assets.

Management's Discussion and Analysis (continued)

Maintenance and other operating expenses increased \$8 million (2.5%) as a result of \$19 million in higher maintenance costs, primarily due to SJRPP decommissioning expenses and a change in estimate for environmental liability; \$9 million due to company-wide pay band adjustments; and \$1 million in higher legal and other professional services; offset by \$21 million decreased overhead due to the cancellation of the C2M conversion project in 2023.

Purchased power expense increased \$66 million (24.2%) driven by a \$137 million increase in debt service associated with MEAG power purchase agreement. Plant Vogtle, Units 3 and 4, went into service July 31, 2023 and April 29, 2024, respectively (see footnote 10, fuel and purchase power commitments for additional details). This increase was offset by decreases of \$34 million in unit cost and \$28 million in volume for solar, wind, and landfill purchased power.

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.

	<u>2024</u>	<u>2023</u>
Natural gas	61%	58%
Purchased power	32%	30%
Petroleum coke	6%	9%
Coal	1%	3%
Total	<u>100%</u>	<u>100%</u>

Water and Sewer Enterprise

Operating Revenues

Total operating revenues decreased approximately \$8 million (-1.5%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating revenues	\$ 538
Stabilization funds	(26)
Reuse	2
Water	4
Sewer	5
Other	7
September 2024 operating revenues	<u>\$ 530</u>

Stabilization fund revenues decreased \$26 million primarily due to the environmental stabilization fund being depleted as of September 30, 2023. Reuse revenues increased \$2 million due to an increase in kGal consumption and cost per kGal of 3.2% and 3.5%, respectively. Water revenues increased \$4 million driven by higher cost per kGal of 1.4%. Sewer revenues increased \$5 million driven by higher consumption as a result of a 2.3% increase in customers. Other operating revenues increased \$7 million primarily due to increases of \$3 million each for intercompany inventory carrying charges and miscellaneous service revenues.

Management's Discussion and Analysis (continued)

Operating Expenses

Operating expenses increased approximately \$2 million (0.3%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating expenses	\$ 458
Maintenance and other operating expenses	34
Depreciation	(21)
Recognition of deferred costs and revenues, net	(11)
September 2024 operating expenses	\$ 460

Maintenance and other operating expenses increased \$34 million (14.7%) due to increases of \$17 million in compensation and benefits, \$13 million in maintenance expenses, \$4 million in interlocal payments. Depreciation expense decreased \$21 million (-10.5%) due to a lower depreciable base. Recognition of deferred costs and revenues, net decreased \$11 million (-96.4%) due to lower capital expenses recovered through the rate stabilization fund due to the discontinuation of the environmental fee.

District Energy System

Operating revenues and expenses remained flat at \$13 million and \$9 million, respectively.

Nonoperating Revenues and Expenses

Total nonoperating expenses, net increased approximately \$3 million (9.5%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 nonoperating revenues and expenses, net	\$ (33)
Increase in allowance for funds used during construction	16
Increase in investment fair market value	6
Increase in realized investment income	2
Decrease in other interest, net	1
Increase in interest on debt	(11)
Decrease in The Energy Authority earnings	(11)
September 2024 nonoperating revenues and expenses, net	\$ (30)

Management's Discussion and Analysis (continued)

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).

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.

Management's Discussion and Analysis (continued)

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.

	<u>2023</u>	<u>2022</u>
Natural gas	58%	58%
Purchased power	30%	29%
Coal	3%	6%
Petroleum coke	9%	7%
Total	<u>100%</u>	<u>100%</u>

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	<u>\$ 538</u>

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	<u>\$ 458</u>

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.

Management's Discussion and Analysis (continued)

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)

Capital Assets and Debt Administration for Fiscal Years 2024 and 2023

Capital Assets

JEA's total investment in capital assets and capital expenditures are detailed below.

<i>(Dollars in millions)</i>	Total Investment		Additions	
	September 30, 2024	September 30, 2023	FY 2024	FY 2023
Electric Enterprise	\$ 2,619	\$ 2,593	\$ 255	\$ 245
Water and Sewer Enterprise	3,561	3,253	493	484
District Energy System	50	43	10	9
Total	\$ 6,230	\$ 5,889	\$ 758	\$ 738

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 2024, \$5 million of contributed capital related to the Electric System and \$125 million related to Water and Sewer System was recorded 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.

Management's Discussion and Analysis (continued)

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 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, 2024 was \$3,047 million, an increase of approximately \$252 million from the prior fiscal year. This increase was due to the issuance of \$504 million in new debt and \$186 million in revolving credit agreement advances less \$177 million in revolving credit agreement repayments, defeasance of principal of \$171 million, and scheduled principal payments of \$90 million.

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.

JEA's debt ratings on its long-term debt per Standard & Poor's, Moody's, and Fitch remained unchanged from fiscal year 2023. JEA's outlooks on its long-term debt per Standard & Poor's and Fitch remained unchanged from fiscal year 2023. On January 5, 2024, Moody's revised JEA's Water and Sewer Enterprise outlook to positive from stable.

All ratings and outlooks as of September 30, 2024 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	positive	AA+	stable	AA+	stable
Subordinated	Aa2	positive	AA	stable	AA+	stable
DES	Aa3	stable	AA	stable	AA+	stable

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

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 March 2024 meeting, the Board approved the following Base Rate changes, effective April 1, 2024:

- Modification of the Electric Tariff Documentation:
 - to increase basic monthly (customer) charge for electric customers,
 - to increase the energy rate for electric customers,
 - to include demand credits for certain electric customers, and
 - to close and remove Load Density Improvement Rider and update other administrative items

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 2024 and 2023

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.

	2024	2023	2022
	<i>(in thousands)</i>		
<i>Condensed Statement of Fiduciary Net Position</i>			
Total assets	\$ 180,852	\$ 160,730	\$ 156,148
Total liabilities	63	124	505
Fiduciary net position available for benefits	<u>\$ 180,789</u>	<u>\$ 160,606</u>	<u>\$ 155,643</u>
<i>Condensed Statement of Changes in Fiduciary Net Position</i>			
Total contributions	\$ 16	\$ 14	\$ 6,912
Net investment earnings (losses)	33,182	17,835	(27,684)
Total additions (losses) to fiduciary net position	<u>33,198</u>	<u>17,849</u>	<u>(20,772)</u>
Total deductions from fiduciary net position	13,015	12,886	13,679
Net change in fiduciary net position	<u>\$ 20,183</u>	<u>\$ 4,963</u>	<u>\$ (34,451)</u>

Management's Discussion and Analysis (continued)

2024 compared to 2023

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.

A net investment gain during fiscal year 2024 was due to the improvement in market performance as compared to the prior year.

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.

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	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 255,838	\$ 278,483
Investments	143,442	106,701
Customer accounts receivable, net of allowance (\$2,848 for 2024 and \$2,242 for 2023)	248,069	252,861
Inventories:		
Materials and supplies	143,307	103,057
Fuel	56,329	56,131
Prepaid assets	33,843	23,847
Other current assets	16,395	22,476
Total current assets	<u>897,223</u>	<u>843,556</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	180,404	100,129
Investments	161,853	288,132
Other restricted assets	927	991
Total restricted assets	<u>343,184</u>	<u>389,252</u>
Costs to be recovered from future revenues	991,923	865,083
Hedging derivative instruments	53,512	93,219
Other assets	48,045	36,070
Total noncurrent assets	<u>1,436,664</u>	<u>1,383,624</u>
Net capital assets	6,230,235	5,888,960
Total assets	<u>8,564,122</u>	<u>8,116,140</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	192,172	290,610
Unamortized deferred losses on refundings	62,266	73,433
Unrealized asset retirement obligation	31,501	36,276
Accumulated decrease in fair value of hedging derivatives	64,783	39,157
Unrealized OPEB contributions and losses	13,746	15,943
Total deferred outflows of resources	<u>364,468</u>	<u>455,419</u>
Total assets and deferred outflows of resources	<u>\$ 8,928,590</u>	<u>\$ 8,571,559</u>

See accompanying notes to financial statements.

JEA

Statements of Net Position (continued)
(In Thousands)

	September	
	2024	2023
Liabilities		
Current liabilities:		
Accounts and accrued expense payable	\$95,856	\$ 100,645
Customer deposits and prepayments	94,245	85,651
Billings on behalf of state and local governments	27,841	28,535
Compensation and benefits payable	12,570	16,237
City of Jacksonville payable	10,437	10,366
Asset retirement obligation	2,817	2,623
Total current liabilities	<u>243,766</u>	<u>244,057</u>
Current liabilities payable from restricted assets:		
Debt due within one year	106,305	89,375
Interest payable	55,501	48,304
Construction contracts and accounts payable	117,524	137,793
Renewal and replacement reserve	6,983	4,581
Total current liabilities payable from restricted assets	<u>286,313</u>	<u>280,053</u>
Noncurrent liabilities:		
Long-term debt		
Debt payable, less current portion	2,940,745	2,705,510
Unamortized premium, net	181,583	149,503
Fair value of debt management strategy instruments	44,085	18,368
Total long-term debt	<u>3,166,413</u>	<u>2,873,381</u>
Net pension liability	965,649	958,534
Lease liability	87,300	89,463
Asset retirement obligations	28,684	33,653
Compensation and benefits payable	44,980	40,142
Net OPEB liability	557	7,971
Other liabilities	59,860	50,409
Total noncurrent liabilities	<u>4,353,443</u>	<u>4,053,553</u>
Total liabilities	<u>4,883,522</u>	<u>4,577,663</u>
Deferred inflows of resources		
Revenues to be used for future costs	293,983	300,455
Accumulated increase in fair value of hedging derivatives	53,512	93,218
Unrealized OPEB gains	19,712	16,343
Unrealized pension gains	22,754	22,391
Total deferred inflows of resources	<u>389,961</u>	<u>432,407</u>
Net position		
Net investment in capital assets	3,153,611	3,042,666
Restricted for:		
Capital projects	57,481	138,245
Debt service	106,624	90,582
Other purposes	1,232	594
Unrestricted	336,159	289,402
Total net position	<u>3,655,107</u>	<u>3,561,489</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,928,590</u>	<u>\$ 8,571,559</u>

See accompanying notes to financial statements.

JEA

Statements of Revenues, Expenses, and Changes in Net Position
(In Thousands)

	September	
	2024	2023
Operating revenue		
Electric	\$1,373,911	\$ 1,276,715
Water and sewer	503,610	518,767
District energy system	12,118	11,934
Other operating revenue	41,656	37,533
Total operating revenue	<u>1,931,295</u>	<u>1,844,949</u>
Operating expense		
Operations and maintenance:		
Maintenance and other operating expense	560,685	521,676
Fuel	354,743	438,132
Purchased power	338,965	272,940
Depreciation and amortization	413,121	432,147
State utility and franchise taxes	78,644	83,809
Recognition of deferred costs and revenues, net	27,112	39,718
Total operating expense	<u>1,773,270</u>	<u>1,788,422</u>
Operating income	<u>158,025</u>	<u>56,527</u>
Nonoperating revenue (expense)		
Interest on debt	(120,359)	(109,275)
Earnings from The Energy Authority	13,286	23,603
Allowance for funds used during construction	41,667	25,853
Other nonoperating income, net	6,473	6,600
Investment income, net	35,772	27,787
Other interest, net	(6,859)	(7,744)
Total nonoperating expense, net	<u>(30,020)</u>	<u>(33,176)</u>
Income before contributions	<u>128,005</u>	<u>23,351</u>
Contributions (to) from		
General Fund, City of Jacksonville, Florida	(123,648)	(122,424)
Developers and other	219,666	176,771
Reduction of plant cost through contributions	(130,405)	(112,236)
Total contributions, net	<u>(34,387)</u>	<u>(57,889)</u>
Special item	<u>-</u>	<u>11,135</u>
Change in net position	93,618	(23,403)
Net position, beginning of year	3,561,489	3,584,892
Net position, end of year	<u>\$ 3,655,107</u>	<u>\$ 3,561,489</u>

See accompanying notes to financial statements.

JEA

Statements of Cash Flows

(In Thousands)

	September	
	2024	2023
Operating activities		
Receipts from customers	\$ 1,889,828	\$ 2,018,257
Payments to suppliers	(1,040,847)	(1,041,801)
Payments for salaries and benefits	(331,814)	(295,240)
Other operating activities	47,969	41,802
Net cash provided by operating activities	565,136	723,018
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(123,547)	(122,323)
Net cash used in noncapital and related financing activities	(123,547)	(122,323)
Capital and related financing activities		
Acquisition and construction of capital assets	(790,009)	(702,805)
Defeasance of debt	(171,295)	-
Proceeds received from debt	503,835	-
Interest paid on debt	(128,403)	(124,539)
Repayment of debt principal	(89,375)	(74,070)
Capital contributions	89,261	64,536
Revolving credit agreement withdrawals (repayments)	9,000	135,000
Other capital financing activities	59,952	(369)
Net cash used in capital and related financing activities	(517,034)	(702,247)
Investing activities		
Proceeds from sale and maturity of investments	471,138	482,732
Purchase of investments	(374,052)	(568,910)
Distributions from The Energy Authority	8,045	20,731
Investment income	27,944	24,921
Net cash provided by (used in) investing activities	133,075	(40,526)
Net change in cash and cash equivalents	57,630	(142,078)
Cash and cash equivalents at beginning of year	378,612	520,690
Cash and cash equivalents at end of year	\$ 436,242	\$ 378,612
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 158,025	\$ 56,527
Adjustments:		
Depreciation and amortization	413,121	432,147
Recognition of deferred costs and revenues, net	27,112	39,718
Other nonoperating income, net	(3,204)	6,817
Changes in noncash assets and noncash liabilities:		
Accounts receivable	4,793	61,501
Inventories	(40,448)	(39,642)
Other assets	(14,715)	14,121
Accounts and accrued expense payable	(843)	(25,835)
Current liabilities payable from restricted assets	2,891	(999)
Other noncurrent liabilities and deferred inflows	18,404	178,663
Net cash provided by operating activities	\$ 565,136	\$ 723,018
Non-cash activity		
Contribution of capital assets from developers	\$ 130,405	\$ 112,236
Unrealized investment fair market value changes, net	\$ 7,548	\$ 1,729

See accompanying notes to financial statements.

JEA

Statements of Fiduciary Net Position
 SJRPP Pension Trust Fund
(In Thousands)

	September	
	2024	2023
Assets		
Cash and cash equivalents	\$ 1,672	\$ 4,869
Receivables:		
Interest and dividends	625	634
Sale of investments	64	142
Employer	-	13
Total receivables	<u>689</u>	<u>789</u>
Investments at fair value:		
Bonds and notes	78,584	69,041
Common stock	49,028	46,172
Mutual funds	50,879	39,859
Total investments	<u>178,491</u>	<u>155,072</u>
Total assets	<u>\$ 180,852</u>	<u>\$ 160,730</u>
Liabilities		
Accounts payable and other liabilities	\$ 63	\$ 124
Net position		
Restricted for pensions	180,789	160,606
Total liabilities and net position	<u>\$ 180,852</u>	<u>\$ 160,730</u>

See accompanying notes to financial statements.

JEA

Statements of Changes in Fiduciary Net Position
 SJRPP Pension Trust Fund
(In Thousands)

	September	
	2024	2023
Additions		
Contributions:		
Members	\$ 16	\$ 14
Total contributions	<u>16</u>	<u>14</u>
Investment earnings:		
Net gains	29,881	14,957
Interest, dividends, and other	<u>3,882</u>	<u>3,455</u>
Total investment earnings	33,763	18,412
Less investment activity costs	<u>(581)</u>	<u>(577)</u>
Net investment earnings	<u>33,182</u>	<u>17,835</u>
Total additions	<u>33,198</u>	<u>17,849</u>
Deductions		
Benefits paid to participants or beneficiaries	12,872	12,819
Administrative expense	<u>143</u>	<u>67</u>
Total deductions	<u>13,015</u>	<u>12,886</u>
Net change in fiduciary net position	20,183	4,963
Net position, beginning of year	<u>160,606</u>	<u>155,643</u>
Net position, end of year	<u><u>\$ 180,789</u></u>	<u><u>\$ 160,606</u></u>

See accompanying notes to financial statements.

JEA

Notes to Financial Statements

(Dollars in Thousands)

Years Ended September 30, 2024 and 2023

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; St. Johns River Power Park System (SJRPP); and 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). 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, 2024 and 2023:

	2024	2023
Inventories	\$ 2,453	\$ 2,292
Other current assets	760	770
Costs to be recovered from future revenues	17,331	19,911
Net capital assets	1,115	1,115
Unrealized asset retirement obligations	31,501	36,276
Current portion of asset retirement obligations	2,817	2,623
Debt due within one year	2,580	2,495
Interest payable	645	711
Long-term portion of asset retirement obligations	28,684	33,653
Long-term debt	19,690	22,270

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 and amortization of its capital assets used in operations. The operation of Scherer is subject to a joint ownership agreement and the rates for SJRPP and Scherer are established on a cost-of-service basis, including operating and maintenance expenses and debt service. See note 1(t), Setting of rates.

(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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

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.

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 \$26,965 in fiscal year 2024 and \$31,892 in 2023. JEA withdrew the net amount of \$7,550 in fiscal year 2024 and contributed \$155,941 to stabilization funds in fiscal year 2023. 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 \$83,158 in fiscal year 2024 and \$77,801 in 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(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.

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 (%)	2024	2023
Electric Enterprise Fund	4.6%	4.6%
Water and Sewer Fund	4.5%	4.5%
District Energy System	5.1%	4.5%

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 \$120,359 for fiscal year 2024 and \$109,275 for 2023, of which \$41,667 and \$25,853 was capitalized as a regulatory asset in fiscal year 2024 and 2023, respectively. Investment income on bond proceeds was \$2,019 in fiscal year 2024 and \$73 in 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(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 2024 and the rates for that study are effective in fiscal year 2025. The effective rate of depreciation based upon the average depreciable plant in service balance was 3.11% and 3.36% for fiscal years 2024 and 2023, 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)	2024	2023
Electric Enterprise Fund	23.8	23.6
Water and Sewer Fund	26.6	26.9
District Energy System	24.0	24.0

(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.

(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).

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)***(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 2024 and 2023, 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.

(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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(m) Energy Market Risk Management Program**

The energy market risk management program is intended to help manage JEA's exposure to the volatility in electric energy and fuel prices, uncertainty in load and resource availability, the creditworthiness of counterparties, and risks associated with transacting in wholesale energy markets. Under this policy, 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 statements 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 \$130,405 and \$112,236 were recorded in fiscal years 2024 and 2023 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. 101, *Compensated Absences* (GASB 101), 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 101.

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, 2024, is \$50,367. Of this amount, \$5,387 is included in compensation and benefits payable under current liabilities on the accompanying statements of net position. The remaining balance of \$44,980 is included in compensation and benefits payable in noncurrent liabilities on the accompanying statements of net position. During fiscal year 2024, the net change in compensated absence liability was \$5,457. The compensated absence liability as of September 30, 2023, was \$44,910. Of this amount, \$4,768 was included in compensation and benefits payable under current liabilities on the accompanying statements of net position. The remaining balance of \$40,142 was included in compensation and benefits payable in noncurrent liabilities on the accompanying statements of net position. During fiscal year 2023, the net change in compensated absence liability was \$5,719.

(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 March 2024 meeting, the Board approved the following Base Rate changes, effective April 1, 2024:

- Modification of the Electric Tariff Documentation:
 - To increase basic monthly (customer) Charge for electric customers
 - To increase the energy rate for electric customers
 - To include demand credits for certain electric customers
 - To close and remove Load Density Improvement Rider and update other administrative items

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 17, *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 2024

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. This statement is fully effective for JEA in fiscal year 2024. The implementation of this statement did not have an impact on JEA's financial statements.

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 implementation of this statement did not have an impact on JEA's financial statements.

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 2024. The implementation of this statement did not have an impact on JEA's financial statements.

(x) Recently Issued Accounting Pronouncements Not Yet Effective

In January 2024, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to provide financial statement users with essential information about risks a government face related to concentrations and constraints of resources. This statement is effective for JEA in fiscal year 2025. The implementation of this statement is not expected to have an impact on JEA's financial statements.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

In May 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this statement is to enhance the effectiveness of governmental financial reports by providing essential information for decision making and assessing a government's accountability. Certain application issues should also be addressed. This statement is effective for JEA in fiscal year 2025. The impact of the implementation on JEA's financial reporting has not been determined.

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	2024	2023
Unfunded pension costs	\$ 803,249	\$ 704,048
Allowance for funds used during construction	80,402	39,358
SJRPP and Bulk Power costs to be recovered	71,555	89,840
Storm and COVID-19 costs to be recovered	18,360	5,356
Debt issue costs	8,673	6,879
Unfunded OPEB costs	6,523	8,371
Deferred fuel regulatory costs	3,161	11,231
Total regulatory assets	<u>\$ 991,923</u>	<u>\$ 865,083</u>

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.

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.

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 \$54,257 at September 30, 2024 and \$69,996 at September 30, 2023 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, 2024, SJRPP has remaining plant in service assets of \$7,685 and outstanding debt of \$76,850. 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 \$17,298 at September 30, 2024 and \$19,844 at September 30, 2023. 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.

Storm and COVID-19 costs to be recovered – JEA incurs emergency response costs in conjunction with unplanned major events including natural disasters and other historic emergencies such as the COVID-19 pandemic. The Federal Emergency Management Agency (FEMA) provides supplemental grants to state and local governments through the Public Assistance Program so communities can quickly respond to and recover from those disasters. FEMA allows cost share of 87.5% of eligible costs (75.0% from FEMA and 12.5% from the State of Florida) of those costs not covered by insurance.

JEA's costs to be recovered for storm and COVID-19 expenses as of September 30, 2024 are summarized below:

	September 30, 2024 Balance	Reimbursement Requests, net	Reimbursements Received		September 30, 2023 Balance
			FEMA	Insurance	
Hurricane Ian	\$ 6,218	\$ 6,218	\$ –	\$ –	\$ –
Hurricane Idalia	5,447	5,447	–	–	–
Hurricane Debby	2,509	2,509	–	–	–
Hurricane Nicole	2,113	2,113	–	–	–
COVID-19 Pandemic	1,802	2	–	–	1,800
Hurricane Irma	271	33	(5,273)	–	5,511
Hurricane Matthew	-	1,757	–	–	(1,757)
Hurricane Dorian	-	198	–	–	(198)
Total Storm/COVID CTBR	\$ 18,360	\$ 18,277	\$ (5,273)	\$ –	\$ 5,356

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

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.

Deferred fuel regulatory costs –JEA adjusts the fuel charge monthly. This represents the amount under-collected that will be recovered in the next period.

Regulatory Liabilities

The following is a summary of JEA's regulatory liabilities at September 30:

Regulatory Liabilities	2024	2023
Nonfuel purchased power	\$ 246,000	\$ 246,000
Self-insurance medical reserve	22,243	20,134
Excess pension contributions	12,702	13,733
Environmental	12,101	14,612
Customer benefit stabilization	937	5,976
Total regulatory liabilities	<u>\$ 293,983</u>	<u>\$ 300,455</u>

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. There were no deposits made for fiscal year 2024. Deposits of \$191,000 were made to the stabilization fund for fiscal year 2023.

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 \$500 per employee effective January 1, 2024, which was increased from \$250 during fiscal year 2023. 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, 2024 and 2023 are as follows:

	2024	2023
Beginning balance	\$ 20,134	\$ 14,145
Contributions	33,315	32,744
Incurred claims	(31,206)	(26,755)
Ending balance	<u>\$ 22,243</u>	<u>\$ 20,134</u>

Excess pension contributions – Excess pension 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.

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, 2024 and 2023 are as follows:

Environmental	2024	2023
Beginning balance	\$ 14,612	\$ 46,822
Surcharge revenue	–	15,404
Prior capital projects cost recovery	–	(31,360)
Capital projects	(6)	(14,683)
Operations and maintenance projects	(2,505)	(1,571)
Ending balance	<u>\$ 12,101</u>	<u>\$ 14,612</u>

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, 2024, the total amount of the AROs at Scherer are \$533,004, with JEA's minority share being \$31,501. Of the total liability, \$2,817 is recorded in asset retirement obligations in current liabilities and \$28,684 in asset retirement obligations in noncurrent liabilities on the statement of net position. These amounts are offset by the unrealized asset retirement obligation of \$31,501, which is recorded in deferred outflows of resources.

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.

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)

4. Restricted Assets

Restricted assets were held in the following funds at September 30, 2024 and 2023:

	September 30, 2024				
	Electric	SJRPP	Water and Sewer	DES	Total
Renewal and Replacement Fund	\$ (1,249)	\$ 6,983	\$ 26,267	\$ 11,444	\$ 43,445
Sinking Fund	54,774	18,206	86,549	2,595	162,124
Debt Service Reserve Fund	53,352	2,912	62,614	—	118,878
Revenue Fund	—	312	—	—	312
Construction Fund	—	—	19,770	—	19,770
Adjustment to fair value of investments	(811)	88	(622)	—	(1,345)
Total	<u>\$ 106,066</u>	<u>\$ 28,501</u>	<u>\$ 194,578</u>	<u>\$ 14,039</u>	<u>\$ 343,184</u>

	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	<u>\$ 226,021</u>	<u>\$ 25,851</u>	<u>\$ 133,810</u>	<u>\$ 3,570</u>	<u>\$ 389,252</u>

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, 2024 and 2023, the fair value of all securities, regardless of statement of net position classification as cash equivalent or investment, was as follows:

	2024	2023
Securities:		
U.S. Treasury and government agency securities	\$ 232,550	\$ 272,528
Local government investment pool	77,081	119,545
Money market mutual funds	171,684	74,502
Commercial paper	36,322	72,873
State and local government securities	38,810	63,917
Total securities, at fair value	<u>\$ 556,447</u>	<u>\$ 603,365</u>

These securities are held in the following accounts:

	2024	2023
Current assets:		
Cash and cash equivalents	\$ 255,838	\$ 278,483
Investments	143,442	106,701
Restricted assets:		
Cash and cash equivalents	180,404	100,129
Investments	161,853	288,132
Total cash and investments	741,537	773,445
Less: cash on deposit	(187,477)	(172,185)
Plus: interest due on securities	2,387	2,105
Total securities, at fair value	<u>\$ 556,447</u>	<u>\$ 603,365</u>

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, 2024, 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, 2024 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	\$ 171,684	\$ –	\$ –	\$ –	\$ 171,684
Local government investment pools	77,081	–	–	–	77,081
State and local government securities	–	–	15,506	23,304	38,810
U.S. Treasury and government agency securities	93,595	134,508	–	4,447	232,550
Commercial paper	36,322	–	–	–	36,322
Total securities, at fair value	<u>\$ 378,682</u>	<u>\$ 134,508</u>	<u>\$ 15,506</u>	<u>\$ 27,751</u>	<u>\$ 556,447</u>

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 A by Standard & Poor's, Aa3 by Moody's Investors Services, or A 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, 2024, 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, 2024, JEA had 6.5% 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, 2024, investments in any one issuer representing 5% or more of JEA's investments included \$89,864 (16.1%) invested in issues of the Federal Home Loan Bank and \$72,232 in Federal Farm Credit Bank (13.0%). 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, 2024, 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, 2024 is as follows:

	Balance September 30, 2023	Additions	Retirements	Transfers/ Adjustments	Balance September 30, 2024
Electric Enterprise Fund:					
Generation assets	\$ 3,960,382	\$ —	\$ (1,326)	\$ 47,664	\$ 4,006,720
Transmission assets	746,046	—	(770)	441	745,717
Distribution assets	2,352,259	—	(2,731)	112,840	2,462,368
Other assets	588,236	—	(2,659)	44,607	630,184
Lease assets	93,313	—	—	—	93,313
Total capital assets	7,740,236	—	(7,486)	205,552	7,938,302
Less: accumulated depreciation and amortization	(5,491,843)	(227,962)	7,486	—	(5,712,319)
Land	139,476	—	(2)	6,226	145,700
Construction work-in-process	204,605	254,497	—	(211,778)	247,324
Net capital assets	2,592,474	26,535	(2)	—	2,619,007
Water and Sewer Fund:					
Pumping assets	702,184	—	(2,297)	48,887	748,774
Treatment assets	886,020	—	—	31,829	917,849
Transmission and distribution assets	1,410,462	—	(83)	53,349	1,463,728
Collection assets	1,658,613	—	(501)	30,913	1,689,025
Reclaimed water assets	176,479	—	—	15,451	191,930
General and other assets	507,530	—	(719)	28,104	534,915
Total capital assets	5,341,288	—	(3,600)	208,533	5,546,221
Less: accumulated depreciation	(2,863,482)	(186,853)	3,600	4,182	(3,042,553)
Land	81,426	—	(23)	3,825	85,228
Construction work-in-process	693,969	490,931	—	(212,358)	972,542
Net capital assets	3,253,201	304,078	(23)	4,182	3,561,438
District Energy System:					
Chilled water plant assets	76,532	—	—	148	76,680
Total capital assets	76,532	—	—	148	76,680
Less: accumulated depreciation	(37,298)	(3,118)	—	—	(40,416)
Land	3,051	—	—	—	3,051
Construction work-in process	1,000	9,623	—	(148)	10,475
Net capital assets	43,285	6,505	—	—	49,790
Total	\$ 5,888,960	\$ 337,118	\$ (25)	\$ 4,182	\$ 6,230,235

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

6. Capital Assets (continued)

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	93,313	(1,813)	35,333	681,549
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)

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 \$13,286 in fiscal year 2024 and \$23,603 in 2023 for all power marketing activities. JEA's distributions from TEA were \$8,045 in fiscal year 2024 and \$20,731 in 2023. The investment in TEA was \$34,165 at September 30, 2024 and \$27,863 at September 30, 2023 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, 2024 and 2023. TEA issues separate audited financial statements on a calendar-year basis.

	Unaudited	
	2024	2023
Condensed statement of net position:		
Current assets	\$ 366,736	\$ 355,758
Noncurrent assets	93,797	41,039
Total assets	<u>\$ 460,533</u>	<u>\$ 396,797</u>
Current liabilities	\$ 261,257	\$ 236,091
Noncurrent liabilities	12,107	18,231
Deferred inflows	6,914	4,506
Members' capital	188,527	158,889
Total liabilities and members' capital	<u>\$ 468,805</u>	<u>\$ 417,717</u>
Condensed statement of operations:		
Operating revenues	\$ 2,347,669	\$ 3,132,281
Operating expenses	2,251,995	3,026,014
Operating income	<u>\$ 95,674</u>	<u>\$ 106,267</u>
Net income	<u>\$ 188,527</u>	<u>\$ 110,154</u>

As of September 30, 2024, 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 \$55,900, 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, 2024 and 2023.

Long-Term Debt	Interest Rates⁽¹⁾	Payment Dates	September 30	
			2024	2023
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	2024-2040	51,395	53,945
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	2024-2036	36,560	38,735
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	2024-2036	91,380	94,605
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 2013C	4.600%	2029	845	845
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			846,390	854,340

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates⁽¹⁾	Payment Dates	September 30	
			2024	2023
Electric System Subordinated Revenue Bonds:				
2000 Series A ⁽²⁾	Variable	2024-2025	\$ 7,885	\$ 12,030
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⁾	5.582%	2024-2027	25,455	30,140
2013 Series A	5.000%	2027-2029	6,725	6,725
2013 Series C	5.000%	2029-2037	31,900	31,900
2014 Series A	5.000%	2034-2039	22,860	22,860
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			<u>461,355</u>	<u>470,185</u>
Bulk Power Supply System Revenue Bonds:				
Series 2010A ⁽⁴⁾	5.400-5.920%	2024-2030	22,270	24,765
Total Bulk Power System Revenue Bonds			<u>22,270</u>	<u>24,765</u>
SJRPP System Revenue Bonds:				
Issue Three, Series Four ⁽⁴⁾	5.050-5.450%	2024-2028	11,225	13,245
Issue Three, Series Six	3.000-5.000%	2024-2027	19,040	26,460
Issue Three, Series Seven	3.000-3.375%	2024-2028	36,995	41,190
Issue Three, Series Eight	3.000-3.125%	2024-2027	9,590	11,820
Total SJRPP System Revenue Bonds			<u>76,850</u>	<u>92,715</u>

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates ⁽¹⁾	Payment Dates	September 30	
			2024	2023
Water and Sewer System Senior Revenue Bonds:				
2008 Series A-2 ⁽²⁾	Variable	2028-2042	\$ 51,820	\$ 51,820
2008 Series B ⁽²⁾	Variable	2024-2041	81,255	85,290
2010 Series A ⁽⁴⁾	6.210-6.310%	2026-2044	83,115	83,115
2010 Series B	5.600-5.700%	2024-2025	3,460	5,190
2010 Series F ⁽⁴⁾	4.700-5.887%	2024-2040	37,595	37,845
2012 Series B	3.000-5.000%	2024-2034	–	13,170
2013 Series A	4.500-5.000%	2024-2027	–	4,995
2014 Series A	4.000-5.000%	2024-2040	–	148,390
2017 Series A	3.125-5.000%	2024-2041	320,965	346,770
2020 Series A	3.000-5.000%	2024-2040	100,210	104,000
2021 Series A	3.000-5.000%	2024-2041	118,595	121,815
2024 Series A	5.000-5.500%	2024-2054	503,835	–
Total Water and Sewer System Senior Revenue Bonds			\$ 1,300,850	\$ 1,002,400
Water and Sewer System Subordinated Revenue Bonds:				
Subordinated 2008 Series A-1 ⁽²⁾	Variable	2024-2038	37,650	39,325
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
Subordinated 2013 Series A	5.000%	2028-2029	–	2,760
Subordinated 2017 Series A	2.750-5.000%	2024-2034	45,655	55,015
Subordinated 2020 Series A	4.000-5.000%	2024-2040	26,590	26,590
Total Water and Sewer System Subordinated Revenue Bonds			\$ 166,380	\$ 184,655
Water and Sewer System Other Subordinated Debt				
Revolving Credit Agreement	Variable	2027	120,000	127,000
Water and Sewer System Other Subordinated Debt			\$ 120,000	\$ 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	
			2024	2023
District Energy System:				
2013 Series A	3.394-4.538%	2024-2034	25,955	27,825
Total District Energy System			\$ 25,955	\$ 27,825
District Energy System Other Subordinated Debt				
Revolving Credit Agreement	Variable	2027	27,000	11,000
Total District Energy System Subordinated Debt			\$ 27,000	\$ 11,000
Total Debt Principal Outstanding			3,047,050	2,794,885
Less: Debt Due Within One Year			(106,305)	(89,375)
Total Long-Term Debt			\$ 2,940,745	\$ 2,705,510

(1) Interest rates apply only to bonds outstanding at September 30, 2024. 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, 2024 and 2023.

(2) Variable rate demand obligations – interest rates ranged from 3.05% to 3.90% at September 30, 2024.

(3) Variable rate direct purchased bonds indexed to SIFMA – interest rates were 3.60% at September 30, 2024.

(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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-term debt activity for the year ended September 30, 2024 was as follows:

System	Debt Payable September 30, 2023	Par Amount of Debt Issued	Par Amount of Debt Refunded or Defeased	Scheduled Debt Principal Payments	Debt Payable September 30, 2024	Current Portion of Debt Payable September 30, 2024
Electric:						
Revenue	\$ 1,137,240	\$ -	\$ -	\$ (8,830)	\$ 1,128,410	\$ 19,745
Direct Purchase	187,285	-	-	(7,950)	179,335	10,190
Total Electric	1,324,525	-	-	(16,780)	1,307,745	29,935
Bulk Power Supply	24,765	-	-	(2,495)	22,270	2,580
SJRPP	92,715	-	-	(15,865)	76,850	16,445
Water and Sewer:						
Revenue	1,187,055	503,835	(171,295)	(52,365)	1,467,230	55,415
Revolver	127,000	170,000	(177,000)	-	120,000	-
Total Water and Sewer	1,314,055	673,835	(348,295)	(52,365)	1,587,230	55,415
DES:						
Revenue	27,825	-	-	(1,870)	25,955	1,930
Revolver	11,000	16,000	-	-	27,000	-
Total DES	38,825	16,000	-	(1,870)	52,955	1,930
Total	\$ 2,794,885	\$ 689,835	\$ (348,295)	\$ (89,375)	\$ 3,047,050	\$ 106,305

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)

The debt service payments to maturity on the outstanding debt as of September 30, 2024 are summarized below.

Fiscal Year	Electric System Revenue		Electric System Direct Purchase		Bulk Power Supply System	
	Principal	Interest ⁽¹⁾⁽²⁾	Principal	Interest ⁽²⁾	Principal	Interest ⁽¹⁾
2025	\$ 19,745	\$ 50,015	\$ 10,190	\$ 6,500	\$ 2,580	\$ 1,221
2026	26,020	49,065	10,605	6,138	3,105	1,066
2027	59,110	47,093	11,050	5,714	3,100	890
2028	67,975	43,940	15,430	5,134	3,205	703
2029	67,870	40,709	16,025	4,519	3,310	511
2030-2034	388,100	153,422	69,910	13,686	6,970	416
2035-2039	419,855	57,900	40,805	3,643	—	—
2040-2044	75,040	6,443	5,320	45	—	—
2045-2049	4,695	142	—	—	—	—
2050-2054	—	—	—	—	—	—
2055	—	—	—	—	—	—
Total	\$ 1,128,410	\$ 448,729	\$ 179,335	\$ 45,379	\$ 22,270	\$ 4,807

Fiscal Year	SJPPP		Water and Sewer System		District Energy System		Total Debt Service
	Principal	Interest ⁽¹⁾	Principal	Interest ⁽¹⁾⁽²⁾	Principal	Interest	
2025	\$ 16,445	\$ 2,457	\$ 55,415	\$ 73,139	\$ 1,930	\$ 2,726	\$ 242,363
2026	17,105	1,825	50,230	70,424	1,995	2,679	\$ 240,257
2027	17,565	1,245	174,105	65,897	29,065	2,043	\$ 416,877
2028	18,060	628	53,360	59,231	2,145	833	\$ 270,644
2029	7,675	155	53,320	56,531	2,235	740	\$ 253,600
2030-2034	—	—	286,285	241,588	12,695	2,131	\$ 1,175,203
2035-2039	—	—	349,560	171,621	2,890	66	\$ 1,046,340
2040-2044	—	—	231,345	108,342	—	—	\$ 426,535
2045-2049	—	—	128,445	73,595	—	—	\$ 206,877
2050-2054	—	—	166,250	34,493	—	—	\$ 200,743
2055	—	—	38,915	8,110	—	—	\$ 47,025
Total	\$ 76,850	\$ 6,310	\$ 1,587,230	\$ 962,971	\$ 52,955	\$ 11,218	\$ 4,526,464

- (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, 2024.
- (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	2025	2025	2025	2025
Redemption price	100%	100%	100%	100%
Par available for redemption	\$ 103,510	\$ 65,625	\$ 76,540	\$ 25,955

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	2025	2025	2025	2025
Redemption price	Make-Whole	Make-Whole	Make-Whole	Make-Whole
Par available for redemption	\$ 164,085	\$ 22,270	\$ 11,225	\$ 124,170

JEA debt issued during fiscal year 2024 is summarized as follows:

System	Debt Issued	Purpose	Priority of Lien	Month of Issue	Par Amount Issued	Par Amount Refunded	Accounting Gain/(Loss)
Water and Sewer	2024 Series A	New Money	Senior	Feb 2024	\$ 353,000	\$ -	\$ -
Water and Sewer	2024 Series A	Refunding(1)	Senior(2)	Feb 2024	150,835	171,295	4,320
					\$ 503,835	\$ 171,295	\$ 4,320

(1) Fixed rate bonds issued to refund fixed rate bonds with new debt service of \$207,277 compared to prior debt service of \$223,207 and \$12,408 of net present value economic savings.

(2) Senior bonds issued to refund \$162,865 senior bonds and \$8,430 subordinated bonds.

JEA issued no bonds during fiscal years 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

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. The following table summarizes the maximum amounts that could be issued:

System	New Money Authorization		Refunding Authorization		Expiration
	Senior	Subordinated	Senior	Subordinated	
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, 2024, 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 July 26, 2026 to June 25, 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, 2024, 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 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, 2024 and 2023, 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)**8. Long-Term Debt (continued)*****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, 2024 and 2023, JEA did not default on any terms of the revolving credit agreement. During fiscal year 2024, the revolving credit agreement was drawn upon by the District Energy System for \$16,000 and the Water and Sewer System for \$170,000, with \$177,000 being repaid with proceeds from the Water and Sewer System bond issuance, increasing the balance outstanding to \$147,000 as of September 30, 2024, with \$353,000 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, 2024, 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	72,750	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	59,755	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	81,255	3.9%	Mar 2007	Oct 2041	SIFMA
		<u>\$ 732,790</u>	<u>\$ 471,990</u>				

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 fallb
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 fallb
Electric	2008 Series D	40,875	39,175	3.7%	Mar 2009	Oct 2037	68% of 1 month LIBOR fallb
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
		<u>\$ 732,790</u>	<u>\$ 481,425</u>				

- (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, 2024 and 2023, all outstanding interest rate swap agreements were considered effective hedging instruments. The following table includes fiscal year 2024 and 2023 summary information for JEA's effective cash flow hedges related to the outstanding floating to fixed interest rate swap agreements.

System	Changes in Fair Value		Fair Value at September 30, 2024		
	Classification	Amount	Classification	Amount ⁽¹⁾	Notional
Electric	Deferred outflows	\$ (20,321)	Fair value of debt management strategy instruments	\$ (36,057)	\$ 390,735
Water and Sewer	Deferred outflows	(5,396)	Fair value of debt management strategy instruments	(8,028)	81,255
Total		<u>\$ (25,717)</u>		<u>\$ (44,085)</u>	<u>\$ 471,990</u>

System	Changes in Fair Value		Fair Value at September 30, 2023		
	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		<u>\$ 19,863</u>		<u>\$ (18,368)</u>	<u>\$ 481,425</u>

⁽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, 2024 and 2023, 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:

	2024		2023
68% of LIBOR fallback (based on SOFR Index) and LIBOR Index ⁽¹⁾ :			
Notional amount outstanding	\$ 196,725	\$	198,900
Variable rate received (weighted average)	3.69%		3.16%
Fixed rate paid (weighted average)	3.70%		3.70%
SIFMA Index (formerly BMA Index):			
Notional amount outstanding	\$ 275,265	\$	282,525
Variable rate received (weighted average)	3.47%		3.06%
Fixed rate paid (weighted average)	4.02%		4.02%
Net debt management swap loss	\$ (1,417)	\$	(3,765)

⁽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, 2024:

Electric System				
Fiscal Year	Principal	Interest⁽¹⁾	Net Swap Interest	Total
2025	\$ 13,840	\$ 13,481	\$ 1,472	\$ 28,793
2026	19,205	12,899	1,532	33,636
2027	19,750	12,192	1,448	33,390
2028	32,905	11,047	1,312	45,264
2029	35,115	9,795	1,165	46,075
2030-2034	163,070	30,286	3,522	196,878
2035-2039	97,675	9,160	1,521	108,356
2040	9,175	27	7	9,209
Total	\$ 390,735	\$ 98,887	\$ 11,979	\$ 501,601

Water and Sewer System				
Fiscal Year	Principal	Interest⁽¹⁾	Net Swap Interest	Total
2025	\$ 4,420	\$ 2,483	\$ 399	\$ 7,302
2026	4,525	2,355	372	7,252
2027	4,615	2,206	349	7,170
2028	—	2,194	347	2,541
2029	—	2,194	347	2,541
2030-2034	7,055	10,470	1,655	19,180
2035-2039	28,710	7,608	1,203	37,521
2040	31,930	1,149	182	33,261
Total	\$ 81,255	\$ 30,659	\$ 4,854	\$ 116,768

- ⁽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, 2024. 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, 2024.

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, 2024, 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, 2024.

JEA's floating to fixed interest rate swap counterparty credit ratings at September 30, 2024, are as follows:

Counterparty	Counterparty Credit Ratings S&P/Moody's/Fitch	Outstanding Notional Amount
Morgan Stanley Capital Service Inc.	A-/A1/A+	\$ 142,330
Goldman Sachs Mitsui Marine Derivative Products L.P.	AA-/Aa2/not rated	136,480
JPMorgan Chase Bank, N.A.	A+/Aa2/AA	111,925
Merrill Lynch Derivative Products AG	A-/A1/AA-	81,255
Total		<u>\$ 471,990</u>

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, 2024, the weighted-average interest rate on JEA's hedged variable-rate debt is 3.34%, the SIFMA swap index rate is 3.38%, and 68% of LIBOR fallback (based on SOFR) is 3.59%.

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:

	2024	2023
Revenues	\$ 28,315	\$ 31,878
Expenses	\$ 5,466	\$ 5,248

City Contribution

The City and JEA had an agreement through September 30, 2023, which established a contribution formula. 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, using 2016 as the base year for the combined assessment for the Electric Enterprise Fund and Water and Sewer Fund. Per Section 21.07 of the City Charter, should the council not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas. There is no maximum annual assessment.

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:

	2024		2023
Electric	\$ 95,209	\$	95,491
Water and Sewer	\$ 28,439	\$	26,933

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:

	2024		2023
Electric	\$ 32,038	\$	34,329
Water and Sewer	\$ 11,483	\$	11,319

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 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

9. Related Party Transactions (continued)

These amounts are included in operating expenses and were as follows:

	2024	2023
General liability	\$ 2,249	\$ 2,145
Workers' compensation	\$ 1,942	\$ 1,821

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, 2024 and 2023. The amounts are recorded by the City at present value using a 4% discount rate for the fiscal years ended September 30, 2024 and September 30, 2023.

	Workers' Compensation		General Liability	
	City of Jacksonville	JEA Portion	City of Jacksonville	JEA Portion
Beginning balance	\$ 139,440	\$ 3,033	\$ 18,206	\$ 3,161
Change in provision	23,868	2,003	10,359	1,200
Payments	(23,234)	(1,247)	(8,313)	(985)
Ending balance	\$ 140,074	\$ 3,789	\$ 20,252	\$ 3,376

10. Fuel Purchase and Purchased Power Commitments

JEA has committed to purchase approximately 25,000 tons of coal 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 contracts. JEA's coal 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 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

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

JEA has ten contracts to purchase prepaid natural gas supplies from various locations using JEA's firm natural gas supply and transportation agreements with expiration dates from 2039 to 2054. JEA is obligated to purchase specified volumes per day ranging from 45,000-53,000 mmBtu/day, increasing to 55,000-63,000 mmBtu/day on November 1, 2024, then to 56,000-64,000 mmBtu/day on July 1, 2029. 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 Ending	Coal and Pet Coke		Natural Gas		Transmission	Total
	Fuel	Transportation	Transportation			
2025	\$ 2,197	\$ 525	\$ 5,328	\$ 16,800	\$ 24,850	
2026	—	—	5,328	16,800	22,128	
2027	—	—	5,328	16,800	22,128	
2028	—	—	5,342	16,800	22,142	
2029-2043	—	—	14,203	222,600	236,803	
Total	\$ 2,197	\$ 525	\$ 35,529	\$ 289,800	\$ 328,051	

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) 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 11% of JEA's total energy requirements in the year 2030.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

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 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's total in-service cost for its entire undivided ownership interest in the Additional Vogtle Units is \$7,482,427, 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 \$8,023,974. A certain portion of these costs reflect a 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 \$3,464,944.

On September 29, 2022, MEAG announced that MEAG and the Vogtle Units 3 and 4 Project Entities had entered into a Definitive Settlement Agreement with Georgia Power (the Settlement Agreement) to resolve claims relating to the 2019 Global Amendments 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 reimbursed 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 released 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 would not tender any of their ownership interests in the Additional Vogtle Units to Georgia Power, which remained 22.7% in the aggregate;

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

- The parties dismissed with prejudice the existing litigation among them and deliver customary releases relating to the litigation; and
- MEAG Power waived 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 agreed 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 was not projected to occur by December 31, 2025.

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

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 any future financing needs for Project J will be financed in the capital markets, or bank borrowings.

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	32,400
Total long-term bonds	<u>2,591,665</u>
DOE advances ⁽¹⁾	
2015 DOE advances	345,990
2019 DOE advances	229,748
2020 DOE advances	111,541
Total DOE advances	<u>687,279</u>
Estimated interest earnings and bond premiums	186,000
Total capital requirements ⁽²⁾	<u>\$ 3,464,944</u>

(1) Includes advances and related capitalized interest accretion.

(2) Represents 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, 2024, is summarized as follows:

Fiscal Year Ending September 30	Principal	Interest	Annual Debt Service	Build America Bonds Subsidy	Net Debt Service
2025	\$ 37,296	\$ 157,173	\$ 194,469	\$ (25,746)	\$ 168,723
2026	38,710	153,997	192,707	(25,378)	167,329
2027	40,198	151,827	192,025	(24,993)	167,032
2028	41,776	149,689	191,465	(24,592)	166,873
2029	43,399	147,584	190,983	(24,173)	166,810
2030	45,082	145,359	190,441	(23,737)	166,704
2031	46,838	143,042	189,880	(23,281)	166,599
2032	48,622	140,753	189,375	(22,806)	166,569
2033	50,586	138,093	188,679	(22,311)	166,368
2034	52,603	135,465	188,068	(21,794)	166,274
2035	54,653	132,800	187,453	(21,255)	166,198
2036	48,287	130,025	178,312	(20,692)	157,620
2037	37,324	127,079	164,403	(20,106)	144,297
2038	33,865	124,038	157,903	(19,494)	138,409
2039	31,040	120,792	151,832	(18,855)	132,977
2040	22,063	117,520	139,583	(18,189)	121,394
2041	19,177	114,060	133,237	(17,495)	115,742
2042	13,207	110,900	124,107	(16,770)	107,337
2043	7,063	91,988	99,051	(13,880)	85,171
2044	2,527	21,830	24,357	(3,550)	20,807
Total	\$ 714,316	\$ 2,554,014	\$ 3,268,330	\$ (409,097)	\$ 2,859,233

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 restructured the construction arrangements for the Additional Vogtle Units. Under the restructured construction arrangements:

- Bechtel Power Corporation (Bechtel) served 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 had the right to cancel the project at any time in its discretion.

The 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 final cost of approximately \$3,464,944 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 to July 31, 2023 for Vogtle Unit 3 and April 29, 2024 for Vogtle Unit 4, respectively.

Increases in construction costs for Plant Vogtle Units 3 and 4 have resulted 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.

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

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.

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

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 11,330 MWh of electricity in fiscal year 2024 and 16,255 MWh of electricity in 2023. JEA pays only for the energy produced. Purchases of energy were \$2,064 for fiscal year 2024 and \$3,636 in 2023.

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 45,744 MWh in fiscal year 2024 and 51,304 MWh in fiscal year 2023. JEA pays only for the energy produced. Purchases of energy were \$3,639 for fiscal year 2024 and \$4,042 in 2023.

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 365,574 MWh in fiscal year 2024 and 196,411 MWh in fiscal year 2023. JEA only pays for the energy produced. Purchases of energy were \$20,036 in fiscal year 2024 and \$9,934 in fiscal year 2023.

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)***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 54,957 MWh for \$4,317 in fiscal year 2024 and 55,312 MWh for \$4,256 in fiscal year 2023.

11. Energy Market Risk Management Program

The Energy Market Risk Management Program is intended to help manage JEA's exposure to volatility and associated risks in the fuel and energy markets. Under this program, JEA has entered into financial swaps that locked in the monthly commodity price of natural gas for calendar years 2024 through 2031. These swaps cover approximately 61% of JEA's expected annual natural gas requirements for calendar year 2025. Each year thereafter, until calendar year 2028, the volumes of natural gas under financial swaps gradually declines. Calendar years 2029 through 2031 have consistent volumes of natural gas under 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, 2024, JEA has executed fixed price transactions on 32% of the natural gas supply to be received from Shell Energy through August 2028.

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, 2024, deferred credits of \$53,512 were included in accumulated increase in fair value of hedging derivatives and deferred charges of \$20,698 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. 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. 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 was a realized loss of \$29,825 included in fuel expense in fiscal year 2024 and a realized gain of \$21,893 offsetting fuel expense in fiscal year 2023.

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 \$50,036 (33.54%) in fiscal year 2024 and \$43,986 (30.69%) in 2023.

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, 2024 and September 30, 2023 were measured based on an actuarial valuation as of September 30, 2023 and September 30, 2022, respectively. JEA's allocated share of the net pension liability is \$962,324 (52.74%) as of September 30, 2024, based on an allocation proportional to the actual contributions paid during the year ended September 30, 2023. JEA's allocated share of the net pension liability was \$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.

For the years ended September 30, 2024 and 2023, JEA's recognized pension expense is \$149,486 and \$124,719, 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	
	2024	2023
Deferred outflows of resources		
Net difference between projected and actual earnings on pension investments	\$ 49,512	\$ 135,885
Contributions subsequent to the measurement date	50,036	43,986
Changes in assumptions	29,494	40,808
Differences between expected and actual experience	29,336	23,024
Changes in proportion	6,757	10,953
Total	\$ 165,135	\$ 254,656
Deferred inflows of resources		
Changes in proportion	\$ (2,927)	\$ (5,039)
Net difference between projected and actual earnings on pension investments	—	—
Total	\$ (2,927)	\$ (5,039)

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)
2025	\$ 98,187
2026	36,666
2027	40,016
2028	(12,661)
Total	\$ 162,208

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	3.50%-10.00%, of which 2.50% is the Plan's long-term payroll inflation
Investment rate of return	6.50% (2024 and 2023), 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, 2022.

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.

Asset Class	2024		2023	
	Target Allocation	Long-term Expected Nominal Rate of Return	Target Allocation	Long-term Expected Nominal Rate of Return
Domestic equity	30.0%	6.60%	30.0%	6.40%
Fixed income	20.0%	1.80%	20.0%	0.40%
International equity	20.0%	6.70%	20.0%	6.80%
Real estate	15.0%	3.40%	15.0%	3.90%
Alternatives	7.5%	3.00%	7.5%	2.75%
Private equity	7.5%	9.90%	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.

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 2024 and 2023, 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	
	2024	2023
1% decrease	\$ 1,196,428	\$ 1,175,687
Current discount	962,324	950,267
1% increase	766,502	762,102

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

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 2024 and 2023, 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 \$8,831 (8.39%) in fiscal year 2024 and \$7,509 (11.70%) in 2023.

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 2024 and 2023, 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 \$1,021 (0.97%) in fiscal year 2024 and \$955 (1.49%) in fiscal year 2023.

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, 2024 was measured based on an actuarial valuation as of September 30, 2023. JEA's allocated share of the net pension liability is \$3,325 (38.21%) as of September 30, 2024, and \$3,471 (33.62%) as of September 30, 2023.

For the year ended September 30, 2024, JEA's recognized pension expense is \$755 and \$635 as of September 30, 2023. 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 the DC disability fund from the following sources:

	September 30	
	2024	2023
Deferred outflows of resources		
Differences between expected and actual experience	\$ 1,414	\$ 1,145
Contributions subsequent to the measurement date	1,021	955
Changes in proportion	754	848
Changes in assumptions	148	58
Net difference between projected and actual earnings on pension investments	–	54
Total	\$ 3,337	\$ 3,060
Deferred inflows of resources		
Changes in assumptions	\$ (2,519)	\$ (2,494)
Differences between expected and actual experience	(528)	(64)
Changes in proportion	(66)	(429)
Net difference between projected and actual earnings on pension investments	(31)	–
Total	\$ (3,144)	\$ (2,987)

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)
2025	\$ 919
2026	(102)
2027	(106)
2028	(118)
2029	(99)
Thereafter	(301)
Total	\$ 193

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	3.50%-10.00%, of which 2.50% is the Plan's long-term payroll inflation
Investment rate of return	6.50% (2024 and 2023), 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 for 2024 and 2023. 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 2024 and 2023, 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	
	2024	2023
1% decrease	\$ 4,162	\$ 4,042
Current discount	3,325	3,471
1% increase	2,636	2,999

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 four-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, 2023. This report may be obtained at https://www.jea.com/About/Investor_Relations/Financial_Reports/SJRPP_Pension.

JEA

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, 2024 and September 30, 2023, the following employees were covered by the benefit terms:

	2024	2023
Inactive plan members or beneficiaries currently receiving benefits	380	386
Inactive plan members entitled to but not yet receiving benefits	56	66
Active plan members	3	3
Total plan members	439	455

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 2024 and 2023, SJRPP plan members were required to contribute 4% of their annual covered salary. SJRPP didn't make employer contributions in fiscal year 2024 or fiscal year 2023.

Net Pension Liability – SJRPP's net pension asset at September 30, 2024 and net pension liability at September 30, 2023 were measured based on an actuarial valuation as of September 30, 2023 and September 30, 2022, 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	<p>Mortality tables used by the Florida Retirement System for classes other than K-12 School Instructional Personnel described as follows:</p> <p><i>Healthy pre-retirement mortality rates</i>: PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;</p> <p><i>Healthy post-retirement mortality rates</i>: 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;</p> <p><i>Disabled mortality rates</i>: PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.</p>

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.

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 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.

Asset Class	2024		2023	
	Target Allocation	Long-term Expected Nominal Rate of Return	Target Allocation	Long-term Expected Nominal Rate of Return
Domestic equity	47%	6.04%	47%	6.02%
Fixed income	45%	1.30%	45%	1.40%
International equity	8%	4.90%	8%	4.80%
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 (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of SJRPP, calculated using a discount rate of 6%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	2024	2023
1% decrease	\$ 8,905	\$ 20,230
Current discount rate	(5,683)	4,796
1% increase	(18,170)	(8,377)

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Changes in the net pension liability/(asset) are detailed below.

	2024	2023
Total pension liability		
Beginning balance	\$ 160,439	\$ 163,682
Service cost	10	10
Interest on the total pension liability	9,243	9,414
Difference between expected and actual experience	(1,950)	912
Benefit payments	(12,819)	(13,579)
Ending balance	154,923	160,439
Plan fiduciary net position		
Beginning balance	155,643	190,094
Employer contributions	—	6,900
Employee contributions	14	12
Pension plan net investment income	17,835	(27,684)
Benefit payments	(12,819)	(13,579)
Administrative expense	(67)	(100)
Ending balance	160,606	155,643
Net pension liability/(asset)	\$ (5,683)	\$ 4,796

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, 2024 and September 30, 2023, the SJRPP Plan's cash and cash equivalents consisted of the following:

	2024	2023
Cash equivalents:		
Allspring Treasury Plus Money Market Fund	\$ 1,672	\$ 4,869
Total cash and cash equivalents	\$ 1,672	\$ 4,869

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, 2024, the investment had a basis of \$7,862, a fair market value of \$50,879, and represented 28% of the fiduciary net position available for benefits. 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.

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 4.8 years as of September 30, 2024 and 4.7 years as of September 30, 2023.

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, 2024 and 2023 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, 2024			September 30, 2023		
	Fair Value	Percent		Fair Value	Percent	
		Actual	Target		Actual	Target
U.S. Government Securities and Agencies	\$ 44,285	25%	N/A	\$ 39,460	25%	N/A
Corporate bonds - non-convertible	34,299	19%	N/A	29,581	18%	N/A
Money Market/ Cash	1,672	1%	N/A	4,869	3%	N/A
Total fixed income	80,256	45%	45%	73,910	46%	45%
S&P 500 Index Fund	50,879	28%	28%	39,859	25%	28%
S&P 400 Mid-Cap Index Fund	20,310	11%	11%	17,742	11%	11%
Small and Mid-Cap Value Fund	14,967	8%	8%	13,618	9%	8%
International equities	13,751	8%	8%	14,812	9%	8%
Total equities	99,907	55%	55%	86,031	54%	55%
Total	\$ 180,163	100%	100%	\$ 159,941	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 11.95% for the year ended September 30, 2024 and -14.83% for the year ended September 30, 2023. 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 8% of total investments as of September 30, 2024 and 9% as of September 30, 2023.

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, 2024			September 30, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
U.S. Government Securities and Agencies	\$ 30,023	\$ 14,262	\$ 44,285	\$ 26,392	\$ 13,068	\$ 39,460
Corporate bonds - non-convertible	–	34,299	34,299	–	29,581	29,581
Money Market / Cash	1,672	–	1,672	4,869	–	4,869
Total fixed income	31,695	48,561	80,256	31,261	42,649	73,910
S&P 500 Index Fund	–	50,879	50,879	–	39,859	39,859
S&P 400 Mid-Cap Index Fund	19,381	929	20,310	17,041	701	17,742
Small and Mid-Cap Value Fund	13,198	1,769	14,967	12,041	1,577	13,618
International equities	–	13,751	13,751	102	14,710	14,812
Total equities	32,579	67,328	99,907	29,184	56,847	86,031
Total	\$ 64,274	\$ 115,889	\$ 180,163	\$ 60,445	\$ 99,496	\$ 159,941

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 Liability (Asset) – SJRPP's net pension asset at September 30, 2024 and net pension liability at September 30, 2023 were measured based on an actuarial valuation as of September 30, 2023 and September 30, 2022, respectively. SJRPP's net pension asset is \$5,683 as of September 30, 2024 and is included in other noncurrent assets on the statement of net position. SJRPP's net pension liability is \$4,796 as of September 30, 2023.

For the year ended September 30, 2024 and 2023, SJRPP recognized pension expense is \$1,031 and \$3,198, 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	
	2024	2023
Deferred outflows of resources		
Net difference between projected and actual earnings on pension plan investments	23,701	32,894
Total	\$ 23,701	\$ 32,894
Deferred inflows of resources		
Net difference between projected and actual earnings on pension plan investments	\$ (16,683)	\$ (14,365)
Total	\$ (16,683)	\$ (14,365)

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)
2025	\$ 1,582
2026	1,212
2027	6,001
2028	(1,777)
Total	\$ 7,018

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, 2024 and September 30, 2023, the OPEB Plan membership consisted of the following:

	2024	2023
Inactive plan members or beneficiaries currently receiving benefits	307	347
Active plan members	2,159	1,904
Total plan members	2,466	2,251

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	<p>Mortality rates used by the Florida Retirement System for its regular class members other than K-12 School Instructional Personnel described as follows:</p> <p><i>Healthy pre-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;</p> <p><i>Healthy post-retirement mortality rates</i> : 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;</p> <p><i>Disabled mortality rates</i> : PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.</p>
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 7.00% (2024 and 2023) and gradually decreasing to an ultimate trend rate of 4.00% (2024 and 2023).
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.

Asset Class	2024		2023	
	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%	9.9%
Global fixed income	15%	5.6%	15%	5.6%
International equity	21%	11.0%	21%	11.0%
Domestic fixed income	15%	5.3%	15%	5.3%
Small cap domestic equity	14%	11.4%	14%	11.3%
Real estate	10%	9.3%	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:

	2024	2023
1% decrease	\$ 4,420	\$ 12,595
Current discount rate	557	7,971
1% increase	(2,071)	4,047

Healthcare Cost Trend Rate – JEA followed the Getzen model with trend rates for costs and premiums declining from 7.00% to 4.00% assumed for the years 2024 and 2023.

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 7.00% down to 4.00% for 2024 and 2023, 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:

	2024	2023
1% decrease	\$ (2,937)	\$ 3,795
Current healthcare cost trend rate	557	7,971
1% increase	4,715	12,905

Changes in the net OPEB liability are detailed below.

	2024	2023
Total OPEB liability		
Beginning balance	\$ 42,117	\$ 42,338
Service cost	535	528
Interest on the total OPEB liability	2,473	2,489
Difference between expected and actual experience	(1,460)	670
Change of assumptions	(4,965)	(1,135)
Benefit payments	(2,856)	(2,773)
Ending balance	35,844	42,117

Plan fiduciary net position

Beginning balance	34,146	40,696
Employer contributions	961	1,714
Net investment income	3,062	(5,463)
Reimbursements to employer	(2,856)	(2,773)
OPEB plan administrative expense	(26)	(28)
Ending balance	35,287	34,146
Net OPEB liability	\$ 557	\$ 7,971

**Plan fiduciary net position as a percentage of the
total OPEB liability**

98.45% 81.07%

Covered payroll

\$224,612 \$173,502

Net OPEB liability as a percentage of covered payroll

0.25% 4.59%

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, 2024 and September 30, 2023, the OPEB Plan's cash and money market balance within the OPEB Fund A was (\$247) and (\$137), 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, 2024		September 30, 2023	
	Modified Duration	Weighted Average Maturity	Modified Duration	Weighted Average Maturity
Fixed Income Fund				
FMIT Broad Market High Quality Bond Fund	5.58	6.90	5.46	6.70
FMIT Core Plus Fixed Income Fund	6.80	8.03	6.02	8.92

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, 2024 and September 30, 2023. 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, 2024 and September 30, 2023 were 9.17% and -13.56%, 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, 2024			September 30, 2023		
	Level 2	Level 3	Total	Level 2	Level 3	Total
FMIT Core Plus Fixed Income Fund	\$ –	\$ 4,623	\$ 4,623	\$ –	\$ 4,644	\$ 4,644
FMIT Broad Market High Quality Bond Fund	4,975	–	4,975	5,088	–	5,088
Total fixed income	4,975	4,623	9,598	5,088	4,644	9,732
FMIT Large Cap Diversified Value Portfolio	9,528	–	9,528	8,058	–	8,058
FMIT International Equity Portfolio	6,881	–	6,881	6,010	–	6,010
FMIT Diversified Small to Mid Cap Equity Portfolio	5,081	–	5,081	5,054	–	5,054
FMIT Core Real Estate Portfolio	–	4,446	4,446	–	5,429	5,429
Total equities	21,490	4,446	25,936	19,122	5,429	24,551
Total	\$ 26,465	\$ 9,069	\$ 35,534	\$ 24,210	\$ 10,073	\$ 34,283

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, 2024 and September 30, 2023 was measured based on an actuarial valuation as of and with the measurement dates of September 30, 2023 and September 30, 2022, respectively. JEA's net OPEB liability is \$557 as of September 30, 2024 and \$7,971 as of September 30, 2023.

For the year ended September 30, 2024 and 2023, JEA's recognized OPEB (income)/expense is (\$207) and \$121, 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	
	2024	2023
Deferred outflows of resources		
Change of assumptions	\$ 6,657	\$ 7,839
Contributions subsequent to the measurement date	1,641	961
Differences between expected and actual experience	725	823
Net difference between projected and actual earnings on OPEB plan investments	4,723	6,320
Total	<u>\$ 13,746</u>	<u>\$ 15,943</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ (7,739)	\$ 7,948
Change of assumptions	(9,266)	5,596
Net difference between projected and actual earnings on OPEB plan investments	(2,707)	2,799
Total	<u>\$ (19,712)</u>	<u>\$ 16,343</u>

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)
2025	\$ 369
2026	(1,225)
2027	(324)
2028	(1,163)
2029	(887)
Thereafter	(2,736)
Total	<u>\$ (5,966)</u>

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.

	2024		
	Total	Level 1	Level 2
Investments by fair value level			
State and local government securities	\$ 38,810	\$ –	\$ 38,810
U.S. Treasury and government agency securities	232,550	39,709	192,841
Total investments by fair value level	271,360	39,709	231,651
Investments measured at NAV			
Money market mutual funds	171,684		
Local government investment pools	77,081		
Total investments measured at NAV	248,765		
Investments measured at cost			
Commercial paper	36,322		
Total investments measured at cost	36,322		
Total investments	\$ 556,447		

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements (continued)

	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		

Interest Rate Swap Agreements

JEA's interest rate swap agreements are valued using market rates as of September 30, 2024 and 2023 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.

	2024	2023
Electric	\$ (36,057)	\$ (15,736)
Water and Sewer	(8,028)	(2,632)
Total	\$ (44,085)	\$ (18,368)

Natural Gas Cash Flow Hedges

JEA's natural gas cash flow hedges consisted of swap agreements, covering calendar years 2024 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, 2024, deferred credits of \$53,512 were included in accumulated increase in fair value of hedging derivatives and deferred charges of \$20,698 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

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.

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 CO₂ 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 CO₂ emission limit for Northside Generating Units 1 and 2. The CO₂ emission limit will be set using a baseline of previous CO₂ 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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 (GHG) Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for GHG Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the ACE Rule. This rule was finalized in April 2024.

On May 9, 2024, the EPA published the Final GHG Rule, which covers existing coal-, oil-, and gas-fired steam generating units and new stationary combustion turbines (CT). However, this final rule does not cover existing CTs, which the EPA is addressing in a separate rulemaking. Currently, there are several litigations of the final rule and it is uncertain if the litigations will be successful.

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 SO₂ and NO_x 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 NO_x 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.

On April 24, 2024, the EPA finalized revisions to the MATS rule, in response to its reconsideration of the 2020 Residual Risk and Technology Review (which resulted in no rule revisions). The rule lowers the filterable PM standard from 0.030 to 0.010 lb/MMBtu and requires continuous monitoring of PM emissions from JEA's circulating fluidized bed boilers. PM continuous emissions monitoring systems are required to be installed on Northside Generating Units 1 and 2 by 2027.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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.

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 currently affected by this rule. 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 was finalized on May 8, 2024 with an effective date of November 8, 2024. As finalized, the rule will require SJRPP to assess its CCRMUs on a site-wide basis and determine if they require additional action. Based on the Final Rule, areas A-I and A-II will be brought under the CCR regulatory program. 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 Facility Evaluation Report. 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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.

On April 25, 2024, the EPA made available the pre-publication version of the final rule for Supplemental Effluent Limitations Guidelines. 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 after the effective date of the rule, but no later than December 31, 2029. 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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.

The Florida Legislature passed statutory changes in 2021 under Florida Senate Bill 64 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, on October 29, 2021 JEA submitted plans showing elimination of its surface water discharges by 2032. 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. Permitting and construction is also underway for a 1 million gallon per day indirect potable reuse demonstration facility 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 \$50,143 at September 30, 2024. 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; and remediation at a number of miscellaneous petroleum sites. Of the \$50,143 that JEA has accrued as environmental liabilities, approximately \$12,304 is associated with the expected cost of remediating the former wood preserving facility at the Kennedy Generating Facility, approximately \$18,639 is associated with remediating the former chemical waste ponds at the Northside Generating Station, and approximately \$16,596 is associated with SJRPP. 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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 \$30,042. The remaining liability is recognized as part of revenues to be used for future costs.

Northside Generating Station Byproduct

JEA Northside Generating Station (NGS) Units 1 and 2 are fueled by a combination of petroleum coke, biomass, coal, and natural gas. Limestone is added during the power generation process to create thermal mass and to aid in the removal of sulfurous gas emissions. At the conclusion of this generation process, two byproducts are generated, fly ash and bed ash. These byproducts are distinct from that of a conventionally fired boiler because they are composed primarily of lime and gypsum. JEA has obtained a permit from FDEP to beneficially use NGS byproduct material in the State of Florida, subject to certain restrictions. Rail capacity at NGS, the ability to load rail cars and trucks directly from the storage silos, and direct leasing of railcars has enabled JEA to market fly ash and bed ash by truck or rail. These byproducts are 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 have since been settled with Plaintiff. The Plaintiff is seeking approximately \$100,000 in damages from JEA. The trial court initially determined that Plaintiff was limited to a \$500 damages cap due to sovereign immunity. 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 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. The appeal has been briefed and the Mississippi Supreme Court has retained jurisdiction to hear the case on October 18, 2024. JEA will continue to vigorously defend the dismissal on appeal.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)**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.

16. 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 was decommissioned as of September 30, 2023. 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.

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.

	2024			2023		
	Electric	W&S	DES	Electric	W&S	DES
Electricity services	N/A	\$ 19,106	\$ 3,638	N/A	\$ 18,775	\$ 4,056
Water and sewer services	521	N/A	192	368	N/A	174
Chilled water services	—	764	N/A	—	827	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 \$86,129 for fiscal year 2024 and \$76,443 for 2023.

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 \$5,996 for fiscal year 2024 and \$3,492 for 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

16. Segment Information (continued)

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 \$2,529 for fiscal year 2024 and \$2,456 for 2023.

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)

16. Segment Information (continued)

Segment information for these activities for the fiscal years ended September 30, 2024 and 2023 was as follows:

	Electric System and Bulk Power Supply System		SJRPP System		Water and Sewer		DES	
	2024	2023	2024	2023	2024	2023	2024	2023
Condensed statements of net position								
Total current assets	\$ 65,550	\$ 649,180	\$ 4,789	\$ 4,011	\$ 225,872	\$ 188,754	\$ 1,991	\$ 2,036
Total noncurrent assets	709,376	816,208	102,172	100,243	623,931	467,094	14,462	3,891
Net capital assets	2,611,322	2,584,379	7,685	8,095	3,561,438	3,253,201	49,790	43,285
Deferred outflows of resources	226,857	272,658	24,467	33,891	113,023	148,737	121	133
Total assets and deferred outflows of resources	\$ 3,613,105	\$ 4,322,425	\$ 139,113	\$ 146,240	\$ 4,524,264	\$ 4,057,786	\$ 66,364	\$ 49,345
Total current liabilities	\$ 179,857	\$ 189,007	\$ 97	\$ 114	\$ 63,806	\$ 54,579	\$ 103	\$ 471
Total current liabilities payable from restricted assets	71,536	69,440	25,663	22,509	185,739	185,215	4,207	3,200
Total long-term debt	1,403,628	1,425,668	60,300	76,809	1,651,465	1,333,959	51,020	36,945
Total other noncurrent liabilities	748,652	759,935	13,277	8,608	438,294	415,372	84	69
Total liabilities	2,403,673	2,444,050	99,337	108,040	2,339,304	1,989,125	55,414	40,685
Deferred inflows of resources	349,232	394,074	29,385	28,098	11,344	10,235	-	-
Net investment in (divestment of) capital assets	1,245,434	1,167,090	(11,502)	(9,943)	1,923,907	1,881,290	(4,228)	4,229
Restricted net position	32,515	155,196	17,202	16,148	106,911	54,831	13,374	2,935
Unrestricted net position	182,201	162,015	4,691	3,897	142,798	122,305	1,804	1,496
Total net position	1,460,150	1,484,301	10,391	10,102	2,173,616	2,058,426	10,950	8,660
Total liabilities, deferred inflows of resources, and net position	\$ 4,213,055	\$ 4,322,425	\$ 139,113	\$ 146,240	\$ 4,524,264	\$ 4,057,786	\$ 66,364	\$ 49,345
Condensed statements of revenues, expenses, and changes in net position information								
Total operating revenues	\$ 1,421,162	\$ 1,324,028	\$ 20,655	\$ 21,023	\$ 529,995	\$ 538,308	\$ 12,884	\$ 12,761
Depreciation	227,260	225,098	410	410	182,333	203,742	3,118	2,897
Other operating expenses	1,112,144	1,130,799	18,186	15,829	277,480	254,747	5,740	6,071
Operating income (loss)	81,758	(31,869)	2,059	4,784	70,182	79,819	4,026	3,793
Total nonoperating expenses, net	(10,700)	(12,276)	(1,770)	(3,023)	(15,814)	(16,472)	(1,736)	(1,405)
Total contributions, net	(95,209)	(95,491)	-	-	60,822	37,602	-	-
Special item	-	11,135	-	-	-	-	-	-
Changes in net position	(24,151)	(128,501)	289	1,761	115,190	100,949	2,290	2,388
Net position, beginning of year	1,484,301	1,612,802	10,102	8,341	2,058,426	1,957,477	8,660	6,272
Net position, end of year	\$ 1,460,150	\$ 1,484,301	\$ 10,391	\$ 10,102	\$ 2,173,616	\$ 2,058,426	\$ 10,950	\$ 8,660
Condensed statements of cash flow information								
Net cash provided by operating activities	\$ 307,216	\$ 470,428	\$ 21,148	\$ 19,217	\$ 230,029	\$ 226,127	\$ 6,743	\$ 7,246
Net cash used in noncapital and related financing activities	(95,233)	(95,412)	-	-	(28,314)	(26,911)	-	-
Net cash used in capital and related financing activities	(359,244)	(349,267)	(18,776)	(18,920)	(142,426)	(327,382)	3,412	(6,678)
Net cash provided by (used in) investing activities	121,116	(96,682)	2,164	470	9,581	55,586	214	100
Net change in cash and cash equivalents	(26,145)	(70,933)	4,536	767	68,870	(72,580)	10,369	668
Cash and cash equivalents at beginning of year	256,800	327,733	25,631	24,864	90,702	163,282	5,479	4,811
Cash and cash equivalents at end of year	\$ 230,655	\$ 256,800	\$ 30,167	\$ 25,631	\$ 159,572	\$ 90,702	\$ 15,848	\$ 5,479

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)**17. 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 has 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, 2024, the lease asset is \$93,313, with accumulated amortization of \$8,845, included in net capital assets on the Statement of Net Position. At September 30, 2024, the lease liability is \$89,463. At September 30, 2023, the lease asset was \$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 was \$91,400. 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)

17. Leases (continued)

Future principal and interest payments as of September 30, 2024 are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total Payment
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	3,202	3,206	6,408
2030-2034	20,817	13,706	34,523
2035-2039	30,310	8,485	38,795
2040-2043	24,996	1,763	26,759
Total Minimum Lease Payments	\$ 89,463	\$ 41,127	\$ 130,590

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

18. Subsequent Events

On October 1, 2024, JEA issued \$351,600 of refunding Electric System senior lien bonds and \$121,230 of refunding subordinated lien bonds to refund \$379,695 of variable rate senior lien bonds, \$95,510 of fixed rate subordinated lien bonds and \$39,330 of variable rate subordinated lien bonds, and pay swap termination costs, with new debt service of \$672,272 compared to prior debt service of \$695,416 and economic saving of \$7,852.

In December 2024, JEA plans to borrow \$50,000 against the revolving line of credit to fund Water and Sewer System capital projects.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

18. Subsequent Events (continued)

JEA expects to issue up to \$500,000 of new Water and Sewer System senior lien bonds during January 2025 to pay down the outstanding balance of Water and Sewer System draws of the revolving line of credit and fund capital projects. Additionally, JEA expects to issue up to \$42,000 of new District Energy System bonds during February 2025 to pay down the outstanding balance of District Energy 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)

<u>Fiscal Year</u>	<u>Proportional Share Percentage</u>	<u>Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
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%	66.42%
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%
2024	52.74%	962,324	137,151	701.65%	51.54%

Schedule of JEA Contributions^(a)

<u>Fiscal Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
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%
2024	50,036	50,036	-	137,151	36.48%

^(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, 2021, the effective amortization period is 25 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	6.63%, 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, 2021. 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%
2024	38.21%	3,325	73,243	4.54%	46.23%

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%
2024	1,021	1,021	-	73,243	1.39%

^(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, 2021 the effective amortization period is 25 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.
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JEA

Required Supplementary Information – Pension
(Dollars in Thousands)

SJRPP Plan – Schedule of Changes in Net Pension (Asset) Liability and Related Ratios^(a)

	2023	2022 ^(d)	2021 ^(c)	2020	2019 ^(b)	2018	2017	2016	2015	2014
Total Pension Liability										
Beginning balance	\$ 160,439	\$ 163,682	\$ 167,697	\$ 169,807	\$ 174,666	\$ 169,321	\$ 158,926	\$ 155,143	\$ 148,508	\$ 146,521
Service cost	10	10	22	21	35	112	1,032	1,210	1,275	1,470
Interest	9,243	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	(1,950)	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	(12,819)	(13,579)	(13,540)	(13,148)	(13,198)	(19,928)	(12,257)	(12,326)	(10,348)	(9,509)
Total pension liability – ending	<u>\$ 154,923</u>	<u>\$ 160,439</u>	<u>\$ 163,682</u>	<u>\$ 167,697</u>	<u>\$ 169,807</u>	<u>\$ 174,666</u>	<u>\$ 169,321</u>	<u>\$ 158,926</u>	<u>\$ 155,143</u>	<u>\$ 148,508</u>
Plan Fiduciary Net Position										
Beginning balance	\$ 155,643	\$ 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	14	12	15	19	90	232	625	629	648	655
Net investment income (loss)	17,835	(27,684)	33,731	7,877	4,610	11,499	14,571	13,379	(266)	13,763
Benefit payments	(12,819)	(13,579)	(13,540)	(13,148)	(13,198)	(19,928)	(12,257)	(12,326)	(10,348)	(9,509)
Administrative expense	(67)	(100)	(94)	(86)	(154)	(345)	(466)	(440)	(66)	(62)
Plan fiduciary net position – ending	<u>\$ 160,606</u>	<u>\$ 155,643</u>	<u>\$ 190,094</u>	<u>\$ 169,982</u>	<u>\$ 162,013</u>	<u>\$ 170,665</u>	<u>\$ 152,798</u>	<u>\$ 142,286</u>	<u>\$ 138,902</u>	<u>\$ 145,425</u>
Net Pension Liability (Asset) – Ending	<u>\$ (5,683)</u>	<u>\$ 4,796</u>	<u>\$ (26,412)</u>	<u>\$ (2,285)</u>	<u>\$ 7,794</u>	<u>\$ 4,001</u>	<u>\$ 16,523</u>	<u>\$ 16,640</u>	<u>\$ 16,241</u>	<u>\$ 3,083</u>
Plan Fiduciary Net Position as a Percentage of										
Total Pension Liability	103.67%	97.01%	116.14%	101.36%	95.41%	97.71%	90.24%	89.53%	89.53%	97.92%
Covered Payroll	\$ 339	\$ 297	\$ 373	\$ 468	\$ 452	\$ 3,982	\$ 15,621	\$ 15,730	\$ 16,665	\$ 21,304
Net Pension Liability (Asset) as a Percentage of										
Covered Payroll	-1676.86%	1616.38%	-7078.62%	-488.67%	1723.50%	100.24%	105.78%	105.79%	97.46%	14.47%

^(a) 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)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
10.32%	-0.19%	9.99%	10.39%	7.37%	2.48%	4.78%	21.33%	1.92%	3.72%

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
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%
2024	-	-	-	386	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, Closed
Remaining amortization period	1 year
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: <i>Healthy pre-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; <i>Healthy post-retirement mortality rates</i> : 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; <i>Disabled mortality rates</i> : 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)

	2023	2022	2021 ^(b)	2020 ^(c)	2019 ^(d)	2018	2017	2016
Total OPEB Liability								
Beginning balance	\$ 42,117	\$ 42,338	\$ 39,135	\$ 40,794	\$ 46,705	\$ 44,547	\$ 60,949	\$ 62,554
Service cost	535	528	432	453	539	499	811	781
Interest on the total OPEB liability	2,473	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	(1,460)	670	(2,934)	(620)	362	(4,057)	(7,891)	–
Change of assumptions	(4,965)	(1,135)	6,202	(1,131)	(6,387)	5,794	–	–
Benefit payments	(2,856)	(2,773)	(2,788)	(2,753)	(3,165)	(3,122)	(2,019)	(6,589)
Total OPEB liability – ending	\$ 35,844	\$ 42,117	\$ 42,338	\$ 39,135	\$ 40,794	\$ 46,705	\$ 44,547	\$ 60,949
Plan Fiduciary Net Position								
Beginning balance	\$ 34,146	\$ 40,696	\$ 33,999	\$ 30,703	\$ 28,449	\$ 25,712	\$ 21,441	\$ 18,156
Employer contributions	961	1,714	2,946	4,394	3,903	4,078	5,240	5,061
Net investment income	3,062	(5,463)	6,552	2,112	1,617	1,989	2,942	2,135
Reimbursements to employer	(2,856)	(2,773)	(2,774)	(3,187)	(3,244)	(3,308)	(3,911)	(3,911)
OPEB plan administrative expense	(26)	(28)	(27)	(23)	(22)	(22)	–	–
Plan fiduciary net position – ending	\$ 35,287	\$ 34,146	\$ 40,696	\$ 33,999	\$ 30,703	\$ 28,449	\$ 25,712	\$ 21,441
Net OPEB Liability – Ending	\$ 557	\$ 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	98.45%	81.07%	96.12%	86.88%	75.26%	60.91%	57.72%	35.18%
Covered Payroll	\$ 224,612	\$ 173,502	\$ 169,291	\$ 162,138	\$ 157,415	\$ 156,042	\$ 155,326	\$ 150,073
Net OPEB Liability as a Percentage of								
Covered Payroll	0.25%	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)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
8.22%	-0.46%	7.90%	13.35%	7.54%	5.55%	6.69%	19.13%	-13.56%	9.17%

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
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%
2023	961	961	-	224,612	0.43%

(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 Dollar, Open
Remaining amortization period	5 years
Asset valuation method	Market value
Inflation	2.5%
Salary increases	2.5% – 12.5% per year, including inflation; varies by years of service
Investment rate of return	6.0%
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: <i>Healthy pre-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; <i>Healthy post-retirement mortality rates</i> : 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; <i>Disabled mortality rates</i> : 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 7.5% (3.0% for premiums) and gradually decreasing to an ultimate trend rate of 4.0% 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 per capita costs.

JEA

Combining Statement of Net Position

(In Thousands)

September 30, 2024

	Electric System and Bulk Power Supply System	SJPPP 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	\$ 230,655	\$ 3,327	\$ -	\$ 233,982	\$ 20,047	\$ 1,809	\$ 255,838
Investments	142,095	1,347	-	143,442	-	-	143,442
Customer accounts receivable, net of allowance (\$2,848)	188,414	-	-	188,414	59,482	173	248,069
Inventories:							
Materials and supplies	2,453	-	-	2,453	140,854	-	143,307
Fuel	56,329	-	-	56,329	-	-	56,329
Prepaid assets	33,324	4	-	33,328	506	9	33,843
Other current assets	12,230	111	(929)	11,412	4,983	-	16,395
Total current assets	665,500	4,789	(929)	669,360	225,872	1,991	897,223
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	26,840	-	26,840	139,525	14,039	180,404
Investments	105,155	1,645	-	106,800	55,053	-	161,853
Other restricted assets	911	16	-	927	-	-	927
Total restricted assets	106,066	28,501	-	134,567	194,578	14,039	343,184
Costs to be recovered from future revenues	507,451	54,711	-	562,162	429,338	423	991,923
Hedging derivative instruments	53,512	-	-	53,512	-	-	53,512
Other assets	42,347	18,960	(13,277)	48,030	15	-	48,045
Total noncurrent assets	709,376	102,172	(13,277)	798,271	623,931	14,462	1,436,664
Net capital assets	2,611,322	7,685	-	2,619,007	3,561,438	49,790	6,230,235
Total assets	3,986,198	114,646	(14,206)	4,086,638	4,411,241	66,243	8,564,122
Deferred outflows of resources							
Unrealized pension contributions and losses	94,344	23,701	-	118,045	74,127	-	192,172
Unamortized deferred losses on refundings	36,559	766	-	37,325	24,820	121	62,266
Unrealized asset retirement obligation	31,501	-	-	31,501	-	-	31,501
Accumulated decrease in fair value of hedging derivatives	56,755	-	-	56,755	8,028	-	64,783
Unrealized OPEB contributions and losses	7,698	-	-	7,698	6,048	-	13,746
Total deferred outflows of resources	226,857	24,467	-	251,324	113,023	121	364,468
Total assets and deferred outflows of resources	\$ 4,213,055	\$ 139,113	\$ (14,206)	\$ 4,337,962	\$ 4,524,264	\$ 66,364	\$ 8,928,590

JEA

Combining Statement of Net Position (continued)
(In Thousands)

September 30, 2024

	Electric System and Bulk Power Supply System	SJ RPP 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	\$ 69,873	\$ 97	\$ (97)	\$ 69,873	\$ 25,912	\$ 71	\$ 95,856
Customer deposits and prepayments	66,342	—	—	66,342	27,903	—	94,245
Billings on behalf of state and local governments	23,992	—	—	23,992	3,849	—	27,841
Compensation and benefits payable	8,786	—	—	8,786	3,752	32	12,570
City of Jacksonville payable	8,047	—	—	8,047	2,390	—	10,437
Asset retirement obligation	2,817	—	—	2,817	—	—	2,817
Total current liabilities	179,857	97	(97)	179,857	63,806	103	243,766
Current liabilities payable from restricted assets:							
Debt due within one year	32,515	16,445	—	48,960	55,415	1,930	106,305
Interest payable	22,259	1,404	—	23,663	31,173	665	55,501
Construction contracts and accounts payable	16,762	831	(832)	16,761	99,151	1,612	117,524
Renewal and replacement reserve	—	6,983	—	6,983	—	—	6,983
Total current liabilities payable from restricted assets	71,536	25,663	(832)	96,367	185,739	4,207	286,313
Noncurrent liabilities:							
Long-term debt							
Debt payable, less current portion	1,297,500	60,405	—	1,357,905	1,531,815	51,025	2,940,745
Unamortized premium (discount), net	70,071	(105)	—	69,966	111,622	(5)	181,583
Fair value of debt management strategy instruments	36,057	—	—	36,057	8,028	—	44,085
Total long-term debt	1,403,628	60,300	—	1,463,928	1,651,465	51,020	3,166,413
Net pension liability	540,763	—	—	540,763	424,886	—	965,649
Lease liability	87,300	—	—	87,300	—	—	87,300
Asset retirement obligations	28,684	—	—	28,684	—	—	28,684
Compensation and benefits payable	31,733	—	—	31,733	13,163	84	44,980
Net OPEB liability	312	—	—	312	245	—	557
Other liabilities	59,860	13,277	(13,277)	59,860	—	—	59,860
Total noncurrent liabilities	2,152,280	73,577	(13,277)	2,212,580	2,089,759	51,104	4,353,443
Total liabilities	2,403,673	99,337	(14,206)	2,488,804	2,339,304	55,414	4,883,522
Deferred inflows of resources							
Revenues to be used for future costs	281,281	12,702	—	293,983	—	—	293,983
Accumulated increase in fair value of hedging derivatives	53,512	—	—	53,512	—	—	53,512
Unrealized OPEB gains	11,039	—	—	11,039	8,673	—	19,712
Unrealized pension gains	3,400	16,683	—	20,083	2,671	—	22,754
Total deferred inflows of resources	349,232	29,385	—	378,617	11,344	—	389,961
Net position							
Net investment in (divestment of) capital assets	1,245,434	(11,502)	—	1,233,932	1,923,907	(4,228)	3,153,611
Restricted for:							
Capital projects	—	—	—	—	46,037	11,444	57,481
Debt service	32,515	16,802	—	49,317	55,377	1,930	106,624
Other purposes	—	400	832	1,232	—	—	1,232
Unrestricted	182,201	4,691	(832)	186,060	148,295	1,804	336,159
Total net position	1,460,150	10,391	—	1,470,541	2,173,616	10,950	3,655,107
Total liabilities, deferred inflows of resources, and net position	\$ 4,213,055	\$ 139,113	\$ (14,206)	\$ 4,337,962	\$ 4,524,264	\$ 66,364	\$ 8,928,590

JEA

Combining Statement of Net Position (In Thousands)

September 30, 2023

	Electric System and Bulk Power Supply System	SJPPP 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	SJ RPP 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	—	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)

Year Ended September 30, 2024

	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	\$ 1,396,655	\$ 20,655	\$ (20,655)	\$ 1,396,655	\$ -	\$ -	\$ (22,744)	\$ 1,373,911
Water and sewer	-	-	-	-	504,323	-	(713)	503,610
District energy system	-	-	-	-	-	12,882	(764)	12,118
Other operating revenue	24,507	-	-	24,507	25,672	2	(8,525)	41,656
Total operating revenue	1,421,162	20,655	(20,655)	1,421,162	529,995	12,884	(32,746)	1,931,295
Operating expense								
Operations and maintenance:								
Maintenance and other operating expense	319,674	2,448	-	322,122	265,577	5,732	(32,746)	560,685
Fuel	354,743	-	-	354,743	-	-	-	354,743
Purchased power	359,620	-	(20,655)	338,965	-	-	-	338,965
Depreciation and amortization	227,260	410	-	227,670	182,333	3,118	-	413,121
State utility and franchise taxes	67,161	-	-	67,161	11,483	-	-	78,644
Recognition of deferred costs and revenues, net	10,946	15,738	-	26,684	420	8	-	27,112
Total operating expense	1,339,404	18,596	(20,655)	1,337,345	459,813	8,858	(32,746)	1,773,270
Operating income (loss)	81,758	2,059	-	83,817	70,182	4,026	-	158,025
Nonoperating revenue (expense)								
Interest on debt	(58,254)	(3,105)	-	(61,359)	(56,943)	(2,057)	-	(120,359)
Earnings from The Energy Authority	13,286	-	-	13,286	-	-	-	13,286
Allowance for funds used during construction	7,795	-	-	7,795	33,765	107	-	41,667
Other nonoperating income, net	3,784	196	-	3,980	2,493	-	-	6,473
Investment income, net	29,373	1,139	-	30,512	5,046	214	-	35,772
Other interest, net	(6,684)	-	-	(6,684)	(175)	-	-	(6,859)
Total nonoperating expense, net	(10,700)	(1,770)	-	(12,470)	(15,814)	(1,736)	-	(30,020)
Income (loss) before contributions	71,058	289	-	71,347	54,368	2,290	-	128,005
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(95,209)	-	-	(95,209)	(28,439)	-	-	(123,648)
Developers and other	5,289	-	-	5,289	214,377	-	-	219,666
Reduction of plant cost through contributions	(5,289)	-	-	(5,289)	(125,116)	-	-	(130,405)
Total contributions, net	(95,209)	-	-	(95,209)	60,822	-	-	(34,387)
Change in net position	(24,151)	289	-	(23,862)	115,190	2,290	-	93,618
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 year	\$ 1,460,150	\$ 10,391	\$ -	\$ 1,470,541	\$ 2,173,616	\$ 10,950	\$ -	\$ 3,655,107

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 Cash Flows
(In Thousands)

Year Ended September 30, 2024

	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	\$ 1,397,556	\$ 20,655	\$ (21,158)	\$ 1,397,053	\$ 504,167	\$ 12,829	\$ (24,221)	\$ 1,889,828
Payments to suppliers	(880,324)	445	21,158	(858,721)	(209,672)	(5,200)	32,746	(1,040,847)
Payments for salaries and benefits	(233,198)	-	-	(233,198)	(97,728)	(888)	-	(331,814)
Other operating activities	23,182	48	-	23,230	33,262	2	(8,525)	47,969
Net cash provided by operating activities	307,216	21,148	-	328,364	230,029	6,743	-	565,136
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(95,233)	-	-	(95,233)	(28,314)	-	-	(123,547)
Net cash used in noncapital and related financing activities	(95,233)	-	-	(95,233)	(28,314)	-	-	(123,547)
Capital and related financing activities								
Acquisition and construction of capital assets	(276,262)	-	-	(276,262)	(505,039)	(8,708)	-	(790,009)
Defeasance of debt	-	-	-	-	(171,295)	-	-	(171,295)
Proceeds received from debt	-	-	-	-	503,835	-	-	503,835
Interest paid on debt	(63,687)	(3,124)	-	(66,811)	(59,582)	(2,010)	-	(128,403)
Repayment of debt principal	(19,275)	(15,865)	-	(35,140)	(52,365)	(1,870)	-	(89,375)
Capital contributions	-	-	-	-	89,261	-	-	89,261
Revolving credit agreement withdrawals/(repayments)	-	-	-	-	(7,000)	16,000	-	9,000
Other capital financing activities	(20)	213	-	193	59,759	-	-	59,952
Net cash provided by (used in) capital and related financing activities	(359,244)	(18,776)	-	(378,020)	(142,426)	3,412	-	(517,034)
Investing activities								
Proceeds from sale and maturity of investments	422,598	1,841	-	424,439	46,699	-	-	471,138
Purchase of investments	(333,471)	(599)	-	(334,070)	(39,982)	-	-	(374,052)
Distributions from The Energy Authority	8,045	-	-	8,045	-	-	-	8,045
Investment income	23,944	922	-	24,866	2,864	214	-	27,944
Net cash provided by (used in) investing activities	121,116	2,164	-	123,280	9,581	214	-	133,075
Net change in cash and cash equivalents	(26,145)	4,536	-	(21,609)	68,870	10,369	-	57,630
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 year	\$ 230,655	\$ 30,167	\$ -	\$ 260,822	\$ 159,572	\$ 15,848	\$ -	\$ 436,242
Reconciliation of operating income (loss) to net cash provided by operating activities								
Operating income (loss)	\$ 81,758	\$ 2,059	\$ -	\$ 83,817	\$ 70,182	\$ 4,026	\$ -	\$ 158,025
Adjustments:								
Depreciation and amortization	227,260	410	-	227,670	182,333	3,118	-	413,121
Recognition of deferred costs and revenues, net	10,946	15,738	-	26,684	420	8	-	27,112
Other nonoperating income, net	(3,029)	-	-	(3,029)	(175)	-	-	(3,204)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	5,868	-	-	5,868	(1,023)	(52)	-	4,793
Inventories	(359)	-	-	(359)	(40,089)	-	-	(40,448)
Other assets	(12,885)	(9,398)	-	(22,283)	7,571	(3)	-	(14,715)
Accounts and accrued expense payable	(9,559)	(17)	-	(9,576)	9,101	(368)	-	(843)
Current liabilities payable from restricted assets	-	2,891	-	2,891	-	-	-	2,891
Other noncurrent liabilities and deferred inflows	7,216	9,465	-	16,681	1,709	14	-	18,404
Net cash provided by operating activities	\$ 307,216	\$ 21,148	\$ -	\$ 328,364	\$ 230,029	\$ 6,743	\$ -	\$ 565,136
Non-cash activity								
Contribution of capital assets from developers	\$ 5,289	\$ -	\$ -	\$ 5,289	\$ 125,116	\$ -	\$ -	\$ 130,405
Unrealized investment fair market value changes, net	\$ 5,459	\$ 229	\$ -	\$ 5,688	\$ 1,860	\$ -	\$ -	\$ 7,548

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



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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, 2024 and the related notes to the financial statements, which collectively comprise JEA's basic financial statements, and have issued our report thereon dated December 13, 2024.

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 13, 2024



BOND COMPLIANCE INFORMATION

JEA Electric System

Schedule of Debt Service Coverage
(In Thousands)

	Year Ended September 30	
	2024	2023
Revenues		
Electric	\$ 1,389,106	\$ 1,481,583
Investment income ⁽¹⁾	23,619	17,919
Earnings from The Energy Authority	13,286	23,603
Other ⁽²⁾	24,750	35,709
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	7,551	15,034
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	(1)	(197,071)
Total Revenues	1,458,311	1,376,777
Cost of Operation and Maintenance ⁽³⁾		
Fuel	354,743	438,127
Purchased power ⁽⁴⁾	370,984	306,647
Maintenance and other operating expense	311,752	304,327
State utility and franchise taxes	67,162	72,490
Total Cost of Operation and Maintenance	1,104,641	1,121,591
Net Revenues	\$ 353,670	\$ 255,186
Debt Service Requirement on Electric System Bonds (prior to reduction of investment income on sinking fund and Build America Bonds subsidy)	\$ 53,914	\$ 42,012
Less: investment income on sinking fund	(296)	(1,231)
Less: Build America Bonds subsidy	(1,535)	(1,535)
Debt Service Requirement on Electric System Bonds	\$ 52,083	\$ 39,246
Debt service coverage on Electric System Bonds ⁽⁵⁾	6.79 x	6.50 x
Debt Service Requirement on Electric System Bonds (from above)	\$ 52,083	\$ 39,246
Plus: Aggregate Subordinated Debt Service on Subordinated Electric System Bonds (prior to Build America Bonds subsidy)	33,884	31,179
Less: Build America Bonds subsidy	(1,698)	(1,775)
Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds	\$ 84,269	\$ 68,650
Debt service coverage on Electric System Bonds and Subordinated Electric System Bonds ⁽⁶⁾	4.20 x	3.72 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	
	2024	2023
Revenues		
Operating	\$ 11,364	\$ 12,683
Investment income	288	141
Total Revenues	11,652	12,824
Operation and Maintenance Expenses ⁽¹⁾		
Fuel	-	5
Maintenance and other operating expense	4,408	5,408
Total Operation and Maintenance Expenses	4,408	5,413
Net Revenues	\$ 7,244	\$ 7,411
Aggregate Debt Service (prior to reduction of Build America Bonds subsidy)	\$ 3,870	\$ 3,918
Less: Build America Bonds subsidy	(426)	(470)
Aggregate Debt Service	\$ 3,444	\$ 3,448
Debt service coverage ⁽²⁾	2.10 x	2.15 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	
	2024	2023
Revenues		
Operating	\$ 21,008	\$ 21,395
Investment income	909	470
Total Revenues	21,917	21,865
Operation and Maintenance Expenses	-	-
Net Revenues	\$ 21,917	\$ 21,865
Aggregate Debt Service (prior to reduction of Build America Bonds subsidy)	\$ 19,253	\$ 19,305
Less: Build America Bonds subsidy	(195)	(228)
Aggregate Debt Service	\$ 19,058	\$ 19,077
Debt service coverage ⁽¹⁾	1.15 x	1.15 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	
	2024	2023
Revenues		
Water	\$ 223,823	\$ 217,572
Water Capacity Charges	24,776	18,845
Sewer	280,500	275,642
Sewer Capacity Charges	64,485	45,690
Investment income	3,187	6,338
Other ⁽¹⁾	25,672	18,999
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	-	48,387
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	-	(22,292)
Total Revenues	622,443	609,181
Operation and Maintenance Expenses		
Maintenance and other operating expense ⁽²⁾	265,577	231,632
State utility and franchise taxes	11,483	11,319
Total Operation and Maintenance Expenses	277,060	242,951
Net Revenues	\$ 345,383	\$ 366,230
Aggregate Debt Service on Water and Sewer System Bonds (prior to reduction of Build America Bonds subsidy)	\$ 102,228	\$ 86,676
Less: Build America Bonds subsidy	(2,432)	(2,435)
Aggregate Debt Service on Water and Sewer System Bonds	\$ 99,796	\$ 84,241
Debt service coverage on Water and Sewer System Bonds ⁽³⁾	3.46 x	4.35 x
Aggregate Debt Service on Water and Sewer System Bonds (from above)	\$ 99,796	\$ 84,241
Plus: Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	14,954	16,899
Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	\$ 114,750	\$ 101,140
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds excluding Capacity Charges ⁽⁴⁾	2.23 x	2.98 x
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds including Capacity Charges ⁽⁴⁾	3.01 x	3.62 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	
	2024	2023
Revenues		
Service revenue	\$ 12,882	\$ 12,761
Investment income	214	100
Other	2	-
Total Revenues	<u>13,098</u>	<u>12,861</u>
Operation and Maintenance Expenses⁽¹⁾		
Maintenance and other operating expense	<u>5,732</u>	<u>6,064</u>
Total Operation and Maintenance Expenses	<u>5,732</u>	<u>6,064</u>
Net Revenues	<u>\$ 7,366</u>	<u>\$ 6,797</u>
Aggregate Debt Service⁽²⁾	<u>\$ 3,021</u>	<u>\$ 3,022</u>
Debt service coverage⁽³⁾	<u>2.44 x</u>	<u>2.25 x</u>

⁽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 Aggregate Debt Service.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION

The following is a summary of certain provisions of the Electric System Resolution. Summaries of certain definitions contained in the Electric System Resolution are set forth below. Other terms defined in the Electric System Resolution for which summary definitions are not set forth are indicated by capitalization. The summary does not purport to be a complete description of the terms of the Electric System Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof.

As more fully described under the caption "FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS - Debt Relating to Electric Utility Functions - *Proposed Amendments to the Electric System Resolution*" in the Annual Disclosure Report to which this summary is attached, on May 19, 1998, JEA adopted a resolution (as amended, the "May 1998 Amending Resolution") for the purpose of making certain material amendments to the Electric System Resolution. Certain of those amendments have become effective and are reflected in the following summary of the Electric System Resolution. The remainder of the amendments contained in the May 1998 Amending Resolution will become effective upon the occurrence of certain events, as more particularly described under "Proposed Amendments to the Electric System Resolution - *May 1998 Amending Resolution*" below, which events include the consent thereto in writing of certain percentages of the holders of the outstanding Electric System Bonds, all bonds issued pursuant to a resolution adopted by JEA on March 30, 1982 entitled "St. Johns River Power Park System Revenue Bond Resolution" (the "Power Park Issue Two Bonds"),¹ and the Power Park Issue Three Bonds. At such times as such amendments described in this paragraph become effective, they will apply to all of the Electric System Bonds then outstanding. As of the date of the Annual Disclosure Report to which this Appendix is attached, JEA has not solicited any consents to such amendments and currently has no intention of soliciting any such consents in the future.

The Electric System Resolution, as heretofore amended, is available for viewing and downloading on JEA's website at https://www.jea.com/About/Investor_Relations/Bonds/. Copies of the Electric System Resolution (as so amended) and the May 1998 Amending Resolution also may be obtained from JEA; *provided* that a reasonable charge may be imposed for the cost of reproduction. The term "Electric System Bonds" as used in this summary has the same meaning as the term "Electric System Bonds" as used in the Annual Disclosure Report to which this summary is attached.

Definitions

The following are summaries of certain definitions in the Electric System Resolution:

Accreted Value shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond plus the interest accrued

¹ The Power Park Issue Two Bonds were defeased on January 5, 2018 in connection with the shutdown of SJRPP and are no longer outstanding.

on such Bond from the date of original issuance of such Bond to the periodic compounding date therefor specified in the resolution of JEA supplemental to the Electric System Resolution authorizing such Capital Appreciation Bond (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in such resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in such resolution authorizing such Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

Additional Parity Obligations shall mean additional obligations issued in compliance with the terms, conditions and limitations contained in the Electric System Resolution and which shall have an equal lien on the Net Revenues as therein defined and other amounts pledged under the Electric System Resolution, and rank equally in all respects with the Electric System Bonds initially issued thereunder.

Additionally Secured Bonds shall mean (a) all Electric System Bonds Outstanding on the date on which the amendments to the Electric System Resolution affected by Article I of the Amending Resolution became effective (February 29, 2000) and (b) the Electric System Bonds of any series issued after such effective date for which the payment of the principal or sinking fund redemption price, if any, of, and interest on, the Electric System Bonds of such series shall be secured, in addition to the pledge created pursuant to the Electric System Resolution in favor of all of the Electric System Bonds, by amounts on deposit in a separate subaccount to be designated therefor in the Debt Service Reserve Account in the Sinking Fund.

Adjusted Debt Service Requirement for any period, as applied to the Electric System Bonds of any series, shall mean, as of any date of calculation, the Debt Service Requirement for such Electric System Bonds for such period, except that if such series includes any Outstanding Refundable Bonds, Adjusted Debt Service Requirement shall mean the Debt Service Requirement for such Bonds determined (i) in the case of Refundable Bonds other than Commercial Paper Notes and Medium-Term Notes, as if each such Refundable Bond would be payable, over a period extending from the maturity date of such Bond through the later of (x) the 30th anniversary of the issuance of such Bond or (y) the 10th anniversary of the maturity date of such Refundable Bond, in installments which would have required equal annual payments of principal and interest over such period and (ii) in the case of Commercial Paper Notes or Medium-Term Notes, in accordance with the then current Commercial Paper Payment Plan or Medium-Term Note Payment Plan, as applicable, with respect thereto. Interest deemed payable in any period after the actual maturity date of any Refundable Bond shall be calculated at such rate of interest as JEA, or a banking or financial institution selected by JEA, determines would be a reasonable estimate of the rate of interest that would be borne on Electric System Bonds maturing at the times determined in accordance with the provisions of the preceding sentence.

Alternate Variable Rate Taxable Index shall mean such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is not excluded from gross income for federal income tax purposes, as determined by an authorized officer of JEA.

Alternate Variable Rate Tax-Exempt Index shall mean such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is excluded from gross income for federal income tax purposes, as determined by an authorized officer of JEA.

Amortization Installment shall mean the amount established for the payment on any date of the principal of any Term Bonds and, for any Term Bonds issued as Capital Appreciation Bonds or Deferred Interest Bonds, the Accreted Value or Appreciated Value, as applicable, as of the date of such payment, as designated by resolution of JEA supplemental to the Electric System Resolution adopted on or prior to the Issuance Date of such Term Bonds.

Appreciated Value shall mean, (i) as of any date of computation with respect to any Deferred Interest Bond prior to the Current Interest Commencement Date, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the resolution of JEA supplemental to the Electric System Resolution authorizing such Deferred Interest Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Deferred Interest Bonds set forth in such resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in such resolution authorizing such Deferred Interest Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

Authorized Investments shall mean and include any securities, obligations or investments that, at the time, shall be permitted by Florida law for investment of JEA's funds.

Bank Bonds shall mean any Electric System Bonds issued in accordance with the provisions of subsection M of Section 13 of the Electric System Resolution.

BMA Municipal Swap Index shall mean the rate determined on the basis of an index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by Municipal Market Data or any successor indexing agent which meets specific criteria established by The Bond Market Association.

Build America Bonds shall mean any Bonds with respect to which JEA has irrevocably elected, pursuant to Section 54AA(g) of the Code or any similar federal program creating subsidies for municipal borrowers for which JEA qualifies, to receive cash subsidy payments from the U.S. Treasury equal to a portion of the interest payable on such Bonds.

Capital Appreciation Bonds shall mean any Electric System Bonds as to which interest is (i) compounded periodically on dates that are specified in the resolution authorizing such Capital Appreciation Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof.

Certified Interest Rate shall mean, as of any date of determination:

(i) with respect to (A) any Commercial Paper Notes or Medium-Term Notes or (B) any Variable Rate Bonds maturing on a particular date, in each of the foregoing cases, that were, at the date of the original issuance thereof, the subject of an opinion of nationally recognized bond counsel to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (1) the average of the Variable Rate Tax-Exempt Index for the five years preceding such date of determination and (2) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, for the twelve months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, are then being issued or shall not have been Outstanding for twelve months, then the rate of interest determined pursuant to this clause (i) shall be the rate determined pursuant to the foregoing subclause (1),

(ii) with respect to (A) any Commercial Paper Notes or Medium-Term Notes or (B) any Variable Rate Bonds maturing on a particular date, in each of the foregoing cases, that were not, at the date of the original issuance thereof, the subject of an opinion of nationally recognized bond counsel to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (a) the average of the Variable Rate Taxable Index for the five years preceding such date of determination and (b) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, for the twelve months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, are then being issued or shall not have been Outstanding for twelve months, then the rate of interest determined pursuant to this clause (ii) shall be the rate determined pursuant to the foregoing subclause (a) and

(iii) for purposes of calculating the Debt Service Reserve Requirement for any particular subaccount in the Debt Service Reserve Account in the Sinking Fund and with respect to any Commercial Paper Notes or Medium-Term Notes or any Variable Rate Bonds maturing on a particular date, the interest rate set forth in a certificate of an authorized officer of JEA executed on or prior to the date of the

initial issuance of such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, as determined as follows: a Certified Interest Rate shall be that rate of interest determined by JEA, or a banking or financial institution or financial advisory firm selected by JEA, (A) in the case of Commercial Paper Notes or Medium-Term Notes, as the rate of interest such Commercial Paper Notes or Medium-Term Notes would bear if such Notes were issued as Electric System Bonds bearing a fixed interest rate and maturing 30 years after the date of issuance thereof and (B) in the case of Variable Rate Bonds, as the rate of interest such Variable Rate Bonds would bear if, assuming the same maturity date, terms and provisions (other than interest rate) as such proposed Variable Rate Bonds, and on the basis of JEA's credit ratings with respect to the Electric System Bonds (other than Electric System Bonds for which credit enhancement is provided by a third party), such proposed Variable Rate Bonds were issued at a fixed interest rate.

Code shall mean the Internal Revenue Code of 1986, or any successor, and the applicable regulations (including final, temporary and proposed) promulgated by the United States Department of the Treasury thereunder, including Treasury Regulations issued pursuant to Sections 103 and 141 through 150, inclusive, of said Internal Revenue Code of 1986.

Commercial Paper Note shall mean any Electric System Bond which (a) has a maturity date which is not more than 365 days after the date of issuance thereof and (b) is designated as a Commercial Paper Note in the resolution of JEA supplemental to the Electric System Resolution authorizing such Bond.

Commercial Paper Payment Plan shall mean, with respect to any installment of Commercial Paper Notes and as of any time, the then current Commercial Paper Payment Plan for such notes contained in a certificate of an authorized officer of JEA delivered on or prior to the date of the first issuance of such Commercial Paper Notes and setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Commercial Paper Notes or any subsequent certificate of an authorized officer of JEA thereafter executed to reflect changes, if any, in the expectations of JEA with respect to the sources of funds to be utilized to pay principal of and interest on such Commercial Paper Notes; *provided, however*, that if any Commercial Paper Payment Plan provides for the refunding of any Commercial Paper Note with proceeds of (a) Electric System Bonds other than Commercial Paper Notes or Medium-Term Notes or (b) Subordinated Electric System Bonds, in either such case, that JEA intends to pay from Revenues, the principal of such Commercial Paper Note shall, for purposes of the Commercial Paper Payment Plan, be assumed to come due over a period commencing with the due date of the Commercial Paper Note and ending not later than the later of (x) the 30th anniversary of the first issuance of Commercial Paper Notes of such installment or (y) the 10th anniversary of the due date of the Commercial Paper Note to be refunded, in installments such that the principal and interest payable on such Commercial Paper Note in each Fiscal Year in such period will be equal to the principal and interest payable on such Commercial Paper Note in each other Fiscal Year in such period.

Consulting Engineer shall mean such qualified and recognized independent consulting engineer, having favorable reputation for skill and experience, with respect to the acts and duties to be

provided to JEA, as shall be from time to time retained by JEA to act as such with respect to the Electric System.

Contract Debts shall mean any obligations of JEA under a contract, lease, installment sale agreement, bulk electric power purchase agreement or otherwise to make payments out of Revenues for property, services or commodities whether or not the same are made available, furnished or received, but shall not include (a) payments required to be made in respect of (i) debt service on any obligations incurred by JEA in connection with the financing of any separate bulk power supply utility or system undertaken by JEA and any additional amounts relating to "debt service coverage" with respect thereto and (ii) deposits into any renewal and replacement or other similar fund or account established with respect to any such separate bulk power supply utility or system (in each such case, other than the St. Johns River Power Park System) and (b) payments required to be made in respect of any other arrangement(s) for the supply of power and/or energy to the Electric System for resale as may be determined by JEA to be payable pursuant to clause (4) under the caption "Establishment of Funds and Disposition of Revenues of the Electric System" herein. See "Proposed Amendments to the Electric System Resolution" below for a discussion of a proposed amendment to the foregoing provision.

Cost of Operation and Maintenance of the Electric System shall mean the current expenses, paid or accrued, of operation, maintenance and repair of the Electric System, including administration costs, as calculated in accordance with generally accepted accounting principles, and shall include all Contract Debts, but shall not include any reserve for renewals and replacements or any allowance for depreciation or amortization and there shall be included in the Cost of Operation and Maintenance only that portion of the total administrative, general and other expenses of JEA which are properly allocable to the Electric System.

Credit Enhancement shall mean, with respect to the Electric System Bonds of an installment or a maturity within an installment, the issuance of an insurance policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by JEA or otherwise, the principal of and interest on such Electric System Bonds.

Credit Enhancer shall mean any person or entity which, pursuant to a resolution of JEA supplemental to the Electric System Resolution, is designated as a Credit Enhancer and which provides Credit Enhancement for an installment of the Electric System Bonds or a maturity within an installment.

Current Interest Commencement Date shall mean, with respect to any particular Deferred Interest Bonds, the date specified in the resolution of JEA supplemental to the Electric System Resolution authorizing such Deferred Interest Bonds (which date must be prior to the maturity date for such Deferred Interest Bonds) after which interest accruing on such Deferred Interest Bonds shall be payable periodically on dates specified in such resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

Debt Service Requirement for any period, as applied to the Electric System Bonds of any series, shall mean the sum of:

(1) the interest to accrue on all Outstanding Electric System Bonds of such series during such period, except to the extent that such interest shall have been provided by payments into the Debt Service Account in the Sinking Fund out of Electric System Bond or Subordinated Bond proceeds for a specified period of time, or by payments of investment income into the Debt Service Account in the Sinking Fund during such period; provided, however, that in the event that the Bonds of any series (or any portion thereof) shall constitute Build America Bonds, then in respect of the interest payable on such Bonds, for purposes of this definition, the interest on the Bonds of such series shall be calculated net of the amount of the cash subsidy payments due from the U.S. Treasury. If for whatever reason, JEA no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), for purposes of this definition, the interest on the Bonds of such series shall be calculated without regard to such subsidy,

(2) the principal to accrue on all Outstanding Serial Bonds of such series during such period, and

(3) the Amortization Installments to accrue on all Outstanding Term Bonds of such series during such period.

For purposes of the foregoing, (a) the principal of any Electric System Bond that is a Refundable Bond shall not be taken into account in calculating the Debt Service Requirement, (b) the interest described in clause (1) above shall be deemed to accrue daily in equal amounts since the preceding interest payment date (or if there shall be no such preceding interest payment date, from the dated date of such Electric System Bonds), (c) the principal of Outstanding Serial Bonds described in clause (2) above shall be deemed to accrue daily in equal amounts from a date one year (or, if any such Electric System Bonds are scheduled to mature at intervals of 6 months, 6 months) preceding the due date of such principal or from the date of issuance of such Electric System Bonds, whichever is later, (d) the Amortization Installments described in clause (3) above shall be deemed to accrue daily in equal amounts from a date which is one year preceding the due date of such Amortization Installments or from the date of issuance of such Term Bonds, whichever is later and (e) Bank Bonds shall be deemed to be Serial Bonds, and the principal thereof shall be deemed to be payable in the manner and at the times determined in accordance with the provisions thereof and of the resolution of JEA supplemental to the Electric System Resolution authorizing such Bank Bonds.

For the purpose of the calculation of the Debt Service Requirement for any future period as of any date for any Electric System Bonds bearing interest at a variable or floating rate, any Commercial Paper Notes or any Medium-Term Notes, such Electric System Bonds or Notes, as the case may be, shall be deemed to bear interest at the greater of (i) the actual rate of interest then borne by such Electric System Bonds or Notes, as the case may be, or (ii) the Certified Interest Rate applicable thereto; *provided, however*, that whenever an Electric System Bond that bears interest at a variable or floating rate and is convertible to a fixed rate shall be converted to a fixed rate the Debt Service Requirement for all affected Electric System Bonds shall be recalculated as of the conversion date using such fixed rate. Notwithstanding anything to the contrary contained

in the Electric System Resolution, (a) if JEA has in connection with any Electric System Bonds entered into a Designated Swap Obligation which provides that, in respect of a notional amount equal to the Outstanding principal amount of such Electric System Bonds, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a variable rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a fixed rate of interest, then, for purposes of calculating the Debt Service Requirement with respect to such Electric System Bonds for purposes of (i) the covenant described under the caption "Rate Covenant" below and (ii) the provisions of the Electric System Resolution relating to the issuance of additional Electric System Bonds described under the caption "Issuance of Additional Electric System Bonds" below, it will be assumed that such Electric System Bonds bear interest at a rate equal to the sum of (1) the lesser of (A) the average of the variable rate payable by JEA pursuant to such Designated Swap Obligation for the five years preceding the date of determination, calculating such rate based upon the method, formula or index with respect thereto set forth in such Designated Swap Obligation and (B) the average of the actual rates paid by JEA pursuant to such Designated Swap Obligation for the twelve months preceding such date of determination; *provided, however*, if such Designated Swap Obligation shall not have been in effect for twelve months, then the rate of interest determined pursuant to this clause (1) shall be the rate determined pursuant to the foregoing subclause (A) and (2) the difference (whether positive or negative) between (X) the fixed rate of interest on such Electric System Bonds and (Y) the fixed rate of interest payable to JEA pursuant to such Designated Swap Obligation and (b) if JEA has in connection with any Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes entered into a Designated Swap Obligation which provides that, in respect of a notional amount equal to the Outstanding principal amount of such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a fixed rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a variable rate of interest, then, for purposes of calculating the Debt Service Requirement with respect to such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, for purposes of (i) the covenant described under the caption "Rate Covenant" below and (ii) the provisions of the Electric System Resolution relating to the issuance of additional Electric System Bonds described under the caption "Issuance of Additional Electric System Bonds" below, it will be assumed that such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as applicable, bear interest at the fixed rate of interest payable by JEA pursuant to such Designated Swap Obligation.

Debt Service Reserve Requirement shall mean (a) with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund, as of any date of calculation, an amount equal to the maximum amount of interest to accrue on the Additionally Secured Bonds secured thereby during the then current, or any future, Fiscal Year (assuming, for this purpose, that in the case of any Additionally Secured Bonds secured thereby that bear interest at a variable or floating rate, (i) if the interest rate(s) on all or any portion of such Bonds shall have been converted synthetically to a fixed rate interest rate pursuant to an interest rate swap transaction that has a term equal to, and the notional amount of which amortizes at the same times and in the same amounts as, such Bonds, such Bonds (or such portion thereof) shall be deemed to bear interest during such period at the greater of (A) the fixed rate payable by JEA under such interest rate swap transaction and (B) the Certified Interest Rate applicable to such Bonds and (ii) if the interest rate(s) on such Bonds (or such portion thereof) shall not have been converted synthetically to a fixed interest rate pursuant to such an interest rate swap transaction, such Bonds shall be deemed

to bear interest during such period at the greater of (X) the actual rate of interest then borne by such Bonds or (Y) the Certified Interest Rate applicable thereto) and (b) with respect to each additional subaccount, if any, in the Debt Service Reserve Account in the Sinking Fund established after the date on which the amendments to the Resolution effected by Article I of the Amending Resolution shall become effective, the amount specified in the resolution of JEA supplemental hereto pursuant to which such subaccount shall be established.

Notwithstanding anything to the contrary contained in the Resolution, in the event that any Additionally Secured Bonds secured by the Initial Subaccount shall bear interest at a variable or floating rate, if the amount of the Debt Service Reserve Requirement for the Initial Subaccount shall increase as a result of either (x) any termination of any interest rate swap transaction applicable to such Bonds (or such portion thereof) that had been converted synthetically to a fixed interest rate pursuant to an interest rate swap transaction as described in subclause (a)(i) of the preceding paragraph prior to the final maturity date of such Bonds or (y) the actual rate of interest borne by such Bonds (or such portion thereof) that shall not have been converted synthetically to a fixed interest rate pursuant to such an interest rate swap transaction at any time being in excess of the Certified Interest Rate applicable thereto, the amount of such increase shall be required to be funded in equal semi-annual installments over a three (3)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which the event resulting in such increase shall have occurred.

For the purpose of the calculation of the Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund in the event that any Additionally Secured Bonds secured thereby shall constitute Build America Bonds, then until such time, if any, as JEA, for whatever reason, no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), the interest on such Bonds shall be calculated net of the amount of such subsidy; provided, however, that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of such Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to JEA by the U.S. Treasury, and the amount of such increase shall be required to be funded in equal semiannual installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which such specified percentage is so reduced, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period and provided, further, that in the event that JEA, for whatever reason, ceases to receive cash subsidy payments from the U.S. Treasury in respect of the interest payable on any such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), then the amount of such Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be required to be funded in equal semiannual

installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which JEA does not receive the first such cash subsidy payment that it theretofore was qualified to receive, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period. Notwithstanding any other provision of this resolution, any one or more installments of any increase in the Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund provided for in the preceding sentence may be prepaid at any time in whole or in part by JEA by designating in JEA's records that such payment(s) is (or are) to be treated as a prepayment.

Deferred Interest Bonds shall mean any Electric System Bonds as to which interest accruing prior to the Current Interest Commencement Date is (i) compounded periodically on dates specified in the resolution of JEA supplemental to the Electric System Resolution authorizing such Deferred Interest Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof.

Designated Swap Obligation shall mean, to the extent from time to time permitted by law, any interest rate swap transaction (i) which is entered into by JEA for the purpose of converting synthetically the interest rate on any particular Electric System Bonds from a fixed rate to a variable rate or from a variable rate to a fixed rate (regardless of whether such Designated Swap Obligation shall have a term equal to the remaining term of such Electric System Bonds) and (ii) which has been designated in a certificate of an authorized officer of JEA filed with the records of JEA as such (which certificate shall specify the Electric System Bonds with respect to which such Designated Swap Obligation is entered into).

Designated Swap Obligation Provider shall mean any person with whom JEA enters into a Designated Swap Obligation.

Electric System shall mean the existing electric generating, transmission and distribution system consisting of the existing generating plants and transmission and distribution lines and facilities together with any and all improvements, extensions and additions thereto constructed or acquired, and all lands or interests therein, including buildings, machinery, equipment and all property, real or personal, tangible or intangible, owned and constructed or acquired by JEA as part of said existing electric system; such Electric System shall not be deemed to include (a) any facilities or property constructed, owned or operated by JEA as a part of the St. Johns River Power Park System or the Bulk Power Supply System Projects or any other separate non-competing electric utility or system which JEA elects to acquire, construct and operate as a separate bulk power supply utility or system, (b) the existing water and sewer system owned by JEA or any additional utility functions added to such water and sewer system or (c) any properties or interests in properties of JEA (i) which JEA determines shall not constitute a part of the Electric System for the purpose of the Electric System Resolution at the time of the acquisition thereof by JEA or

(ii) as to which JEA shall determine by resolution that the exclusion of such properties or interests in properties from the Electric System will not materially impair the ability of JEA to comply during the current or any future Fiscal Year with the provisions of the rate covenant contained in the Electric System Resolution.

Electric System Bonds shall mean any bonds, notes or other obligations or evidences of indebtedness, as the case may be, authenticated and delivered and Outstanding pursuant to the Electric System Resolution, but shall not mean Subordinated Bonds.

Fiscal Year shall mean the 12-month period established by JEA or provided by law from time to time as the fiscal year for the Electric System, and which initially shall be the 12-month period commencing on October 1 of each year and ending on the succeeding September 30.

Gross Revenues or *Revenues* shall mean all income or earnings, including any income from the investment of funds which is deposited in the Revenue Fund as provided in the Electric System Resolution, derived by JEA from the ownership or operation of the Electric System. Gross Revenues shall not include customers' deposits and any other deposits subject to refund unless such deposits have become property of JEA. For any purpose of the Electric System Resolution that requires the computation of Gross Revenues or Revenues with respect to any period of time, "Gross Revenues" or "Revenues" shall include such amounts derived by JEA from the ownership or operation of the Electric System during such period plus (x) the amounts, if any, paid from the Rate Stabilization Fund into the Revenue Fund during such period (excluding from (x) amounts, if any, included in the Revenues for such period representing interest earnings transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the Electric System Resolution) and minus (y) the amounts, if any, paid from the Revenue Fund into the Rate Stabilization Fund during such period. Notwithstanding the foregoing, all cash subsidy payments received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall not constitute "Gross Revenues" or "Revenues" for any purpose of the Electric System Resolution.

Investment Agreements shall mean agreements or contracts with insurance companies or other financial institutions, or subsidiaries or affiliates thereof (hereinafter in this paragraph referred to as "Providers"), (a) whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations or (b) whose obligations under such agreements or contracts shall be unconditionally guaranteed by another insurance company or other financial institution, or subsidiary or affiliate thereof, whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations, pursuant to which agreements or contracts the Provider shall be absolutely, unconditionally and irrevocably obligated to repay the moneys invested by JEA and interest thereon at a guaranteed rate, without any right of recoupment, counterclaim or set off. The Provider may have the right to assign its obligations under any Investment Agreement to any other insurance company or other financial institution, or subsidiary or affiliate thereof; *provided, however*, that such assignee also shall be an insurance company or other financial institution, or subsidiary or affiliate thereof, satisfying the requirements set forth in either clause (a) or clause (b) of the preceding sentence.

Maximum Aggregate Adjusted Debt Service Requirement shall mean, as of any particular date of calculation, the greatest amount of the aggregate of the Adjusted Debt Service Requirements for the Electric System Bonds of all series then Outstanding for the then current or any future Fiscal Year.

Medium-Term Note shall mean any Electric System Bond which (a) has a maturity date which is more than 365 days, but not more than 15 years, after the date of issuance thereof and (b) is designated as a Medium-Term Note in the resolution of JEA supplemental to the Electric System Resolution authorizing such Bond.

Medium-Term Note Payment Plan shall mean, with respect to any installment of Medium-Term Notes and as of any time, the then current Medium-Term Note Payment Plan for such notes contained in a certificate of an authorized officer of JEA delivered on or prior to the date of the first issuance of such Medium-Term Notes and setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Medium-Term Notes or any subsequent certificate of an authorized officer of JEA thereafter executed to reflect changes, if any, in the expectations of JEA with respect to the sources of funds to be utilized to pay principal of and interest on such Medium-Term Notes; *provided, however*, that if any Medium-Term Note Payment Plan provides for the refunding of any Medium-Term Note with proceeds of (a) Electric System Bonds other than Commercial Paper Notes or Medium-Term Notes or (b) Subordinated Bonds, in either such case, that JEA intends to pay from Revenues, the principal of such Medium-Term Note shall, for purposes of the Medium-Term Note Payment Plan, be assumed to come due over a period commencing with the due date of the Medium-Term Note and ending not later than the later of (x) the 30th anniversary of the first issuance of Medium-Term Notes of such installment or (y) the 10th anniversary of the due date of the Medium-Term Note to be refunded, in installments such that the principal and interest payable on such Medium-Term Note in each Fiscal Year in such period will be equal to the principal and interest payable on such Medium-Term Note in each other Fiscal Year in such period.

Net Revenues of the Electric System shall mean the Revenues or Gross Revenues after deduction of the Cost of Operation and Maintenance.

One-Month LIBOR Rate shall mean, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 a.m., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

Refundable Bonds shall mean any Electric System Bonds (including, without limitation, Commercial Paper Notes and Medium-Term Notes) the principal of which JEA intends to pay with moneys which are not Revenues; *provided, however*, that (i) in the case of Electric System Bonds other than Commercial Paper Notes or Medium-Term Notes, such intent shall have been expressed in the resolution of JEA supplemental to the Electric System Resolution authorizing such Bonds, (ii) in the case of Commercial Paper Notes, such intent shall be expressed in the then current Commercial Paper Payment Plan for such Commercial Paper Notes and (iii) in the case of Medium-Term Notes, such intent shall be expressed in the then current Medium-Term Note Payment Plan for such Medium-Term Notes; and *provided, further*, that (i) any such Electric

System Bonds other than Commercial Paper Notes and Medium-Term Notes shall be Refundable Bonds only through the penultimate day of the month preceding the month in which the principal thereof is stated to mature or such earlier time as JEA no longer intends to pay such principal with moneys which are not Revenues and (ii) any Commercial Paper Note or Medium-Term Note shall cease to be a Refundable Bond at such time, if any, as shall be provided in the Commercial Paper Payment Plan or Medium-Term Note Payment Plan, as the case may be, applicable thereto.

Serial Bonds shall mean the Electric System Bonds of a series which shall be stated to mature in annual or semiannual installments.

St. Johns River Power Park System shall mean JEA's undivided 80 percent interest in the facilities acquired and constructed jointly with Florida Power & Light Company, a Florida corporation, pursuant to the Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park, Coal Units #1 and #2, dated as of April 2, 1982, executed by and between JEA and said corporation, as amended, and all renewals, replacements, additions, betterments, modifications and improvements to keep such System in good operating condition or to prevent a loss of revenues therefrom, or to comply with any requirement of a governmental agency exercising jurisdiction over such System, but excluding any additional generating units.

Subordinated Bonds shall mean any bonds, notes or other obligations or evidences of indebtedness, as the case may be, issued in accordance with the provisions of the Electric System Resolution that are, and are expressed to be, junior and subordinate in all respects to the Electric System Bonds, as to lien on and source and security for payment from the Net Revenues.

Term Bonds shall mean the Electric System Bonds of a series which shall be stated to mature on one date and which shall be subject to retirement by operation of the Debt Service Account in the Sinking Fund to satisfy Amortization Installments therefor.

U.S. Treasury shall mean the U.S. Treasury or any party designated by the federal government to issue cash subsidy payments on Build America Bonds.

Variable Rate Bond shall mean any Electric System Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of initial issuance of such Electric System Bond.

Variable Rate Taxable Index shall mean the One-Month LIBOR Rate or, if the One-Month LIBOR Rate no longer shall be available, the Alternate Variable Rate Taxable Index.

Variable Rate Tax-Exempt Index shall mean the BMA Municipal Swap Index or, if the BMA Municipal Swap Index no longer shall be available, the Alternate Variable Rate Tax-Exempt Index.

Pledge

The payment of the principal of and interest on the Electric System Bonds is secured equally and ratably by an irrevocable first lien on (a) the Net Revenues derived from the operation of the Electric System and (b) the amounts on deposit in the Revenue Fund and the Debt Service Account in the Sinking Fund as may from time to time be available therefor, in each such case,

prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, and JEA has irrevocably pledged such Net Revenues from the Electric System and such amounts to the payment of the principal of and interest on the Electric System Bonds. In addition, the payment of the principal of and interest on the Additionally Secured Bonds of each series is additionally secured by the amounts on deposit in the separate subaccount in the Debt Service Reserve Account in the Sinking Fund designated therefor as may from time to time be available therefor, in each such case, prior and superior to all other liens or encumbrances on such amounts, subject only to the provisions of the Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, and JEA has irrevocably pledged such amounts to the payment of the principal of and interest on the Additionally Secured Bonds of such series.

Establishment of Funds and Disposition of Revenues of the Electric System

JEA covenants in the Electric System Resolution that for so long as any of the principal of and interest on any of the Electric System Bonds shall be outstanding and unpaid or, subject to the defeasance provisions of the Electric System Resolution, until there has been set apart in the Debt Service Account and the Debt Service Reserve Account in the Sinking Fund, a sum sufficient to pay or make provision for payment when due the entire principal of the Electric System Bonds remaining unpaid, together with interest accrued or to accrue thereon, JEA will deposit the entire Gross Revenues derived from the ownership or operation of the Electric System upon receipt thereof into the Revenue Fund created and established by the Electric System Resolution. The Electric System Resolution provides that all Revenues at any time remaining on deposit in the Revenue Fund shall be applied monthly only in the following manner and order of priority:

- (1) Revenues shall first be used to pay the Cost of Operation and Maintenance, including Contract Debts.
- (2) From the moneys remaining in the Revenue Fund, the Electric System Resolution provides that JEA shall next deposit into the Sinking Fund created and established by the Electric System Resolution, for credit to the Debt Service Account therein, an amount equal to the aggregate of the Debt Service Requirements for such month for the Electric System Bonds of all series then Outstanding. Such monthly payments shall be reduced proportionately (i) by the amounts of money, if any, which have been deposited in the Debt Service Account out of proceeds from the sale of the Electric System Bonds for the payment of interest thereon and (ii) by the amount of investment income transferred to the Debt Service Account during such month.

The Electric System Resolution further provides that JEA shall pay out of the Debt Service Account to the respective paying agents (i) on or before each interest payment date for any of the Electric System Bonds, the amount required for the interest payable on such date; (ii) on or before the maturity date for any of the Electric System Bonds (other than any Refundable Bonds with respect to which moneys which are not Revenues are available for the payment thereof), the amount required for the principal payable on such date; (iii) on or before the due date for any

Amortization Installment, the amount required to pay the redemption price of the Term Bonds required to be redeemed from such Amortization Installment; and (iv) on or before any redemption date for the Electric System Bonds, the amount required for the payment of interest on the Electric System Bonds then to be redeemed. JEA also shall pay out of the Debt Service Account the accrued interest included in the purchase price of Electric System Bonds purchased for retirement.

In the event of the refunding or defeasance of any Electric System Bonds, JEA may withdraw from the Debt Service Account all or any portion of the amount accumulated therein with respect to the Electric System Bonds being refunded or defeased and deposit such amount in the escrow being established for the Electric System Bonds being refunded or defeased; *provided* that such withdrawal shall not be made unless the amount on deposit in the Debt Service Account after such withdrawal and after the deposit of any amount being deposited therein out of the proceeds of any obligations being issued in connection with such refunding or defeasance shall be at least equal to the amount required to be on deposit therein as of the beginning of the month in which such withdrawal is made as provided in this clause (2).

From the moneys remaining in the Revenue Fund, the Electric System Resolution provides that JEA shall next deposit for credit to each separate subaccount established in the Debt Service Reserve Account in the Sinking Fund, such sums as shall be required so that the balance in each such subaccount, after giving effect to the maximum amount available to be drawn under any irrevocable surety bond, insurance policy or letter of credit deposited to any such subaccount, shall equal the Debt Service Reserve Requirement related thereto as of the last day of the then current month.

If on any day on which the principal or sinking fund redemption price of or interest on the Electric System Bonds shall be due, the amount on deposit in the Debt Service Account in the Sinking Fund shall be less than the amount required to pay such principal, redemption price or interest, then JEA shall apply amounts from each separate subaccount in the Debt Service Reserve Account to the extent necessary to cure the deficiency that exists with respect to the Additionally Secured Bonds secured thereby.

The provisions of the Electric System Resolution provide for the creation of an "Initial Subaccount" within the Debt Service Reserve Account, for the benefit of (a) all Electric System Bonds Outstanding on the date on which the amendments to the Electric System Resolution affected by Article I of the Amending Resolution became effective (February 29, 2000) and (b) all Additional Parity Obligations of any series issued after such date, but only to the extent that the resolution of JEA supplemental to the Electric System Resolution authorizing the Additional Parity Obligations of such series shall specify that such Additional Parity Obligations shall be additionally secured by amounts on deposit in such Initial Subaccount; *provided, however*, that notwithstanding any other provision of the Electric System Resolution, no Capital Appreciation Bonds or Deferred Interest Bonds may be additionally secured by amounts on deposit in the Initial Subaccount. As of the date of the Annual Disclosure Report to which this Appendix is attached, the Initial Subaccount secures JEA's Outstanding Electric System Revenue Bonds, Series Three 2004A, Series Three 2005B, Series Three 2009D, Series Three 2010E, Series Three 2013C, Series Three 2015B, Series Three 2017B, Series Three 2020A, Series Three 2021A, and Series Three 2024A and JEA's Outstanding Variable Rate Electric System Revenue Bonds, Series Three 2008C-3.

In lieu of maintaining moneys or investments in the Initial Subaccount, JEA at any time may cause to be deposited into the Initial Subaccount for the benefit of the Holders of the Additionally Secured Bonds secured thereby an irrevocable surety bond, an insurance policy or a letter of credit (referred to herein as a "reserve fund credit instrument") satisfying the requirements set forth below in an amount equal to the difference between the Debt Service Reserve Requirement for the Initial Subaccount and the sum of moneys or value of Authorized Investments then on deposit in the Initial Subaccount, if any:

(a) A surety bond or insurance policy issued by an insurance company licensed or otherwise qualified to do business in the State of Florida may be deposited in the Initial Subaccount if the claims-paying ability of the issuer thereof is rated "AAA" by Standard & Poor's Credit Market Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), and "Aaa" by Moody's Investors Service ("Moody's").

(b) An unconditional irrevocable letter of credit issued by a bank may be deposited in the Initial Subaccount if the senior, unsecured long-term debt of the issuer thereof is rated at least "AA" by S&P and "Aa2" by Moody's, and if such letter of credit shall be payable in one or more draws upon presentation by the beneficiary thereof of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Additionally Secured Bonds secured by the Initial Subaccount. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify JEA and the beneficiary thereof, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

(c) If such notice indicates that the expiration date shall not be extended, JEA shall deposit in the Initial Subaccount an amount sufficient to cause the cash or Authorized Investments on deposit in the Initial Subaccount, together with any other qualifying reserve fund credit instruments, to equal the Debt Service Reserve Requirement for the Initial Subaccount, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the reserve fund credit instrument is replaced by a reserve fund credit instrument meeting the requirements in either of clauses (a) or (b) above. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The beneficiary of the letter of credit shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Initial Subaccount is fully funded in its required amount.

(d) The use of any reserve fund credit instrument pursuant to this paragraph shall be subject to receipt of an opinion of counsel acceptable to an authorized officer of JEA and in form and substance satisfactory to such authorized officer as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting

creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to an authorized officer of JEA. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to an authorized officer of JEA and in form and substance satisfactory to such authorized officer to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against JEA.

(e) The obligation to reimburse the issuer of a reserve fund credit instrument for any fees, expenses, claim or draws upon such reserve fund credit instrument shall be subordinate to the payment of debt service on the Electric System Bonds. In addition, the right of the issuer of a reserve fund credit instrument to payment or reimbursement for claims or draws under such reserve fund credit instrument and to payment or reimbursement of its fees and expenses shall be prior to the cash replenishment of the Initial Subaccount.

(f) The reserve fund credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If (i) such revolving reinstatement feature is suspended or terminated or (ii) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P "AAA" or a Moody's "Aaa" or (iii) the rating of the issuer of the letter of credit falls below a S&P "AA", JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash or Authorized Investments on deposit in the Initial Subaccount to equal the Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in either of clauses (a) or (b) above within six months of such occurrence. In the event (1) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (2) the rating of the issuer of the letter of credit falls below "A" or (3) the issuer of the reserve fund credit instrument defaults in its payment obligations or (4) the issuer of the reserve fund credit instrument becomes insolvent, JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash or Authorized Investments on deposit in the Initial Subaccount to equal to Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in either of clauses (a) or (b) above within six months of such occurrence.

(g) Where applicable, the amount available for draws or claims under the reserve fund credit instrument may be reduced by the amount of cash or value

of Authorized Investments deposited in the Initial Subaccount pursuant to clause (X) of the final sentence of the preceding clause (f).

(h) In the event that a reserve fund credit instrument shall be deposited into the Initial Subaccount as aforesaid, any amounts owed by JEA to the issuer of such reserve fund credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Electric System Resolution for purposes of (i) the covenant described under the caption "Rate Covenant" below and (ii) the provisions of the Electric System Resolution relating to the issuance of additional Electric System Bonds described under the caption "Issuance of Additional Electric System Bonds" below.

(i) The beneficiary of any reserve fund credit instrument shall ascertain the necessity for a claim or draw upon such reserve fund credit instrument and provide notice to the issuer of the reserve fund credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the reserve fund credit instrument) prior to each interest payment date for the Additionally Secured Bonds secured by the Initial Subaccount.

(j) Cash on deposit in the Initial Subaccount shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any reserve fund credit instrument. If and to the extent that more than one reserve fund credit instrument is deposited in the Initial Subaccount, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

On February 27, 2001, simultaneously with the issuance of JEA's Electric System Revenue Bonds, Series Three 2001A and Series Three 2001B, JEA caused Ambac Assurance Corporation ("Ambac Assurance") to issue a surety bond (the "Ambac Surety Bond") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Ambac Surety Bond is in an initial amount equal to \$32,447,452.51; is non-cancelable; expires on the earlier of (i) October 1, 2035 or (ii) the date on which JEA, to the satisfaction of Ambac Assurance, has made all payments required to be made on all Electric System Bonds that are additionally secured by amounts on deposit in the Initial Subaccount pursuant to the Electric System Resolution; and satisfied the requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount. Because of a rating downgrade of Ambac Assurance, JEA has made deposits to the Initial Subaccount in the amount of the Ambac Surety Bond.

On May 30, 2002, simultaneously with the issuance of JEA's Electric System Revenue Bonds, Series Three 2002A, JEA caused Assured Guaranty Municipal Corp., previously known as Financial Security Assurance Inc. ("FSA") to issue a municipal bond debt service reserve insurance policy (the "Initial FSA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Initial FSA Reserve Policy is in an initial amount equal to

\$4,078,745.00; is non-cancelable; terminates on October 1, 2041; and satisfied the requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount.

On May 19, 2004, simultaneously with the issuance of JEA's Electric System Revenue Bonds, Series Three 2004A (the "Series Three 2004A Bonds"), JEA caused FSA to issue a municipal bond debt service reserve insurance policy (the "Second FSA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Second FSA Reserve Policy is in an initial amount equal to \$4,397,006.50, is non-cancelable, terminates on October 1, 2039 or earlier retirement of the Series Three 2004A Bonds (including any Electric System Bonds issued to refund the Series Three 2004A Bonds) and satisfied the requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount.

On January 13, 2005, simultaneously with the issuance of JEA's Electric System Revenue Bonds, Series Three 2005A (the "Series Three 2005A Bonds") and Electric System Revenue Bonds, Series Three 2005B, JEA caused FSA to issue a municipal bond debt service reserve insurance policy (the "Third FSA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Third FSA Reserve Policy is in an initial amount equal to \$3,187,521.69, is non-cancelable, terminates on October 1, 2039 or earlier retirement of the Series Three 2005A Bonds (including any Electric System Bonds issued to refund the Series Three 2005A Bonds) and satisfied the requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount.

On July 28, 2005, simultaneously with the issuance of JEA's Electric System Revenue Bonds, Series Three 2005D (the "Series Three 2005D Bonds"), JEA caused FSA to issue a municipal bond debt service reserve insurance policy (the "Fourth FSA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Fourth FSA Reserve Policy is in an initial amount equal to \$1,404,275.00, is non-cancelable, terminates on October 1, 2035 or earlier retirement of the Series Three 2005D Bonds (including any Electric System Bonds issued to refund the Series Three 2005D Bonds) and satisfied the requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount.

On August 17, 2005, JEA caused FSA to issue a municipal bond debt service reserve insurance policy (the "Fifth FSA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Fifth FSA Reserve Policy is in an initial amount equal to \$4,713,125.05, is non-cancelable, terminates on October 1, 2039 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount.

On January 31, 2007, simultaneously with the issuance of JEA's Variable Rate Electric System Revenue Bonds, Series Three 2007A, JEA caused CIFG Assurance North America, Inc. ("CIFG") to issue a surety bond (the "Initial CIFG Surety Bond") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Initial CIFG Surety Bond is in an initial amount of \$3,449,634.19, is non-cancelable, terminates on October 1, 2041 and satisfied the

requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount.

On July 10, 2007, simultaneously with the issuance of JEA's Variable Rate Electric System Revenue Bonds, Series Three 2007B, JEA caused CIFG to issue a surety bond (the "Second CIFG Surety Bond") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Second CIFG Surety Bond is in an initial amount of \$1,426,000.00, is non-cancelable, terminates on October 1, 2037 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount.

Because of a rating downgrade of CIFG, JEA has made deposits to the Initial Subaccount in the aggregate amount of the Initial CIFG Surety Bond and the Second CIFG Surety Bond.

On October 25, 2007, simultaneously with the issuance of JEA's Electric System Revenue Bonds, Series Three 2007C, JEA caused MBIA Insurance Corporation ("MBIA") to issue a Debt Service Reserve Fund Surety Bond (the "MBIA Surety Bond") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The MBIA Surety Bond is in an initial amount equal to \$1,136,269.17, is non-cancelable, terminates on October 1, 2042 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount. Effective as of January 1, 2009, MBIA Inc., parent company of MBIA, restructured MBIA; such restructuring involved the reinsurance and assignment of MBIA's obligations under the MBIA Surety Bond to National Public Finance Guarantee Corporation ("NPFGC") which is a subsidiary of MBIA Inc. Because of a rating downgrade of MBIA, JEA has made deposits to the Initial Subaccount in the amount of the MBIA Surety Bond.

On January 31, 2008, simultaneously with the issuance of JEA's Variable Rate Electric System Revenue Bonds, Series Three 2008A (the "Series Three 2008A Bonds"), JEA caused FSA to issue a municipal bond debt service reserve insurance policy (the "Seventh FSA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Seventh FSA Reserve Policy is in an initial amount equal to \$7,500,000, is non-cancelable, terminates on October 1, 2036 or earlier retirement of the Series Three 2008A Bonds (including any Electric System Bonds issued to refund the Series Three 2008A Bonds) and satisfied the requirements with respect to a reserve fund credit instrument contained in the Electric System Resolution at the time of its deposit to the Initial Subaccount.

Because of a rating downgrade of FSA, JEA has made deposits to the Initial Subaccount in the aggregate amount of the Initial FSA Reserve Policy, the Second FSA Reserve Policy, the Third FSA Reserve Policy, the Fourth FSA Reserve Policy, the Fifth FSA Reserve Policy, the Sixth FSA Reserve Policy and the Seventh FSA Reserve Policy.

JEA may, by supplemental resolution, create within the Debt Service Reserve Account one or more additional subaccounts, for the benefit of such series of Electric System Bonds as may be specified in, or determined pursuant to, such supplemental resolution. In lieu of maintaining moneys or investments in any such subaccount, JEA at any time may cause to be deposited into such subaccount for the benefit of the Holders of the Additionally Secured Bonds secured thereby

an irrevocable surety bond, an insurance policy or a letter of credit satisfying the requirements set forth in such supplemental resolution in an amount equal to the difference between the Debt Service Reserve Requirement for such subaccount and the sum of moneys or value of Authorized Investments then on deposit therein, if any.

If by reason of the retirement upon maturity or the refunding or the defeasance of any Additionally Secured Bonds, or for any other reason, there shall be on deposit to the credit of the particular subaccount in the Debt Service Reserve Account securing such Additionally Secured Bonds any surplus of funds over and above the Debt Service Reserve Requirement related thereto, such surplus may be withdrawn therefrom by JEA and deposited in the General Reserve Fund. In the event of the refunding or defeasance of any Additionally Secured Bonds, JEA may withdraw from the particular subaccount in the Debt Service Reserve Account securing such Additionally Secured Bonds all or any portion of the amount accumulated therein with respect to the Additionally Secured Bonds being refunded or defeased and deposit such amount in the escrow being established for such Additionally Secured Bonds being refunded or defeased; *provided* that such withdrawal shall not be made unless the amount on deposit in such subaccount in the Debt Service Reserve Account after such withdrawal and after the deposit of any amount being deposited therein out of the proceeds of any obligations being issued in connection with such refunding or defeasance shall be at least equal to the Debt Service Reserve Requirement related thereto.

JEA shall not be required to make any further payments into the Sinking Fund when the aggregate amount of money in both the Debt Service Account and the Debt Service Reserve Account in the Sinking Fund is at least equal to the entire principal of the Electric System Bonds then Outstanding, together with interest accrued and to accrue thereon, plus the amount of redemption premium, if any, then due and thereafter to become due on such Electric System Bonds then Outstanding by operation of the Debt Service Account to satisfy Amortization Installments.

(4) The Electric System Resolution provides that moneys remaining in the Revenue Fund shall next be used by JEA (a) for payment of the principal and interest and redemption premium, if any, on any Subordinated Bonds, (b) to make payments required to be made in respect of (i) debt service on any obligations incurred by JEA in connection with the financing of any separate bulk power supply utility or system undertaken by JEA and any additional amounts relating to "debt service coverage" with respect thereto and (ii) deposits into any renewal and replacement or other similar fund or account established with respect to any such separate bulk power supply utility or system (in each such case, other than the St. Johns River Power Park System) and (c) to make payments in respect of any other arrangement(s) for the supply of power and/or energy to the Electric System for resale as may be determined by JEA to be payable pursuant to this clause (4). See "Proposed Amendments to the Electric System Resolution" below for a discussion of a proposed amendment to the foregoing provision.

(5) Moneys remaining in the Revenue Fund shall next be used by JEA for transfer to the Rate Stabilization Fund created and established pursuant to the Electric System Resolution, in the amount, if any, budgeted for deposit into such Fund for the then current month as set forth in the then current annual budget for

the Electric System or the amount otherwise determined by an authorized officer of JEA to be credited to such Fund for the month.

Each month JEA shall transfer from the Rate Stabilization Fund to the Revenue Fund the amount budgeted for transfer into such Fund for the then current month as set forth in the then current annual budget for the Electric System or the amount otherwise determined by an authorized officer of JEA to be deposited into such Fund for the month.

JEA may, from time to time, withdraw amounts on deposit in the Rate Stabilization Fund and (i) transfer such amounts to any other Fund or Account established under the Electric System Resolution, (ii) use such amounts to purchase or redeem Electric System Bonds and/or Subordinated Bonds and/or indebtedness of JEA incurred in connection with any separate bulk power supply utility or system, (iii) use such amounts to otherwise provide for the payment of Electric System Bonds and/or Subordinated Bonds and/or indebtedness of JEA incurred in connection with any separate bulk power supply utility or system or interest thereon, or (iv) use such amounts for any other lawful purpose in connection with the Electric System. In addition, if on any date on which the principal or sinking fund redemption price of, or interest on, any Electric System Bonds shall be payable and the sum of the amounts attributable to such Electric System Bonds on deposit in the Debt Service Account and, if such Electric System Bonds shall be Additionally Secured Bonds, the separate subaccount in the Debt Service Reserve Account securing such Additionally Secured Bonds, together with (X) the amount, if any, withdrawn from the Renewal and Replacement Fund for such purpose as described in the final sentence of the second paragraph of clause (6) below and (Y) the amount, if any, withdrawn from the General Reserve Fund for such purpose as described in the final sentence of clause (7) below, shall not be sufficient to pay such principal or redemption price and/or interest, then JEA shall withdraw from the Rate Stabilization Fund and apply to such payment the amount of such insufficiency.

(6) Moneys remaining in the Revenue Fund shall next be used by JEA to maintain the Renewal and Replacement Fund, and JEA shall pay into said Fund from the Revenue Fund a sum not less than one-twelfth (1/12) of 10 percent of the net revenues of the Electric System for the preceding Fiscal Year pursuant to, and as said net revenues are defined by, Chapter 22341, Laws of Florida, Acts of 1943 and similarly defined by Chapter 80-515, Laws of Florida. In addition to the foregoing, JEA shall pay such additional monthly amount into the Renewal and Replacement Fund as shall make the total annual payment equal to at least five percent of the Gross Revenues of the Electric System for the preceding Fiscal Year. Said Renewal and Replacement Fund shall be kept separate and apart from all other funds of JEA.

The moneys in the Renewal and Replacement Fund shall be used for the purposes of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of, the Electric System, the payment of extraordinary

operation and maintenance costs and contingencies and payments with respect to the prevention or correction of any unusual loss or damage in connection with all or part of the Electric System, all to the extent not paid as a part of the Cost of Operation and Maintenance or from the proceeds of Electric System Bonds, Subordinated Bonds or other evidences of indebtedness of JEA. Amounts in the Renewal and Replacement Fund also may be applied (a) to the purchase, redemption, payment or provision for payment of Electric System Bonds and/or Subordinated Bonds and/or indebtedness of JEA incurred in connection with any separate bulk power supply utility or system or interest thereon or (b) upon determination of JEA, to the payment of the costs of enlargements, extensions, improvements and replacements of capital assets of any other utility system owned and operated by JEA and not constituting a part of the Electric System. In addition, if on any date on which the principal or sinking fund redemption price of, or interest on, any Electric System Bonds shall be payable and the sum of the amounts attributable to such Electric System Bonds on deposit in the Debt Service Account and, if such Electric System Bonds shall be Additionally Secured Bonds, the separate subaccount in the Debt Service Reserve Account securing such Additionally Secured Bonds, together with the amount, if any, withdrawn from the General Reserve Fund for such purpose as described in the final sentence of clause (7) below, shall not be sufficient to pay such principal or redemption price and/or interest, then JEA shall withdraw from the Renewal and Replacement Fund and apply to such payment the amount of such insufficiency.

Notwithstanding the foregoing provisions of this clause (6), the failure of JEA to make the above described payments into the Renewal and Replacement Fund in any month in any Fiscal Year shall not constitute a default on the part of JEA; *provided* that any deficiencies therefor shall have been restored prior to the end of such Fiscal Year; and *provided, further*, that the full amount required to be deposited in said Renewal and Replacement Fund in such Fiscal Year shall have been deposited therein by the end of such Fiscal Year.

(7) The balance of any moneys remaining in the Revenue Fund after the above required payments have been made may, at the option of JEA, be deposited into the General Reserve Fund created and established pursuant to the Electric System Resolution. Moneys in the General Reserve Fund may be used by JEA for any lawful purpose of JEA (including, but not limited to, (a) the purchase, redemption or provision for payment of any of the Electric System Bonds and/or Subordinated Bonds and/or indebtedness of JEA incurred in connection with any separate bulk power supply utility or system and (b) transfers to any utility system owned and/or operated by JEA currently or in the future) not otherwise prohibited by the Electric System Resolution; *provided, however*, the Electric System Resolution provides that none of the remaining moneys shall be used for any purpose other than those described in the preceding clauses (1) through (6) unless all current payments, including all deficiencies in prior payments, if any, have been made in full and unless JEA shall have complied fully with all the covenants and provisions of the Electric System Resolution. In addition, if on any date on which the principal or sinking fund redemption price of, or interest on, any Electric System

Bonds shall be payable and the sum of the amounts attributable to such Electric System Bonds on deposit in the Debt Service Account and, if such Electric System Bonds shall be Additionally Secured Bonds, the separate subaccount in the Debt Service Reserve Account securing such Additionally Secured Bonds shall not be sufficient to pay such principal or redemption price and/or interest, then JEA shall withdraw from the General Reserve Fund and apply to such payment the amount of such insufficiency.

During any period in which the Debt Service Requirement for any series of Bonds containing Build America Bonds shall be calculated in the manner provided in the *proviso* of clause (1) of the first paragraph of the definition thereof, no later than each interest payment date for such Build America Bonds then Outstanding, JEA shall withdraw from the Revenue Fund and transfer to the Debt Service Account in the Sinking Fund an amount equal to the amount of the cash subsidy payment payable to JEA by the U.S. Treasury in respect of the interest payable on such Build America Bonds on such interest payment date. Any cash subsidy payment received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall be deposited by JEA upon the receipt thereof in the Revenue Fund, but no such payment shall constitute Revenues for any purpose of the Electric System Resolution.

The Revenue Fund, the Sinking Fund, the Rate Stabilization Fund, the Renewal and Replacement Fund, the General Reserve Fund and any other special funds and accounts established and created in the Electric System Resolution shall be continuously secured in the same manner as municipal deposits are required to be secured by the laws of the State of Florida.

The Electric System Resolution provides that the designation and establishment of the various funds, accounts and subaccounts in and by the Electric System Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an allocation of certain revenues and assets of the Electric System for certain purposes and to establish certain priorities for application of such revenues and assets as provided in the Electric System Resolution. Without limiting the generality of the foregoing, the pledges in favor of the Electric System Bonds established by the Electric System Resolution shall be limited to those items specified in the Electric System Resolution, and nothing contained in the Electric System Resolution shall be deemed to pledge in favor of the Holders of the Electric System Bonds amounts on deposit in the Rate Stabilization Fund, the Renewal and Replacement Fund or the General Reserve Fund.

Investments

Moneys on deposit in any fund or account established pursuant to the Electric System Resolution may be invested and reinvested in Authorized Investments; *provided* such investments either mature or are redeemable at not less than par at the option of JEA not later than the dates on which such moneys will be needed for the purposes of such fund or account, but in no event shall any such investment mature later than 30 years from the date of its purchase. Unless otherwise determined by an authorized officer of JEA, all income on investments in the Debt Service Account and each separate subaccount in the Debt Service Reserve Account in the Sinking Fund shall be deposited, as received, in the Debt Service Account, all income on investments in the Rate

Stabilization Fund, the Renewal and Replacement Fund and the General Reserve Fund shall be deposited, as received, in the Revenue Fund and all income on investments in the Revenue Fund shall be retained therein.

Rate Covenant

JEA covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use or the sale of the products, services and facilities of the Electric System which will always provide Revenues in each Fiscal Year sufficient to pay (1) 100 percent of all Costs of Operation and Maintenance, including Contract Debts, of the Electric System in such Fiscal Year, (2) 120 percent of the Debt Service Requirement on all Bonds Outstanding during such Fiscal Year and (3) any additional amount required to make all reserve or other payments required to be made in such Fiscal Year by the Electric System Resolution. For purposes of this covenant, the Electric System Resolution provides that Revenues shall not include any proceeds from the sale of assets of the Electric System or any proceeds of insurance (other than business interruption insurance). Such rates, fees, rentals or other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Issuance of Additional Electric System Bonds

Additional Parity Obligations. JEA may issue Additional Parity Obligations for any lawful purpose of JEA relating to the Electric System (other than for the purpose of financing or refinancing the generating facilities of the Electric System) or to refund any of the Electric System Bonds and/or the interest payable thereon issued for any such purpose, upon satisfaction of the following conditions on or prior to the date of the issuance of the first Bonds of a particular series and/or installment:

(1) The Net Revenues for any 12 consecutive month period within the 24 consecutive months immediately preceding the date of sale of such Additional Parity Obligations shall have been at least equal to 1.20 times the Maximum Aggregate Adjusted Debt Service Requirement for all Electric System Bonds then Outstanding and such Additional Parity Obligations. This requirement need not be met if the Additional Parity Obligations are to be issued for the purpose of refunding any Electric System Bonds and/or interest thereon.

(2) The Net Revenues for such 12 month period may be adjusted for the purposes of the calculation required by paragraph (1) above to (a) reflect for such period revisions in the rates, fees, rentals and other charges of JEA for the product and services of the Electric System made after the commencement of such period and preceding the date of sale of such Additional Parity Obligations; (b) reflect any increase in Net Revenues due to any new facilities of the Electric System having been placed into use and operation subsequent to the commencement of such period and prior to the date of sale of such Additional Parity Obligations; and (c) include an amount equal to the average annual contribution to Net Revenues for the first three full Fiscal Years commencing after the date of completion thereof estimated

to be made by the facilities to be acquired and constructed with the proceeds of such Additional Parity Obligations.

(3) Except in the case of any series of refunding Additional Parity Obligations, JEA shall not be in default in performing any of the covenants and obligations assumed under the Electric System Resolution, and all payments required by the Electric System Resolution to have been made into the funds and accounts shall have been made to the full extent required.

For purposes of the foregoing provisions, Net Revenues shall not include any proceeds from the sale of assets of the Electric System or any proceeds of insurance (other than business interruption insurance).

Notwithstanding anything to the contrary contained in the Electric System Resolution, in the event that any Electric System Bonds that bear interest at a variable or floating rate contain provisions that allow the principal amount thereof to be repaid on an accelerated basis in the event that such Electric System Bonds are purchased by the Credit Enhancer therefor or the provider of liquidity support therefor and, in either such case, are not remarketed, for purposes of the foregoing provisions, such accelerated repayment shall not be taken into account, and compliance with such condition shall be determined based upon the scheduled due date(s) of principal of such Electric System Bonds, irrespective of any such accelerated repayment.

Bank Bonds. One or more series of Bank Bonds may be issued prior to or concurrently with the issuance of the Electric System Bonds of an installment for which Credit Enhancement or liquidity support is being provided with respect to such Electric System Bonds (or a maturity or maturities thereof) by a third-party. Such Bank Bonds shall be issued for the purpose of evidencing JEA's obligation to repay any advances or loans made to, or on behalf of, JEA in connection with such Credit Enhancement or liquidity support; *provided, however*, that the stated maximum principal amount of any such series of Bank Bonds shall not exceed the aggregate principal amount of the Electric System Bonds with respect to which such Credit Enhancement or liquidity support is being provided, and such number of days' interest thereon as JEA shall determine prior to the issuance thereof, but not in excess of 366 days' interest thereon, computed at the maximum interest rate applicable thereto. Notwithstanding anything to the contrary contained in the Electric System Resolution, Bank Bonds need not be taken into account for purposes of the provisions of the Electric System Resolution relating to the issuance of additional Electric System Bonds described under the caption "*Additional Parity Obligations*" above.

Redemption

The Electric System Bonds or any portions thereof shall be subject to redemption prior to their respective stated dates of maturity, at the option of JEA, at such times and in such manner as shall be determined by resolution of JEA supplemental to the Electric System Resolution adopted prior to the sale thereof.

Unless otherwise provided in such supplemental resolution, notice of such redemption shall, at least 30 days prior to the redemption date (i) be filed with the paying agent, and (ii) be mailed, postage prepaid, to all Registered Owners of Electric System Bonds to be redeemed at

their addresses as they appear of record on the books of the Registrar as of 45 days prior to the date fixed for redemption. Unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, interest shall cease to accrue on any Electric System Bond duly called for prior redemption on the redemption date, if payment thereof has been duly provided. The privilege of transfer or exchange of any of the Electric System Bonds so called for redemption is suspended for a period commencing 15 calendar days preceding the mailing of the notice of redemption and ending on the date fixed for redemption.

Certain Other Covenants

No Mortgage or Sale of the Electric System. JEA covenants that it will not sell physical properties of the Electric System having an aggregate depreciated cost of 90% or more of the total depreciated cost of all of the physical properties of the Electric System at the time, nor will it create or cause to be created any mortgage or other lien on such properties to secure the repayment of borrowed money or the payment of the deferred purchase price of property.

Corporate Reorganization. JEA reserves the right in the Electric System Resolution to effect a reorganization of its corporate structure in any manner whatsoever permitted pursuant to the laws of the State of Florida; *provided, however*, that no such reorganization may be undertaken if the result thereof would adversely affect the security for the Electric System Bonds.

No Free Service. JEA will not furnish or supply or cause to be furnished or supplied any use, output, capacity or service of the Electric System, free of charge to any person, firm or corporation, public or private, nor will any preferential rates be established for users of the same class. Whenever the City, including its departments, agencies and instrumentalities, shall avail itself of the product, facilities or services provided by the Electric System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the City and any such department, agency or instrumentality. Such charges shall be paid as they accrue, and the City shall transfer to JEA for deposit into the Revenue Fund sufficient sums to pay such charges. The revenues so received shall be deemed to be Revenues derived from the operation of the Electric System and shall be deposited and accounted for in the same manner as other Revenues derived from such operation of the Electric System.

Defaults and Remedies

If one or more of the following events of default shall happen:

(A) if default shall be made in the due and punctual payment of the principal (including Amortization Installments) or redemption price of any Electric System Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(B) if default shall be made in the due and punctual payment of any installment of interest on any Electric System Bond when and as such interest installment shall become due and payable and such default shall continue for a period of 30 days;

(C) if default shall be made by JEA in the performance or observance of any other of the covenants or agreements in the Electric System Resolution or in the Electric System Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to JEA by the Holders of not less than 10 percent in principal amount of the Electric System Bonds outstanding;

(D) if there shall occur the dissolution (without a successor being named to assume the rights and obligations) or liquidation of JEA or the filing by JEA of a voluntary petition in bankruptcy, or adjudication of JEA as a bankrupt, or assignment by JEA for the benefit of its creditors, or the entry by JEA into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to JEA in any proceeding for its reorganization instituted under the provisions of the Bankruptcy Code, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted; or

(E) if an order or decree shall be entered, with the consent or acquiescence of JEA, appointing a receiver or receivers of the Electric System, or any part thereof, or of the rents, fees, charges or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of JEA, shall not be vacated or discharged or stayed within 90 days after the entry thereof;

then, and in each and every such case, so long as such event of default shall not have been remedied, unless the principal of all the Electric System Bonds shall have already become due and payable, the Holders of not less than 25 percent in principal amount of the Electric System Bonds outstanding (by notice in writing to JEA), may declare the principal of all the Electric System Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything contained to the contrary in the Electric System Resolution or in any of the Electric System Bonds notwithstanding. The right of the Holders of not less than 25 percent in principal amount of the Electric System Bonds to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Electric System Bonds shall have matured by their terms, all overdue installments of interest upon the Electric System Bonds, together with interest on such overdue installments of interest to the extent permitted by law and all other sums then payable by JEA under the Electric System Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall either be paid by or for the account of JEA or provision shall be made for such payment, and all defaults under the Electric System Bonds or under the Electric System Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or adequate provision shall be made therefor, then and in every such case the Holders of 25 percent in principal amount of the Electric System Bonds outstanding, by written notice to JEA, may rescind such declaration and annul such default in its entirety, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

The Electric System Resolution provides that, if not in default in respect of any of its obligations with respect to Credit Enhancement for Electric System Bonds, the Credit Enhancer

for, and not the actual Holders of, Electric System Bonds for which such Credit Enhancement is being provided will be deemed to be the Holder of such Electric System Bonds at all times for the purposes of giving any approval or consent, exercising any remedies or taking any other actions in respect of the occurrence of an event of default under the Electric System Resolution. See "Action by Credit Enhancer When Action by Holders of Electric System Bonds Required" herein.

Issuance of Other Obligations

Except for Contract Debts and obligations, if any, permitted to be issued by JEA to finance the costs of any separate electric generating utility or system as described under "Creation of Separate Bulk Power Utilities or Systems" below, payable as a Cost of Operation and Maintenance, JEA will not issue any other obligations payable from the Revenues of the Electric System, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Electric System Bonds and the interest thereon, upon said Revenues except under the conditions and in the manner provided in the Electric System Resolution. Any obligations issued by JEA other than Contract Debts and any obligations permitted to be issued by JEA to finance the costs of any separate electric generating utility or system as described under "Creation of Separate Bulk Power Utilities or Systems" below, payable as a Cost of Operation and Maintenance, the Electric System Bonds, and Additional Parity Obligations provided for in the Electric System Resolution, payable from such Revenues, shall contain an express statement that such obligations are junior and subordinate in all respects to the Electric System Bonds authorized pursuant to the Electric System Resolution, as to lien on and source and security for payment from such Revenues. Without limiting the generality of the foregoing, Subordinated Bonds may be issued for any purpose of JEA relating to the Electric System including, without limitation, to refund Electric System Bonds and to finance any lawful purpose of JEA relating to the Electric System (including, without limitation, financing the costs of additions, extensions and improvements to the generating facilities of the Electric System and purposes incidental thereto).

Creation of Separate Bulk Power Utilities or Systems

Notwithstanding any other provisions of the Electric System Resolution to the contrary, JEA shall be authorized to construct or acquire and own and/or operate, either individually or acting jointly with any other Person located either within or without the State of Florida, other electric generating utilities or systems for the purpose of furnishing and supplying electric energy.

JEA shall be further authorized to issue its bonds, notes or other obligations to finance the cost of any such separate electric generating utility or system, which obligations shall be payable as provided in clause (4) under the caption "Establishment of Funds and Disposition of Revenues of the Electric System" herein (except that the obligation of JEA to make payments required to be made in respect of the St. Johns River Power Park System and the Bulk Power Supply System Projects shall be deemed Contract Debts, and shall be paid as a Cost of Operation and Maintenance of the Electric System).

None of the revenues derived by JEA from the operation of any such separate system shall be deemed to be Revenues of the Electric System under the Electric System Resolution.

Defeasance

If, at any time, JEA shall have paid or shall have made provision for payment of the principal, interest and redemption premiums, if any, with respect to any of the Electric System Bonds, then the pledge of and lien on the Net Revenues and other amounts pledged under the Electric System Resolution in favor of the Holders of such Electric System Bonds shall be no longer in effect, and such Electric System Bonds shall no longer be deemed to be Outstanding under the Electric System Resolution. For purposes of the preceding sentence, and unless otherwise provided with respect to the Electric System Bonds of a particular series in the supplemental resolution specifying the details of such Electric System Bonds, deposit by JEA of any of the following securities:

(i) any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America;

(ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable for redemption prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) above on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in any of clauses (i), (ii) or (v) under this caption; *provided* that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination by federal, state, territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$50,000,000;

(iv) certificates of deposit, whether negotiable or non-negotiable, fully secured as to principal and interest by bonds or other obligations of the character described in clause (i) above;

(v) obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision which are not callable for redemption prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, and which shall be rated in the highest whole rating category by at least two nationally recognized statistical rating organizations; and

(vi) Investment Agreements;

in irrevocable trust with a banking institution or trust company, for the sole benefit of the Holders of such Electric System Bonds, in respect of which such securities the principal and interest received will be sufficient to make timely payment of the principal of and interest and redemption premiums, if any, on such Electric System Bonds (or like deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance) shall be considered "provision for payment."

Nothing in the Electric System Resolution shall be deemed to require JEA to call any Electric System Bond for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of JEA in determining whether to exercise any such option for early redemption.

Amendments

The Electric System Resolution provides that no material modification or amendment of the Electric System Resolution or of any resolution amendatory or supplemental to the Electric System Resolution may be made without the consent in writing of the Holders of not less than a majority in principal amount of the Electric System Bonds then Outstanding affected by such modification or amendment; *provided, however*, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation or affecting the unconditional promise of JEA to pay the principal of and interest on the Electric System Bonds as the same shall come due from the Net Revenues of the Electric System or reduce the percentage or otherwise affect the classes of Electric System Bonds the consent of the Holders of which is required to effect any material modification or amendment of the Electric System Resolution without the consent in writing of the Holder or Holders of all such Electric System Bonds. For the purpose of amending the Electric System Resolution, any Electric System Bond shall be deemed to be affected by a modification or amendment of the Electric System Resolution if the same adversely affects or diminishes the rights of the Holder of such Electric System Bond. JEA may in its discretion determine whether or not in accordance with the foregoing powers of amendment any Electric System Bonds would be

affected by any modification or amendment of the Electric System Resolution and any such determination shall, absent manifest error, be binding and conclusive on JEA and all Holders of Electric System Bonds. For the purpose of amending the Electric System Resolution, a change in the terms of redemption of any Outstanding Electric System Bond shall be deemed only to affect such Electric System Bond and shall be deemed not to affect any other Electric System Bond. See "Action by Credit Enhancer When Action by Holders of Electric System Bonds Required" herein.

The resolutions supplemental to the Electric System Resolution authorizing JEA's Variable Rate Electric System Revenue Bonds, Series Three 2008A, Series Three 2008B-1, Series Three 2008B-2, Series Three 2008B-3, Series Three 2008B-4, Series Three 2008C-1, Series Three 2008C-2, Series Three 2008C-3 and Series Three 2008D-1 (collectively, the "Prior Series Variable Rate Electric System Bonds") provide that in the event that JEA shall adopt any resolution supplemental to the Electric System Resolution making any amendment to the Electric System Resolution for which the consent of the Holders of the Prior Series Variable Rate Electric System Bonds of a particular Series shall be required (hereinafter in this paragraph referred to as an "Amending Resolution"), an authorized officer of JEA may deliver to the Tender Agent for the Prior Series Variable Rate Electric System Bonds of such Series a certificate requiring that the Prior Series Variable Rate Electric System Bonds of such Series be subject to mandatory tender for purchase at the time and in the manner provided in said Supplemental Resolutions. Following the date on which such mandatory tender shall occur, all subsequent Holders of the Prior Series Variable Rate Electric System Bonds of such Series shall be deemed to have consented to such Amending Resolution, notwithstanding anything to the contrary contained in the Electric System Resolution. JEA intends to include this provision in each resolution supplemental to the Electric System Resolution it may adopt in the future authorizing the issuance of any Series of additional Electric System Bonds that bear interest at a variable or floating rate.

Action by Credit Enhancer When Action by Holders of Electric System Bonds Required

Except as otherwise provided in a supplemental resolution authorizing Electric System Bonds for which Credit Enhancement is being provided, if not in default in respect of any of its obligations with respect to such Credit Enhancement for the Electric System Bonds for which such Credit Enhancement is provided, the Credit Enhancer for, and not the actual Holders of, such Electric System Bonds for which such Credit Enhancement is being provided, shall be deemed to be the Holder of such Electric System Bonds as to which it is the Credit Enhancer at all times for the purpose of (i) giving any approval or consent to any amendment, change or modification of the Electric System Resolution which requires the written consent of Holders; *provided, however*, that the foregoing shall not apply to any change in the maturity of such Electric System Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation or affecting the unconditional promise of JEA to pay the principal of and interest on the Electric System Bonds as the same shall come due from the Net Revenues of the Electric System or reduce the percentage or otherwise affect the classes of Electric System Bonds the consent of the Holders of which is required to effect any material modification or amendment of the Electric System Resolution and (ii) giving any approval or consent, exercising any remedies or taking any other action in accordance with the provisions of the Electric System Resolution relating to events of default and remedies.

Special Provisions Relating to Capital Appreciation Bonds and Deferred Interest Bonds

The principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Interest Bonds becoming due at maturity or by virtue of an Amortization Installment shall be included in the calculations of accrued and unpaid and accruing interest or principal or Amortization Installments made for purposes of (a) the definitions of Adjusted Debt Service Requirement, Debt Service Requirement Debt Service Reserve Requirement and Maximum Aggregate Adjusted Debt Service Requirement and (b) the monthly deposits to the Debt Service Account in the Sinking Fund described in clause (2) under the caption "Establishment of Funds and Disposition of Revenues of the Electric System" herein only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

For purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Bond if the principal of all Electric System Bonds is declared immediately due and payable following an event of default or (iii) computing the principal amount of Electric System Bonds held by the Holder of a Capital Appreciation Bond in giving to JEA any notice, consent, request or demand pursuant to the Electric System Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then current Accreted Value.

For purposes of (i) receiving payment of the redemption price if a Deferred Interest Bond is redeemed prior to maturity, or (ii) receiving payment of a Deferred Interest Bond if the principal of all Electric System Bonds is declared immediately due and payable following an event of default or (iii) computing the principal amount of Electric System Bonds held by the Holder of a Deferred Interest Bond in giving to JEA any notice, consent, request, or demand pursuant to the Electric System Resolution for any purpose whatsoever, the principal amount of a Deferred Interest Bond shall be deemed to be its then current Appreciated Value.

Special Provisions Relating to Bank Bonds

Except as otherwise provided in the resolution of JEA supplemental to the Electric System Resolution authorizing a series of Bank Bonds, for the purposes of (i) receiving payment of a Bank Bond, whether at maturity, upon redemption or if the principal of all Electric System Bonds is declared immediately due and payable following an event of default under the Electric System Resolution or (ii) computing the principal amount of Electric System Bonds held by the Holder of a Bank Bond in giving to JEA any notice, consent, request, or demand pursuant to the Electric System Resolution for any purpose whatsoever, the principal amount of a Bank Bond shall be deemed to be the actual principal amount that JEA shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, JEA in connection with the Electric System Bonds of the installment or maturity for which such Bank Bond has been issued to evidence JEA's obligation to repay any advances or loans made in respect of the Credit Enhancement or liquidity support provided for such Electric System Bonds, less any prior repayments thereof.

Proposed Amendments to the Electric System Resolution

May 1998 Amending Resolution. In addition to certain amendments to the Electric System Resolution that heretofore have become effective, the May 1998 Amending Resolution provides for the amendment of certain provisions of the Electric System Resolution relating to the priority of payments from the Electric System with respect to the Power Park (the "Power Park Amendment"), in a manner requiring (i) the consent of FPL, (ii) the consent of the holders of 60 percent or more in principal amount of the Power Park Issue Two Bonds¹ outstanding and (iii) the consent of the holders of a majority in principal amount of the Power Park Issue Three Bonds outstanding. To date, JEA has not solicited any consents to the Power Park Amendment and has no intention of soliciting any such consents in the future.

These amendments to the Electric System Resolution contained in the May 1998 Amending Resolution amend the provisions of the Electric System Resolution relating to the priority of payments with respect to the Power Park to provide that payments with respect to (i) debt service on obligations issued by JEA with respect to the Power Park (including the Power Park Issue Two Bonds¹ and the Power Park Issue Three Bonds) and any additional amounts relating to "debt service coverage" with respect thereto and (ii) deposits into any renewal and replacement or similar fund with respect to the Power Park will no longer constitute a portion of the Cost of Operation and Maintenance, but will be payable on a parity with Subordinated Bonds (as defined in the Electric System Resolution) that may be issued in accordance with the provisions of the Electric System Resolution, including the Subordinated Electric System Bonds.

The amendments to the Electric System Resolution contained in the May 1998 Amending Resolution also would have amended the provisions of the Electric System Resolution relating to the priority of payments with respect to the Scherer 4 Project (and any other project that may be financed under the Restated and Amended Bulk Power Supply System Resolution in a manner similar to that described above with respect to the Power Park, but the amendments relating to the Scherer 4 Project (and any other project that may be financed under the Restated and Amended Bulk Power Supply System Resolution) were rescinded by JEA in conjunction with the adoption of the Restated and Amended Bulk Power Supply System Resolution.

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¹ The Power Park Issue Two Bonds were defeased on January 5, 2018 in connection with the shutdown of SJRPP and are no longer outstanding.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION

The following is a summary of certain provisions of the Subordinated Electric System Resolution. Summaries of certain definitions contained in the Subordinated Electric System Resolution are set forth below. Other terms defined in the Subordinated Electric System Resolution for which summary definitions are not set forth are indicated by capitalization. The summary does not purport to be a complete description of the terms of the Subordinated Electric System Resolution and, accordingly, is qualified by reference thereto and subject to the full text thereof.

The Subordinated Electric System Resolution, as heretofore amended, is available for viewing and downloading on JEA's website at https://www.jea.com/About/Investor_Relations/Bonds/. Copies of the Subordinated Electric System Resolution (as so amended) also may be obtained from JEA; *provided* that a reasonable charge may be imposed for the cost of reproduction. The term "Subordinated Bonds" as used in the Subordinated Electric System Resolution and in this summary has the same meaning as the term "Subordinated Electric System Bonds" as used in the Annual Disclosure Report to which this summary is attached.

Definitions

The following are summaries of certain definitions in the Subordinated Electric System Resolution:

Accreted Value means, as of any date of computation with respect to any Capital Appreciation Subordinated Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Subordinated Resolution authorizing such Capital Appreciation Subordinated Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Subordinated Bonds set forth in the Supplemental Subordinated Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Subordinated Resolution authorizing such Capital Appreciation Subordinated Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

Accrued Aggregate Subordinated Debt Service means, as of any date of calculation, an amount equal to the sum of the amounts of accrued Subordinated Debt Service with respect to all Series, calculating the accrued Subordinated Debt Service with respect to each Series at an amount

equal to the sum of (i) interest on the Subordinated Bonds of such Series accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installments for such Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Subordinated Debt Service) to the end of such calendar month; *provided, however*, that (i) there shall be excluded from the calculation of Accrued Aggregate Subordinated Debt Service any Principal Installments which are Refundable Principal Installments and (ii) the principal and interest portions of the Accreted Value of Capital Appreciation Subordinated Bonds or the Appreciated Value of Deferred Income Subordinated Bonds shall be included in the calculation of Accrued Aggregate Subordinated Debt Service at the times and in the manner provided in the Subordinated Electric System Resolution.

Adjusted Aggregate Subordinated Debt Service for any period means, as of any date of calculation, the Aggregate Subordinated Debt Service for such period except that (a) if any Refundable Principal Installment for any Series of Subordinated Bonds is included in Aggregate Subordinated Debt for such period, Adjusted Aggregate Subordinated Debt Service shall mean Aggregate Subordinated Debt Service determined (i) in the case of Refundable Principal Installments with respect to Subordinated Bonds other than Commercial Paper Notes and Medium-Term Notes, as if each such Refundable Principal Installment had been payable, over a period extending from the due date of such Principal Installment through the later of (x) the 30th anniversary of the issuance of such Series of Subordinated Bonds or (y) the 10th anniversary of the due date of such Refundable Principal Installment, in installments which would have required equal annual payments of principal and interest over such period and (ii) in the case of Refundable Principal Installments with respect to Commercial Paper Notes or Medium-Term Notes, in accordance with the then current Commercial Paper Payment Plan or Medium-Term Note Payment Plan, as applicable, with respect thereto and (b) the principal and interest portions of the Accreted Value of Capital Appreciation Subordinated Bonds or the Appreciated Value of Deferred Income Subordinated Bonds shall be included in the calculation of Adjusted Aggregate Subordinated Debt Service at the times and in the manner provided in the Subordinated Electric System Resolution. Interest deemed payable in accordance with the foregoing in any Fiscal Year after the actual due date of any Refundable Principal Installment of any Series of Subordinated Bonds shall be calculated at such rate of interest as JEA, or a banking or financial institution selected by JEA, determines would be a reasonable estimate of the rate of interest that would be borne on Subordinated Bonds maturing at the times determined in accordance with the provisions of the preceding sentence.

Adjusted Debt Service Requirement has the meaning given to such term in the Electric System Resolution.

Adjusted Net Revenues means the Net Revenues for any period, plus (X) the amounts, if any, paid from the Subordinated Bond Rate Stabilization Fund into the Subordinated Bond Fund during such period, and minus (Y) the amounts, if any, paid from the Revenue Fund into the Subordinated Bond Rate Stabilization Fund during such period.

Aggregate Adjusted Electric System Debt Service means, for any Fiscal Year, the sum of (i) the Adjusted Debt Service Requirement for such Fiscal Year and (ii) the Adjusted Aggregate Subordinated Debt Service for such Fiscal Year.

Aggregate Subordinated Debt Service for any period means, as of any date of calculation, the sum of the amounts of Subordinated Debt Service for such period with respect to all Series; *provided, however*, that (a) for purposes of estimating Aggregate Subordinated Debt Service for any future period (i) any Variable Rate Subordinated Bonds, Commercial Paper Notes and Medium-Term Notes Outstanding during such period shall be assumed to bear interest during such period at the greater of (X) the actual rate of interest then borne by such Variable Rate Subordinated Bonds, Commercial Paper Notes or Medium-Term Notes or (Y) the Certified Interest Rate applicable thereto and (ii) any Option Subordinated Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof and (b) the principal and interest portions of the Accreted Value of Capital Appreciation Subordinated Bonds or the Appreciated Value of Deferred Income Subordinated Bonds shall be included in the calculation of Aggregate Subordinated Debt Service at the times and in the manner provided in the Subordinated Electric System Resolution.

Alternate Variable Rate Taxable Index means such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is not excluded from gross income for federal income tax purposes, as determined by an Authorized Officer of JEA.

Alternate Variable Rate Tax-Exempt Index means such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is excluded from gross income for federal income tax purposes, as determined by an Authorized Officer of JEA.

Appreciated Value means, with respect to any Deferred Income Subordinated Bond, (i) as of any date of computation prior to the Current Interest Commencement Date, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Subordinated Resolution authorizing such Deferred Income Subordinated Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Deferred Income Subordinated Bonds set forth in the Supplemental Subordinated Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Subordinated Resolution authorizing such Deferred Income Subordinated Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

BMA Municipal Swap Index means the rate determined on the basis of an index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by

Municipal Market Data or any successor indexing agent which meets specific criteria established by The Bond Market Association.

Build America Bonds means any Subordinated Bonds with respect to which JEA has irrevocably elected, pursuant to Section 54AA(g) of the Code, or any similar federal program creating subsidies for municipal borrowers for which JEA qualifies, to receive cash subsidy payments from the U.S. Treasury equal to a portion of the interest payable on such Subordinated Bonds.

Capital Appreciation Subordinated Bonds means any Subordinated Bonds issued under the Subordinated Electric System Resolution as to which interest is (i) compounded periodically on dates that are specified in the Supplemental Subordinated Resolution authorizing such Capital Appreciation Subordinated Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Subordinated Electric System Resolution or the Supplemental Subordinated Resolution authorizing such Capital Appreciation Subordinated Bonds.

Certified Interest Rate means, as of any date of determination:

(i) with respect to (A) any Commercial Paper Notes or Medium-Term Notes or (B) any Variable Rate Subordinated Bonds maturing on a particular date, in each of the foregoing cases, that were, at the date of the original issuance thereof, the subject of an Opinion of Counsel to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (1) the average of the Variable Rate Tax-Exempt Index for the five years preceding such date of determination and (2) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Subordinated Bonds, as the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Subordinated Bonds, as the case may be, are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (i) shall be the rate determined pursuant to the foregoing subclause (1), and

(ii) with respect to (A) any Commercial Paper Notes or Medium-Term Notes or (B) any Variable Rate Subordinated Bonds maturing on a particular date, in each of the foregoing cases, that were not, at the date of the original issuance thereof, the subject of an Opinion of Counsel to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (a) the average of the Variable Rate Taxable Index for the five years preceding such date of determination and (b) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Subordinated Bonds, as the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Subordinated Bonds, as the case may be, are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (ii) shall be the rate determined pursuant to the foregoing subclause (a).

Code means the Internal Revenue Code of 1986, or any successor, and the applicable regulations (including final, temporary and proposed) promulgated by the United States Department of the Treasury thereunder, including Treasury Regulations issued pursuant to Sections 103 and 141 through 150, inclusive, of said Internal Revenue Code of 1986.

Commercial Paper Note means any Subordinated Bond which (a) has a maturity date which is not more than 365 days after the date of issuance thereof and (b) is designated as a Commercial Paper Note in the Supplemental Subordinated Resolution authorizing such Subordinated Bond.

Commercial Paper Payment Plan means, with respect to any Series of Commercial Paper Notes and as of any time, the then current Commercial Paper Payment Plan for such notes contained in a certificate of an Authorized Officer of JEA delivered pursuant to the terms of the Subordinated Electric System Resolution and setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Commercial Paper Notes; *provided, however,* that if any Commercial Paper Payment Plan provides for the refunding of any Commercial Paper Note with proceeds of (a) Subordinated Bonds other than Commercial Paper Notes or (b) Electric System Bonds, in either such case, that JEA intends to pay from Revenues, the principal of such Commercial Paper Notes shall, for purposes of the Commercial Paper Payment Plan, be assumed to come due over a period commencing with the due date of the Commercial Paper Note and ending not later than the later of (x) the 30th anniversary of the first issuance of Commercial Paper Notes of such Series or (y) the 10th anniversary of the due date of the Commercial Paper Note to be refunded, in installments such that the principal and interest payable on such Commercial Paper Note in each Fiscal Year in such period will be equal to the principal and interest payable on such Commercial Paper Note in each other Fiscal Year in such period.

Credit Enhancement means, with respect to the Subordinated Bonds of a Series, a maturity within a Series, or an interest rate within a maturity or the Electric System Bonds of an installment, a maturity within an installment or an interest rate within a maturity, the issuance of an insurance policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by JEA or otherwise, the principal of and interest on such Subordinated Bonds or Electric System Bonds, as the case may be.

Credit Enhancer means any person or entity which, pursuant to a Supplemental Subordinated Resolution, is designated as a Credit Enhancer and which provides Credit Enhancement for a Series of the Subordinated Bonds, a maturity within a Series or an interest rate within a maturity or an installment of the Electric System Bonds, a maturity within an installment or an interest rate within a maturity.

Current Interest Commencement Date means, with respect to any particular Deferred Income Subordinated Bonds, the date specified in the Supplemental Subordinated Resolution authorizing such Deferred Income Subordinated Bonds (which date must be prior to the maturity date for such Deferred Income Subordinated Bonds) after which interest accruing on such Deferred Income Subordinated Bonds shall be payable periodically on dates specified in such Supplemental

Subordinated Resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

Debt Service Requirement shall have the meaning given to such term in the Electric System Resolution, as such meaning may hereafter be amended or modified in accordance with the provisions of the Electric System Resolution.

Defeasance Securities means, unless otherwise provided with respect to the Subordinated Bonds of a Series in the Supplemental Subordinated Resolution authorizing such Subordinated Bonds:

(i) any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America;

(ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable for redemption prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption dates or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) above on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in any of clauses (i), (ii) or (v) of this definition; *provided, however*, that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination by federal, state, territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$50,000,000;

(iv) certificates of deposit, whether negotiable or nonnegotiable, fully secured as to principal and interest by bonds or other obligations of the character described in clause (i) above;

(v) obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision which are not callable for redemption prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, and which shall be rated in the highest whole rating category by at least two nationally recognized statistical rating organizations;

(vi) agreements or contracts with insurance companies or other financial institutions, or subsidiaries or affiliates thereof (hereinafter in this clause (vi) referred to as "Providers"), (a) whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations or (b) whose obligations under such agreements or contracts shall be unconditionally guaranteed by another insurance company or other financial institution, or subsidiary or affiliate thereof, whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations, pursuant to which agreements or contracts the Provider shall be absolutely, unconditionally and irrevocably obligated to repay the moneys invested by JEA and interest thereon at a guaranteed rate, without any right of recoupment, counterclaim or set off. The Provider may have the right to assign its obligations under any such agreement or contract to any other insurance company or other financial institution, or subsidiary or affiliate thereof; *provided, however*, that such assignee also shall be an insurance company or other financial institution, or subsidiary or affiliate thereof, satisfying the requirements set forth in either clause (a) or clause (b) of the preceding sentence; and

(vii) upon compliance with the provisions of the Subordinated Electric System Resolution, such securities (a) as are described in clause (i) of this definition and (b) as are described in clause (iii) of this definition so long as such securities evidence ownership of the right to payments of principal and/or interest on obligations described in clause (i) of this definition, in each case, which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

Deferred Income Subordinated Bonds means any Subordinated Bonds issued under the terms of the Subordinated Electric System Resolution as to which interest accruing prior to the Current Interest Commencement Date therefor is (i) compounded periodically on dates specified in the Supplemental Subordinated Resolution authorizing such Deferred Income Subordinated Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Subordinated Electric System Resolution or the Supplemental Subordinated Resolution authorizing such Deferred Income Subordinated Bonds.

Designated Swap Obligation means, to the extent from time to time permitted by law, any interest rate swap transaction (i) which is entered into by JEA for the purpose of converting synthetically the interest rate on any particular Subordinated Bonds or Electric System Bonds from a fixed rate to a variable rate or from a variable rate to a fixed rate (regardless of whether such Designated Swap Obligation shall have a term equal to the remaining term of such Subordinated Bonds or such Electric System Bonds, as applicable), and (ii) which has been designated in a certificate of an Authorized Officer of JEA filed with the records of JEA as such (which certificate shall specify the Subordinated Bonds or the Electric System Bonds, as applicable, with respect to which such Designated Swap Obligation is entered into).

Designated Swap Obligation Provider means any person with whom JEA enters into a Designated Swap Obligation.

Electric System Debt Securities means Electric System Bonds, Subordinated Bonds and any other note, bond or other security evidencing indebtedness incurred to provide financing for the Electric System.

Gross Revenues or *Revenues* have the meaning given to such terms in the Electric System Resolution, as such meaning may be amended or modified in accordance with the provisions of the Electric System Resolution. For any purpose of the Subordinated Electric System Resolution that requires the computation of Gross Revenues or Revenues with respect to any period of time, "Gross Revenues" or "Revenues" will be adjusted in the manner provided in the definition thereof contained in the Electric System Resolution, as such definition may be amended or modified in accordance with the provisions thereof.

Investment Securities means and includes any securities, obligations or investments that, at the time, shall be permitted by Florida law for investment of JEA's funds.

Medium-Term Note means any Subordinated Bond which (a) has a maturity date which is more than 365 days, but not more than 15 years, after the date of issuance thereof and (b) is designated as a Medium-Term Note in the Supplemental Subordinated Resolution authorizing such Subordinated Bond.

Medium-Term Note Payment Plan means, with respect to any Series of Medium-Term Notes and as of any time, the then current Medium-Term Note Payment Plan for such notes contained in a certificate of an Authorized Officer of JEA delivered pursuant to the provisions of the Subordinated Electric System Resolution and setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Medium-Term Notes; *provided, however*, that if any Medium-Term Note Payment Plan provides for the refunding of any Medium-Term Note with proceeds of (a) Subordinated Bonds other than Commercial Paper Notes or Medium-Term Notes or (b) Electric System Bonds, in either such case, that JEA intends to pay from Revenues, the principal of such Medium-Term Note shall, for purposes of the Medium-Term Note Payment Plan, be assumed to come due over a period commencing with the due date of the Medium-Term Note and ending not later than the later of (x) the 30th anniversary of the first issuance of Medium-Term Notes of such Series or (y) the 10th anniversary of the due date of the Medium-Term Note to be refunded, in installments such that the principal and interest payable on

such Medium-Term Note in each Fiscal Year in such period will be equal to the principal and interest payable on such Medium-Term Note in each other Fiscal Year in such period.

One-Month LIBOR Rate means, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 a.m., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

Option Subordinated Bonds means Subordinated Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment by JEA prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

Principal Installment means, as of any date of calculation and with respect to any Series, so long as any Subordinated Bonds thereof are Outstanding, (i) the principal amount of Subordinated Bonds (including, in the case of any Option Subordinated Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof) of such Series due (or so tendered for payment) on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the Subordinated Electric System Resolution) of any Sinking Fund Installments due on a certain future date for Subordinated Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Subordinated Bonds of such Series, the sum of such principal amount of Subordinated Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Refundable Principal Installment means any Principal Installment which JEA intends to pay with moneys which are not Revenues; *provided, however*, that (i) in the case of Subordinated Bonds other than Commercial Paper Notes or Medium-Term Notes, such intent shall have been expressed in a Supplemental Subordinated Resolution authorizing such Series of Subordinated Bonds, (ii) in the case of Commercial Paper Notes, such intent shall be expressed in the then current Commercial Paper Payment Plan for such Commercial Paper Notes and (iii) in the case of Medium-Term Notes, such intent shall be expressed in the then current Medium-Term Note Payment Plan for such Medium-Term Notes; and *provided, further*, that such Principal Installment shall be a Refundable Principal Installment only through the penultimate day of the month preceding the month in which such Principal Installment comes due or such earlier time as JEA determines to pay such Principal Installment with moneys which are not Revenues.

Special Subordinated Bonds means all Subordinated Bonds issued pursuant to the terms of the Subordinated Electric System Resolution to evidence JEA's obligation to repay any advances or loans made to, or on behalf of, JEA in connection with the provision of Credit Enhancement or liquidity support with respect to the Subordinated Bonds of a Series or the Electric System Bonds of a Series (or a maturity or maturities or interest rate within a maturity thereof) by a third party, whether issued in one or more Series, and any Subordinated Bonds thereafter authenticated and delivered in lieu of or in substitution for such Subordinated Bonds pursuant to the terms of the

Subordinated Electric System Resolution and the Supplemental Subordinated Resolution authorizing such Special Subordinated Bonds.

Subordinated Bonds means any bonds, notes, certificates or other evidences of indebtedness authenticated and delivered under the Subordinated Electric System Resolution.

Subordinated Debt Service for any period means, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest accruing during such period on the Subordinated Bonds of such Series, except to the extent that such interest is to be paid from the proceeds of Subordinated Bonds or other Electric System Debt Securities and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, (x) in the case of Subordinated Bonds other than Special Subordinated Bonds, if (1) there shall be no such preceding Principal Installment due date or (2) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Subordinated Bonds of such Series, whichever date is later, and (y) in the case of Special Subordinated Bonds, in accordance with the terms thereof and the Supplemental Subordinated Resolution authorizing such Special Subordinated Bonds), in either such case, except to the extent that such Principal Installment is paid or to be paid from the proceeds of Subordinated Bonds or other Electric System Debt Securities; *provided, however*, that in the event that the Subordinated Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then in respect of the interest payable on such Subordinated Bonds, for purposes of this definition, the interest on the Subordinated Bonds of such Series shall be calculated net of the cash subsidy payments from the U.S. Treasury. If for whatever reason, JEA no longer receives cash subsidy payments due from the U.S. Treasury in respect of the interest payable on such Subordinated Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), for purposes of this definition, the interest on the Subordinated Bonds of such Series shall be calculated without regard to such subsidy. Such interest and Principal Installments for such Series shall be calculated on the assumption that (x) no Subordinated Bonds (except for Option Subordinated Bonds actually tendered for payment prior to the stated maturity thereof) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, (y) the principal amount of Option Subordinated Bonds tendered for payment before the stated maturity thereof shall be deemed to accrue on the date required to be paid pursuant to such tender and (z) the principal and interest portions of the Accreted Value of Capital Appreciation Subordinated Bonds or the Appreciated Value of Deferred Income Subordinated Bonds will be included in the calculation of Subordinated Debt Service at the times and in the manner provided in the Subordinated Electric System Resolution.

Notwithstanding anything to the contrary contained in the Subordinated Electric System Resolution, (a) if JEA has in connection with any Subordinated Bonds entered into a Designated Swap Obligation which provides that, in respect of a notional amount equal to the Outstanding principal amount of such Subordinated Bonds, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a variable rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a fixed rate of interest, then, for purposes of calculating Subordinated Debt Service with respect to such Subordinated

Bonds, for purposes of (i) the covenant described under the caption "Rate Covenant" below and (ii) the provisions of the Subordinated Electric System Resolution relating to the issuance of additional Subordinated Bonds described under the caption "Additional Subordinated Bonds; Conditions to Issuance" below, it will be assumed that such Subordinated Bonds bear interest at a rate equal to the sum of (1) the lesser of (A) the average of the variable rate payable by JEA pursuant to such Designated Swap Obligation for the five years preceding the date of determination, calculating such rate based upon the method, formula or index with respect thereto set forth in such Designated Swap Obligation and (B) the average of the actual rates paid by JEA pursuant to such Designated Swap Obligation for the 12 months preceding such date of determination; *provided, however*, if such Designated Swap Obligation shall not have been in effect for 12 months, then the rate of interest determined pursuant to this clause (1) shall be the rate determined pursuant to the foregoing subclause (A) and (2) the difference (whether positive or negative) between (X) the fixed rate of interest on such Subordinated Bonds and (Y) the fixed rate of interest payable to JEA pursuant to such Designated Swap Obligation and (b) if JEA has in connection with any Variable Rate Subordinated Bonds, Commercial Paper Notes or Medium-Term Notes entered into a Designated Swap Obligation which provides that, in respect of a notional amount equal to the Outstanding principal amount of such Variable Rate Subordinated Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a fixed rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a variable rate of interest, then, for purposes of calculating Subordinated Debt Service with respect to such Variable Rate Subordinated Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, for purposes of (i) the covenant described under the caption "Rate Covenant" below and (ii) the provisions of the Subordinated Electric System Resolution relating to the issuance of additional Subordinated Bonds described under the caption "Additional Subordinated Bonds; Conditions to Issuance" below, it will be assumed that such Variable Rate Subordinated Bonds, Commercial Paper Notes or Medium-Term Notes, as applicable, bear interest at the fixed rate of interest payable by JEA pursuant to such Designated Swap Obligation.

U.S. Treasury means the U.S. Treasury or any party designated by the federal government to issue cash subsidy payments on Build America Bonds.

Variable Rate Subordinated Bond means any Subordinated Bond not bearing interest throughout its term at a specified rate or rates determined at the time of issuance of the Series of Subordinated Bonds of which such Subordinated Bond is one.

Variable Rate Taxable Index means the One-Month LIBOR Rate or, if the One-Month LIBOR Rate no longer shall be available, the Alternate Variable Rate Taxable Index.

Variable Rate Tax-Exempt Index shall mean the BMA Municipal Swap Index or, if the BMA Municipal Swap Index no longer shall be available, the Alternate Variable Rate Tax-Exempt Index.

Pledge

The Subordinated Bonds are payable from and secured as to the payment of the principal or Redemption Price, if any, thereof, and interest thereon, in accordance with their terms and the

provisions of the Subordinated Electric System Resolution by (i) the amounts on deposit in the Revenue Fund established pursuant to the Electric System Resolution as may from time to time be available therefor, including the investments, if any, thereof and (ii) amounts on deposit in the Funds established under the Subordinated Electric System Resolution, including the investments, if any, thereof, subject only to the provisions of the Subordinated Electric System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Electric System Resolution and the Subordinated Electric System Resolution; *provided, however*, that such pledge (other than with respect to amounts on deposit in the Subordinated Bond Construction Fund) will be junior and subordinate in all respects to the Electric System Bonds as to lien on and the source and security for payment from the Revenues.

The Subordinated Bonds shall be "Subordinated Bonds" within the meaning of such term contained in the Electric System Resolution.

Subordinated Bond Construction Fund

The Subordinated Electric System Resolution establishes a Subordinated Bond Construction Fund into which shall be deposited (a) amounts required to be paid into such Fund pursuant to any Supplemental Subordinated Resolution and (b) at the option of JEA, any moneys received for or in connection with the Electric System from any other source, unless required to be otherwise applied as provided by the Subordinated Electric System Resolution or the Electric System Resolution. Amounts on deposit in the Subordinated Bond Construction Fund will be withdrawn, used and applied by JEA solely for the payment of the cost of additions, extensions and improvements to the Electric System and purposes incidental thereto or any other lawful purpose of JEA relating to the Electric System.

Deposit of Revenues

Pursuant to the Subordinated Electric System Resolution, as soon as practicable in each month following the payment of the Cost of Operation and Maintenance of the Electric System and the making of all required deposits pursuant to the Electric System Resolution in respect of debt service on, and required reserves for, the Electric System Bonds, JEA is to pay out of the Revenue Fund established under the Electric System Resolution to the extent permitted by the Electric System Resolution and to the extent that the amount in the Revenue Fund is available therefor and deposit in the following funds established pursuant to the Subordinated Electric System Resolution the following amounts and in the following order of priority:

1. ***To the Subordinated Bond Fund established pursuant to the Subordinated Electric System Resolution***, an amount at least equal to the amount, if any, required so that the balance in said Fund shall equal the Accrued Aggregate Subordinated Debt Service as of the last day of the then current month; *provided, however*, that, (a) for the purposes of computing the amount to be deposited in said Fund, there shall be excluded from the balance in said Fund the amount, if any, set aside in said Fund from the proceeds of Electric System Debt Securities for the payment of interest on Subordinated Bonds less that amount of such proceeds to be applied in accordance with the Subordinated Electric System Resolution to the payment of interest accrued and unpaid and to accrue on Subordinated Bonds to the

last day of the then current calendar month; and (b) any amount deposited into said Fund during any month that is in excess of the minimum amount required to be deposited therein during such month may, upon written determination of an Authorized Officer of JEA, be deemed to be accumulated therein with respect to (i) any Sinking Fund Installment or (ii) any principal amount of Subordinated Bonds (including, in the case of any Option Subordinated Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof) due (or so tendered for payment) on a certain future date for which no Sinking Fund Installments have been established or (iii) some combination of (i) and (ii), and interest thereon.

The Subordinated Electric System Resolution provides that, except as may otherwise be provided in a Commercial Paper Payment Plan, a Medium-Term Note Payment Plan or the Supplemental Subordinated Resolution authorizing the Subordinated Bonds of a particular Series, JEA shall pay out of the Subordinated Bond Fund to the respective Paying Agent(s) therefor (i) on or before each interest payment date for any of the Subordinated Bonds, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (iii) on or before any redemption date for the Subordinated Bonds, the amount required for the payment of interest on the Subordinated Bonds then to be redeemed. Such amounts shall be applied by such Paying Agent(s) on and after the due dates thereof. JEA shall also pay out of the Subordinated Bond Fund the accrued interest included in the purchase price of Subordinated Bonds purchased for retirement. In addition, JEA may apply amounts in the Subordinated Bond Fund to the purchase or redemption of Subordinated Bonds to satisfy sinking fund requirements.

Whenever the moneys on deposit in the Subordinated Bond Fund shall exceed the amount required to be on deposit therein, as determined in accordance with the provisions of the Subordinated Electric System Resolution, such excess may be applied by JEA to any lawful purpose of JEA relating to the Electric System.

The Subordinated Electric System Resolution also provides that, in the event of the refunding or defeasance of any Subordinated Bonds, JEA may withdraw from the Subordinated Bond Fund all or any portion of the amounts accumulated therein and deposit such amounts with the Escrow Agent for the Subordinated Bonds being refunded or defeased to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Subordinated Bonds being refunded or defeased; *provided, however*, that such withdrawal shall not be made unless (a) immediately thereafter the Subordinated Bonds being refunded or defeased shall be deemed to have been paid pursuant to the provisions of the Subordinated Electric System Resolution, and (b) the amount remaining in the Subordinated Bond Fund, after giving effect to the issuance of the Electric System Debt Securities being issued to effect such refunding and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund. In the event of such refunding or defeasance, JEA may also withdraw from the

Subordinated Bond Fund all or any portion of the amounts accumulated therein and (i) deposit such amounts in any fund or account under the Electric System Resolution or the Subordinated Electric System Resolution or (ii) apply such amounts to any lawful purpose of JEA relating to the Electric System; *provided, however,* that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied.

Notwithstanding anything to the contrary contained in the Subordinated Electric System Resolution, whenever the amounts available therefor under the Electric System Resolution shall not be sufficient to pay the principal or redemption price of, or interest on, the Electric System Bonds then due, and such deficiency shall not have been cured by the transfer from the Subordinated Bond Rate Stabilization Fund described below, JEA shall withdraw from the Subordinated Bond Fund an amount equal to the remaining amount of such deficiency (or the entire amount on deposit therein, if less than the remaining amount of such deficiency), and shall deposit such amount in the Sinking Fund established under the Electric System Resolution.

2. ***To the Subordinated Bond Rate Stabilization Fund established pursuant to the Subordinated Electric System Resolution,*** the amount, if any, budgeted for deposit into such Fund for the then current month as set forth in the then current annual budget, or the amount otherwise determined by JEA to be deposited to such Fund for the month.

Each month JEA shall transfer from the Subordinated Bond Rate Stabilization Fund to the Subordinated Bond Fund the amount budgeted for transfer into such Fund for the then current month as set forth in the then current annual budget, or the amount otherwise determined by JEA to be deposited into such Fund for the month. JEA may also from time to time withdraw amounts on deposit in the Subordinated Bond Rate Stabilization Fund and (i) transfer such amounts to any other fund or account established under the Subordinated Electric System Resolution or any fund or account established under the Electric System Resolution, (ii) use such amounts to purchase or redeem Subordinated Bonds or Electric System Bonds, (iii) use such amounts to otherwise provide for the payment of Subordinated Bonds or Electric System Bonds or (iv) use such amounts for any lawful purpose of JEA relating to the Electric System.

At any time and from time-to-time JEA may transfer for deposit in the Subordinated Bond Rate Stabilization Fund from any source such amounts as JEA deems necessary or desirable; such amounts shall be applied for purposes of the Subordinated Bond Rate Stabilization Fund in accordance with the preceding paragraph.

Notwithstanding anything to the contrary contained in the Subordinated Electric System Resolution, whenever the amounts available therefor under the Electric System Resolution shall not be sufficient to pay the principal or redemption price of, or interest on, the Electric System Bonds then due, JEA shall withdraw

from the Subordinated Bond Rate Stabilization Fund an amount equal to the amount of such deficiency (or the entire amount on deposit therein, if less than the amount of such deficiency), and shall deposit such amount in the Sinking Fund established under the Electric System Resolution.

If and to the extent provided in a Supplemental Subordinated Resolution, the Subordinated Electric System Resolution also permits JEA to establish one or more additional funds or accounts with respect to such Subordinated Bonds of one or more Series as shall be specified in such Supplemental Subordinated Resolution and, if and to the extent provided in any such Supplemental Subordinated Resolution, amounts on deposit in any such fund or account, including the investments, if any, thereof may be pledged for the payment of the principal or Redemption Price, if any, of, and interest on, any or all of such Subordinated Bonds. In such event, deposits to and withdrawals from any such fund or account shall be governed by the provisions of such Supplemental Subordinated Resolution; *provided, however*, that in the event that any such Supplemental Subordinated Resolution shall provide for the deposit of Revenues into any such fund or account, such deposit shall not be made in any month until after the deposits required to be made to the Subordinated Bond Fund and the Subordinated Bond Rate Stabilization Fund shall have been made for such month; and *provided, further*, that if the amount on deposit in the Revenue Fund shall not be sufficient to make all such deposits so required to be made with respect to all such funds and accounts in any month, then such amount on deposit in the Revenue Fund shall be applied ratably, in proportion to the amount necessary for deposit into each such fund and account.

During any period in which the Subordinated Debt Service with respect to any Series of Subordinated Bonds containing Build America Bonds shall be calculated in the manner provided in the proviso of the first paragraph of the definition thereof, no later than each interest payment date for such Build America Bonds then Outstanding, JEA shall withdraw from the Revenue Fund and transfer to the Subordinated Bond Fund an amount equal to the amount of the cash subsidy payment payable to JEA by the U.S. Treasury in respect of the interest payable on such Build America Bonds on such interest payment date, without regard to any reduction thereto made by the U.S. Treasury for the purpose of offsetting any amount due from JEA to it. Any cash subsidy payment received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall be deposited by JEA upon the receipt thereof in the Revenue Fund, but not such payment shall constitute Revenues for any purpose of the Electric System Resolution or this Subordinated Resolution.

Additional Subordinated Bonds; Conditions to Issuance

JEA may issue additional Subordinated Bonds for the purposes of (i) providing a portion of the funds necessary for the construction or acquisition of additions, extensions and improvements to the Electric System, and purposes incidental thereto, (ii) providing funds for the refunding of Outstanding Electric System Bonds or Outstanding Subordinated Bonds and (iii) providing funds for any other lawful purpose of JEA relating to the Electric System. All such additional Subordinated Bonds will rank equally and be on a parity, as to security and source of payment, with all other Subordinated Bonds. Set forth below are certain conditions applicable to

the issuance of additional Subordinated Bonds. The Subordinated Electric System Resolution provides that a Series of Subordinated Bonds may be issued at one time or from time to time. If the Subordinated Bonds of a Series are to be issued from time to time, the Subordinated Electric System Resolution requires that the conditions set forth below be satisfied only prior to the issuance of the first Subordinated Bonds of such Series to be issued.

Debt Service Coverage Test: The issuance of any Series of additional Subordinated Bonds (except for Refunding Subordinated Bonds and Special Subordinated Bonds) is conditioned upon the delivery by an Authorized Officer of JEA of a certificate to the effect that the Adjusted Net Revenues for any 12 consecutive month period within the 24 consecutive months immediately preceding the first date of issuance of the Subordinated Bonds of such Series shall have been at least equal to the greater of (X) 115 percent of the Maximum Annual Aggregate Adjusted Electric System Debt Service on the Outstanding Electric System Bonds, the Outstanding Subordinated Bonds and the Subordinated Bonds of such Series or (Y) the sum of (i) the Maximum Annual Aggregate Adjusted Electric System Debt Service on the Outstanding Electric System Bonds, the Outstanding Subordinated Bonds and the Subordinated Bonds of such Series and (ii) the amount most recently determined to be required to be deposited in the Renewal and Replacement Fund established under the Electric System Resolution for the then current, or a previous, Fiscal Year.

The Adjusted Net Revenues for such 12 month period may be adjusted for the purposes of the calculation required by the preceding paragraph (a) to reflect for such period revisions in the rates, fees, rentals and other charges of JEA for the product and services of the Electric System made after the commencement of such period and preceding the first date of issuance of the Subordinated Bonds of such Series; (b) to reflect any increase in Adjusted Net Revenues due to any new facilities of the Electric System having been placed into use and operation subsequent to the commencement of such period and prior to the first date of issuance of the Subordinated Bonds of such Series; and (c) to include an amount equal to the average annual contribution to Adjusted Net Revenues for the first three full Fiscal Years commencing after the date of completion thereof estimated to be made by the facilities to be acquired and constructed with the proceeds of the Subordinated Bonds of such Series.

For purposes of the second preceding paragraph, Adjusted Net Revenues shall not include any amounts in respect of proceeds from the sale of assets of the Electric System or any proceeds of insurance (other than business interruption insurance).

No Default: In addition, additional Subordinated Bonds (except for Refunding Subordinated Bonds) may be issued only if an Authorized Officer of JEA certifies that no Event of Default exists under the Subordinated Electric System Resolution or that any such Event of Default will be cured through application of the proceeds of such Subordinated Bonds.

Redemption

In the case of any redemption of Subordinated Bonds, JEA shall give written notice to the Subordinated Bond Registrar(s) and the Paying Agent(s) therefor of the redemption date, of the Series, and of the principal amounts of the Subordinated Bonds of each maturity of such Series and of the Subordinated Bonds of each interest rate within a maturity to be redeemed (which Series, maturities, interest rates within a maturity and principal amounts thereof to be redeemed shall be

determined by JEA in its sole discretion, subject to any limitations with respect thereto contained in the Subordinated Electric System Resolution or any Supplemental Subordinated Resolution authorizing the Series of which such Subordinated Bonds are a part). Such notice shall be filed with such Subordinated Bond Registrar(s) and Paying Agent(s) for the Subordinated Bonds to be redeemed at least 33 days prior to the redemption date (or such shorter period (a) as may be specified in the Supplemental Subordinated Resolution authorizing the Series of Subordinated Bonds to be redeemed or (b) as shall be acceptable to such Subordinated Bond Registrar(s) and Paying Agent(s)). In the event notice of redemption shall have been given, and unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, there shall be paid on or prior to the redemption date to the appropriate Paying Agent(s) an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agent(s), will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Subordinated Bonds to be redeemed.

Rate Covenant

Under the Subordinated Electric System Resolution, JEA has covenanted to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use or the sale of the products, services and facilities of the Electric System which will always provide Adjusted Net Revenues in each Fiscal Year sufficient to pay the greater of (X) the sum of (i) 115 percent of the Debt Service Requirement on the Outstanding Electric System Bonds in such Fiscal Year and (ii) 115 percent of the Aggregate Subordinated Debt Service on the Outstanding Subordinated Bonds in such Fiscal Year or (Y) without duplication, (i) 100 percent of the Debt Service Requirement on the Outstanding Electric System Bonds in such Fiscal Year, and any additional amount required to make all reserve or other payments required to be made in such Fiscal Year by the Electric System Resolution and (ii) 100 percent of Aggregate Subordinated Debt Service on the Outstanding Subordinated Bonds in such Fiscal Year, and any additional amount required to make all other payments required to be made in such Fiscal Year by the Subordinated Electric System Resolution; *provided, however*, that for purposes of this paragraph there shall be excluded from the calculation of Aggregate Subordinated Debt Service all Refundable Principal Installments. For purposes of this covenant, Adjusted Net Revenues shall not include any amounts attributable to proceeds from the sale of assets of the Electric System or any proceeds of insurance (other than business interruption insurance). Such rates, fees, rentals or other charges shall not be reduced so as to be insufficient to provide adequate Adjusted Net Revenues for such purposes.

Creations of Liens

JEA will not issue or incur indebtedness, other than the Electric System Bonds and Contract Debts (as defined in the Electric System Resolution), payable from Revenues on a prior basis than payment of Subordinated Bonds. JEA may issue bonds, notes or other evidences of indebtedness that are expressly made subordinate and junior in right of payment to the Subordinated Bonds and for which any pledge of such amounts in the Revenue Fund as may from time to time be available therefor shall be, and shall be expressed to be, subordinate in all respects to the pledge and lien created under the Subordinated Electric System Resolution as security for the Subordinated Bonds.

Sale or Mortgage of the Electric System

JEA will not sell all or substantially all of the physical properties of the Electric System, nor will it create or cause to be created any mortgage or other lien on such properties to secure the repayment of borrowed money or the payment of the deferred purchase price of property. For purposes of this covenant, "substantially all of the physical properties of the Electric System" shall be deemed to mean physical properties of the Electric System having an aggregate depreciated cost of not less than 90 percent of the total depreciated cost of all of the physical properties of the Electric System at the time.

Corporate Reorganization

In the Subordinated Electric System Resolution, JEA reserves the right to effect a reorganization of its corporate structure in any manner whatsoever permitted pursuant to the laws of the State of Florida; *provided* that no such reorganization may be undertaken if the result thereof would adversely affect the security for the Subordinated Bonds provided by the Subordinated Electric System Resolution.

Amendment of Subordinated Electric System Resolution

The Subordinated Electric System Resolution and the rights and obligations of JEA and of the Holders of the Subordinated Bonds may be amended by a Supplemental Subordinated Resolution with the written consent of the Holders of a majority in principal amount of (i) the Subordinated Bonds affected by such amendment or modification Outstanding at the time such consent is given, and (ii) in case the modification or amendment changes the terms of any Sinking Fund Installment, the Subordinated Bonds of the particular Series and maturity entitled to the benefit of the Sinking Fund Installment and Outstanding at the time such consent is given. No such modification or amendment may (A) permit a change in the terms of redemption or maturity or any installment of interest or a reduction in the principal, Redemption Price or rate of interest thereon without consent of each affected Holder, or (B) reduce the percentages or otherwise affect the classes of Subordinated Bonds the consent of the Holders of which is required to effect any such modification or amendment. For purposes of the foregoing, a Series of Subordinated Bonds shall be deemed to be affected by a modification or amendment of the Subordinated Electric System Resolution if the same adversely affects or diminishes the rights of the Holders of Subordinated Bonds of such Series. JEA may in its discretion determine whether or not in accordance with the foregoing powers of amendment Subordinated Bonds of any particular Series or maturity or any particular Commercial Paper Notes or Medium-Term Notes would be affected by any modification or amendment of the Subordinated Electric System Resolution and any such determination shall, absent manifest error, be binding and conclusive on JEA and all Holders of Subordinated Bonds. For purposes of the foregoing, a change in the terms of redemption of any Outstanding Subordinated Bond shall be deemed only to affect such Subordinated Bond and shall be deemed not to affect any other Subordinated Bond. For purposes of the foregoing, the Holders of Subordinated Bonds may include the initial Holders thereof regardless of whether such Subordinated Bonds are being held for subsequent resale. The Subordinated Electric System Resolution provides that, if not in default in respect of any of its obligations with respect to Credit Enhancement for Subordinated Bonds of a Series, or a maturity within a Series, the Credit Enhancer for, and not the actual Holders of, Subordinated Bonds of a Series, or a maturity within

a Series, for which such Credit Enhancement is being provided will be deemed to be the Holder of such Subordinated Bonds of any Series, or a maturity within a Series, at all times for the purpose of giving any approval or consent to the effectiveness of any Supplemental Subordinated Resolution or any amendment, change or modification of the Subordinated Electric System Resolution which requires the written approval or consent of Holders, except that the foregoing provisions will not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Subordinated Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Subordinated Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Subordinated Bond Fiduciary without its written assent thereto. See "Action by Credit Enhancer When Action by Holders of Subordinated Bonds Required" herein.

The Supplemental Subordinated Resolutions authorizing JEA's Variable Rate Electric System Subordinated Bonds, 2000 Series A and 2008 Series D (collectively, the "Prior Series Variable Rate Subordinated Electric System Bonds", all of which constitute Variable Rate Subordinated Bonds within the meaning of the Subordinated Electric System Resolution) provide that in the event that JEA shall adopt any Supplemental Subordinated Resolution making any amendment to the Subordinated Electric System Resolution for which the consent of the Holders of the Prior Series Variable Rate Subordinated Electric System Bonds of a particular Series shall be required (hereinafter in this paragraph referred to as an "Amending Resolution"), an Authorized Officer of JEA may deliver to the Tender Agent for the Prior Series Variable Rate Subordinated Electric System Bonds of such Series a certificate requiring that the Prior Series Variable Rate Subordinated Electric System Bonds of such Series be subject to mandatory tender for purchase at the time and in the manner provided in said Supplemental Subordinated Resolutions. Following the date on which such mandatory tender shall occur, all subsequent Holders of the Prior Series Variable Rate Subordinated Electric System Bonds of such Series shall be deemed to have consented to such Amending Resolution, notwithstanding anything to the contrary contained in the Subordinated Electric System Resolution. JEA intends to include this provision in each Supplemental Subordinated Resolution it may adopt in the future authorizing the issuance of any Series of additional Variable Rate Subordinated Bonds.

The Subordinated Electric System Resolution may be amended, without the consent of the Holders of the Subordinated Bonds, upon the delivery of an Opinion of Counsel to the effect that such amendment will not have a material adverse effect on the interests of the Holders of the Outstanding Subordinated Bonds (in rendering such opinion, such counsel may rely on such certifications of (a) any banking or financial institution serving as financial advisors to JEA, as to financial and economic matters, (b) the Consulting Engineer, as to matters within its field of expertise and (c) such other experts, as to matters within their fields of expertise as it, in its reasonable judgment, determines necessary or appropriate), (i) to cure any ambiguity, supply any omission or correct any defect or inconsistent provision in the Subordinated Electric System Resolution; (ii) to insert provisions clarifying the Subordinated Electric System Resolution; or (iii) to make any other modification or amendment of the Subordinated Electric System Resolution which in the reasonable judgment of such counsel will not have a material adverse effect on the interests of the Holders of the Outstanding Subordinated Bonds.

The Subordinated Electric System Resolution provides that in determining whether the interests of the Holders of any Subordinated Bonds are materially adversely affected, such counsel will consider the effect on the Holders of any Subordinated Bonds for which Credit Enhancement has been provided without regard to such Credit Enhancement.

Without the consent of the Holders of the Outstanding Subordinated Bonds, JEA may adopt a Supplemental Subordinated Resolution which (i) closes the Subordinated Electric System Resolution against, or provides additional limitations and restrictions to, the issuance of Subordinated Bonds or other evidences of indebtedness; (ii) adds covenants and agreements of JEA; (iii) adds limitations and restrictions to be observed by JEA; (iv) authorizes Subordinated Bonds of an additional Series; (v) provides for the issuance of Subordinated Bonds in coupon form payable to bearer or in uncertificated form, and determines other matters relative thereto; (vi) confirms any security interest or pledge created by the Subordinated Electric System Resolution; (vii) establishes one or more additional funds or accounts with respect to such Subordinated Bonds of one or more Series as shall be specified in such Supplemental Subordinated Resolution, specifies the purposes to which amounts on deposit in any such fund or account may be applied and, in connection therewith, specifies and determines any matters and things relative thereto; or (viii) makes any modification which is to be effective only after all Subordinated Bonds of each Series Outstanding as of the date of the adoption of such Supplemental Subordinated Resolution cease to be Outstanding.

Defeasance

The pledge of moneys and securities created by the Subordinated Electric System Resolution and all covenants, agreements and other obligations of JEA to the Holders will cease, terminate and become void and be discharged and satisfied whenever all Subordinated Bonds and interest due or to become due thereon are paid in full. If any Subordinated Bonds are paid in full, such Subordinated Bonds shall cease to be entitled to any lien, benefit or security under the Subordinated Electric System Resolution, and all covenants, agreements and obligations of JEA to the Holders of such Subordinated Bonds will cease, terminate and become void and be discharged and satisfied. Subordinated Bonds are deemed to have been paid and are not entitled to the lien, benefit and security of the Subordinated Electric System Resolution whenever the following conditions (or such other conditions as may be set forth in the Supplemental Subordinated Resolution authorizing such Subordinated Bonds) are met: (i) in case any Subordinated Bonds are to be redeemed prior to their maturity, JEA has given to the Escrow Agent therefor instructions to give notice of redemption therefor, (ii) there has been deposited with such Escrow Agent either moneys or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with other moneys, if any, also deposited, will be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Subordinated Bonds, and (iii) in the event such Subordinated Bonds are not to be redeemed or paid at maturity within the next succeeding 60 days, JEA has given such Escrow Agent instructions to give a notice to the Holders of such Subordinated Bonds that the above deposit has been made and that such Subordinated Bonds are deemed to have been paid and stating the maturity or redemption date upon which moneys are expected to be available for the payment of the principal or Redemption Price, if applicable, on said Subordinated Bonds.

For purposes of determining whether Variable Rate Subordinated Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with the provisions of the Subordinated Electric System Resolution, the interest to come due on such Variable Rate Subordinated Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Rate Subordinated Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Escrow Agent for the payment of interest on such Variable Rate Subordinated Bonds is in excess of the total amount which would have been required to be deposited with the Escrow Agent on such date in respect of such Variable Rate Subordinated Bonds in order to satisfy the provisions of the Subordinated Electric System Resolution, the Escrow Agent shall, if requested by JEA, pay the amount of such excess to JEA free and clear of any trust, lien or pledge securing the Subordinated Bonds or otherwise existing under the provisions of the Subordinated Electric System Resolution.

Option Subordinated Bonds shall be deemed to have been paid in accordance with the provisions of the Subordinated Electric System Resolution only if, in addition to satisfying the requirements described in clauses (i) and (ii) of the first paragraph hereof, there shall have been deposited with the Escrow Agent moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Subordinated Bonds which could become payable to the Holders of such Subordinated Bonds upon the exercise of any options provided to the Holders of such Subordinated Bonds; *provided, however*, that if, at the time a deposit is made with the Escrow Agent pursuant to provisions of the Subordinated Electric System Resolution, the options originally exercisable by the Holder of an Option Subordinated Bond are no longer exercisable, such Subordinated Bond shall not be considered an Option Subordinated Bond for purposes of this paragraph. If any portion of the moneys deposited with the Escrow Agent for the payment of the principal of and premium, if any, and interest on Option Subordinated Bonds is not required for such purpose the Escrow Agent shall, if requested by JEA, pay the amount of such excess to JEA free and clear of any trust, lien or pledge securing said Subordinated Bonds or otherwise existing under the Subordinated Electric System Resolution.

Events of Default; Remedies

Events of default under the Subordinated Electric System Resolution include (i) failure to pay the principal (including Sinking Fund Installments) or Redemption Price of any Subordinated Bond when due; (ii) failure to pay any installment of interest on any Subordinated Bond when due; (iii) failure by JEA to perform or observe any other covenants or agreements contained in the Subordinated Electric System Resolution or the Subordinated Bonds; or (iv) an Event of Default pursuant to the provisions of the Electric System Resolution. Upon the happening of any such Event of Default the Holders of not less than 25 percent in principal amount of the Subordinated Bonds then Outstanding may declare the principal of and accrued interest on the Subordinated Bonds due and payable (subject to a rescission of such declaration upon the curing of such default before the Subordinated Bonds have matured).

The Subordinated Electric System Resolution provides that, if not in default in respect of any of its obligations with respect to Credit Enhancement for Subordinated Bonds, the Credit

Enhancer for, and not the actual Holders of, Subordinated Bonds for which such Credit Enhancement is being provided will be deemed to be the Holder of such Subordinated Bonds at all times for the purposes of giving any approval or consent, exercising any remedies or taking any other actions in respect of the occurrence of an Event of Default. See "Action by Credit Enhancer When Action by Holders of Subordinated Bonds Required" herein.

During the continuance of an Event of Default under the Subordinated Electric System Resolution, JEA shall apply all moneys, securities and funds held or received by JEA with respect to the Subordinated Bonds as follows and in the following order: (i) to the extent required in the Electric System Resolution, to the payment of the interest and principal or redemption price due on the Electric System Bonds and (ii) to the interest and principal or Redemption Price due on the Subordinated Bonds.

Subordinated Bond Paying Agents

The Subordinated Electric System Resolution requires the appointment by JEA of one or more Paying Agents for the Subordinated Bonds of each Series. Any Paying Agent may resign on 60 days' notice and may at any time be removed with or without cause by JEA. Successor Paying Agents will be appointed by JEA, and will be an officer of JEA, a transfer agent duly registered pursuant to the Securities Exchange Act of 1934, as amended, or a bank, trust company or national banking association having capital stock, surplus and undivided earnings aggregating at least \$25,000,000 if there be such an entity willing to accept appointment.

Action by Credit Enhancer When Action by Holders of Subordinated Bonds Required

Except as otherwise provided in a Supplemental Subordinated Resolution authorizing Subordinated Bonds for which Credit Enhancement is being provided, if not in default in respect of any of its obligations with respect to Credit Enhancement for the Subordinated Bonds of a Series, or a maturity within a Series, the Credit Enhancer for, and not the actual Holders of, the Subordinated Bonds of a Series, or a maturity within a Series, for which such Credit Enhancement is being provided, shall be deemed to be the Holder of Subordinated Bonds of any Series, or maturity within a Series, as to which it is the Credit Enhancer at all times for the purpose of (i) giving any approval or consent to the effectiveness of any Supplemental Subordinated Resolution or any amendment, change or modification of the Subordinated Electric System Resolution which requires the written approval or consent of Holders; *provided, however*, that the foregoing shall not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Subordinated Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Subordinated Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto and (ii) giving any approval or consent, exercising any remedies or taking any other action following the occurrence of an Event of Default under the Subordinated Electric System Resolution.

Special Provisions Relating to Capital Appreciation Subordinated Bonds, Deferred Income Subordinated Bonds and Special Subordinated Bonds

The principal and interest portions of the Accreted Value of Capital Appreciation Subordinated Bonds or the Appreciated Value of Deferred Income Subordinated Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments made under the definitions of Subordinated Debt Service, Aggregate Subordinated Debt Service, Accrued Aggregate Subordinated Debt Service and Adjusted Aggregate Subordinated Debt Service only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Subordinated Bond is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Subordinated Bond if the principal of all Subordinated Bonds is declared immediately due and payable following an Event of Default or (iii) computing the principal amount of Subordinated Bonds held by the Holder of a Capital Appreciation Subordinated Bond in giving to JEA any notice, consent, request, or demand pursuant to the Subordinated Electric System Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Subordinated Bond shall be deemed to be its then current Accreted Value.

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Subordinated Bond is redeemed prior to maturity, or (ii) receiving payment of a Deferred Income Subordinated Bond if the principal of all Subordinated Bonds is declared immediately due and payable following an Event of Default or (iii) computing the principal amount of Subordinated Bonds held by the Holder of a Deferred Income Subordinated Bond in giving to JEA any notice, consent, request, or demand pursuant to the Subordinated Electric System Resolution for any purpose whatsoever, the principal amount of a Deferred Income Subordinated Bond shall be deemed to be its then current Appreciated Value.

Except as otherwise provided in the Supplemental Subordinated Resolution authorizing a Series of Special Subordinated Bonds, for the purposes of (i) receiving payment of a Special Subordinated Bond, whether at maturity, upon redemption or if the principal of all Subordinated Bonds is declared immediately due and payable following an Event of Default or (ii) computing the principal amount of Subordinated Bonds held by the Holder of a Special Subordinated Bond in giving to JEA any notice, consent, request, or demand pursuant to the Subordinated Electric System Resolution for any purpose whatsoever, the principal amount of a Special Subordinated Bond shall be deemed to be the actual principal amount that JEA shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, JEA in connection with the Subordinated Bonds of the Series or maturity or interest rate within a maturity or the Electric System Bonds of the installment or maturity or interest rate within a maturity for which such Special Subordinated Bond has been issued to evidence JEA's obligation to repay any advances or loans made in respect of the Credit Enhancement or liquidity support provided for such bonds, less any prior repayments thereof.

APPENDIX D**SUMMARY OF CERTAIN PROVISIONS OF THE
SECOND POWER PARK RESOLUTION**

The following is a summary of certain provisions of the Second Power Park Resolution. Summaries of certain definitions contained in the Second Power Park Resolution are set forth below. Other terms defined in the Second Power Park Resolution for which summary definitions are not set forth are indicated by capitalization. The summary does not purport to be a complete description of the terms of the Second Power Park Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof.

The Second Power Park Resolution, as heretofore amended, is available for viewing and downloading on JEA's website at https://www.jea.com/About/Investor_Relations/Bonds/. Copies of the Second Power Park Resolution (as so amended) also may be obtained from JEA; *provided* that a reasonable charge may be imposed for the cost of reproduction. The term "Bonds" as used in the Second Power Park Resolution and this summary has the same meaning as the term "Power Park Issue Three Bonds" as used in the Annual Disclosure Report to which this summary is attached.

Definition of Terms

The following are summaries of certain definitions in the Second Power Park Resolution.

Accreted Value shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Capital Appreciation Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series, calculating the accrued Debt Service with respect to each Series at an amount equal to the sum of (a) interest on the Bonds of such Series accrued and unpaid and to accrue to the end of the then current calendar month, and (b) Principal Installments due and unpaid and that portion of the Principal Installments for such Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month; *provided, however*, that (a) there

shall be excluded from the calculation of Accrued Aggregate Debt service any Principal Installments which are Refundable Principal Installments, (b) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Accrued Aggregate Debt Service at the times and in the manner provided in the Second Power Park Resolution and (c) if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d takes into account Accrued Aggregate Debt Service, then, for purposes of such calculation, Accrued Aggregate Debt Service shall be calculated only with respect to the Bonds of the Series secured thereby.

Additionally Secured Series shall mean a Series of Bonds for which the payment of the principal or sinking fund Redemption Price, if any, of, and interest on, the Bonds of such Series shall be secured, in addition to the pledge created pursuant to the Second Power Park Resolution in favor of all of the Bonds, by amounts on deposit in a separate subaccount to be designated therefor in the Debt Service Reserve Account in the Debt Service Fund 2d.

Aggregate Debt Service for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series; *provided, however*, that if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account in the Debt Service Reserve Fund 2d takes into account Aggregate Debt Service, then, for purposes of such calculation, Aggregate Debt Service shall be calculated only with respect to the Bonds of the Series secured thereby.

Bond Anticipation Notes shall mean notes or other evidences of indebtedness from time to time issued in anticipation of the issuance of Bonds, the proceeds of which have been or are required to be applied to one or more of the purposes for which Bonds may be issued, the payment of which notes is to be made from the proceeds of the Bonds in anticipation of the issuance of which said notes are issued.

Bond Year shall mean the 12-month period commencing on October 1 in any year and ending on September 30 of the following year.

Build America Bonds shall mean any Bonds with respect to which JEA has irrevocably elected, pursuant to Section 54AA(g) of the Code or any similar federal program creating subsidies for municipal borrowers for which JEA qualifies, to receive cash subsidy payments from the U.S. Treasury equal to a portion of the interest payable on such Bonds.

Certified Interest Rate shall mean, as of any date of determination:

- (a) with respect to (i) any Commercial Paper Notes or Medium-Term Notes or (ii) any Variable Rate Bonds maturing on a particular date that were, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (A) the average of the Variable Rate Tax-Exempt Index for the five years preceding such date of determination and (B) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as

the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (a) shall be the rate determined pursuant to the foregoing subclause (A),

(b) with respect to (i) any Commercial Paper Notes or Medium-Term Notes or (ii) any Variable Rate Bonds maturing on a particular date that were not, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (A) the average of the Variable Rate Taxable Index for the five years preceding such date of determination and (B) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (ii) shall be the rate determined pursuant to the foregoing subclause (A); and

(c) for purposes of calculating the Debt Service Reserve Requirement for any particular subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d and with respect to (i) any Commercial Paper Notes or Medium-Term Notes or (ii) any Variable Rate Bonds maturing on a particular date, the interest rate set forth in a certificate of an Authorized Officer of JEA executed on or prior to the date of the initial issuance of such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, as determined as follows: a Certified Interest Rate shall be that rate of interest determined by JEA, or a banking or financial institution or financial advisory firm selected by JEA, as the rate of interest such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, would bear if, assuming the same maturity date, terms and provisions (other than interest rate and redemption provisions) as such proposed Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, and on the basis of JEA's credit ratings with respect to the Bonds (other than Bonds for which credit enhancement is provided by a third party), such proposed Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, were issued at a fixed interest rate.

Commercial Paper Payment Plan shall mean, with respect to any Series of Commercial Paper Notes and as of any time, the then current Commercial Paper Payment Plan for such Notes contained in a certificate of an Authorized Officer of JEA delivered pursuant to the Second Power Park Resolution setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Commercial Paper Notes or any subsequent certificate of an Authorized Officer of JEA thereafter executed to reflect changes, if any, in the expectations of JEA with respect to the sources of funds to be utilized to pay principal of and interest on such Commercial Paper Notes; *provided, however*, that if any Commercial Paper Payment Plan provides for the refunding of any Commercial Paper Note with proceeds of (a) Bonds other than

Commercial Paper Note or Medium-Term Notes or (b) Subordinated Indebtedness, in either case, that JEA intends to pay from Revenues, the principal of such Commercial Paper Notes shall, for purposes of the Commercial Paper Payment Plan, be assumed to come due over a period commencing with the due date of the Commercial Paper Note and ending not later than the earlier of (x) the 40th anniversary of the first issuance of Commercial Paper Notes of such Series or (y) the 30th anniversary of the due date of the Commercial Paper Note to be refunded, in installments such that the principal and interest payable on such Commercial Paper Notes in each Fiscal Year in such period will be equal to the principal and interest payable on such Commercial Paper Notes in each other Fiscal Year in such period.

Costs shall mean, with respect to the System, all costs of planning, designing, acquiring, constructing, financing and placing in operation, or retirement or disposal of, the System, including amounts paid to FPL under the Joint Ownership Agreement for any cost or expense which would be Costs if paid or incurred by JEA, and which shall include, but not be limited to, funds for:

- (a) acquisition (including acquisition by prepayment) of additional fuel stockpile for the System;
- (b) all federal, state and local taxes and payments in lieu of taxes required to be paid under the Joint Ownership Agreement (other than payments in lieu of taxes provided for in Section 9.4.2.2 of the Joint Ownership Agreement) or otherwise legally required to be paid in connection with the acquisition and construction of the System;
- (c) all costs relating to claims or judgments arising out of construction or operation of the System;
- (d) planning and development costs, engineering fees, contractors' fees, costs of obtaining governmental or regulatory permits, licenses and approvals, costs of real property, labor, materials, equipment, supplies, training and testing costs, insurance premiums, legal and financing costs, administrative and general costs, and all other costs properly allocable to the acquisition and construction of the System and placing the same in operation;
- (e) all other costs incurred in connection with, and properly chargeable or attributable to, the acquisition and construction of the System, including "Costs of Construction," "Other Costs" (other than those "Other Costs" which are payable as Operation and Maintenance Expenses), or "Costs of Plant" as defined in the Joint Ownership Agreement;
- (f) the costs of any indemnity or surety bonds and premiums on insurance, preliminary investigation and development costs, engineering fees and expenses and contractors' fees and expenses;
- (g) the costs of legal and financial advisory fees and expenses, interest and financing costs, including, without limitation, bank commitment and letter of credit fees, bond insurance and indemnity premiums, discounts to the underwriters or other purchasers thereof, amounts required to be paid under any interest rate

exchanges or swaps, cash flow exchanges, options, caps, floors or collars, in each case made in connection with the issuance of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA relating to the System;

(h) fees and expenses of the Fiduciaries, administration and general overhead expense and costs of keeping accounts and making reports required by the Second Power Park Resolution;

(i) amounts, if any, required by the Second Power Park Resolution to be paid into the Debt Service Fund 2d to provide, among other things, for interest accruing on Bonds and to provide for the Debt Service Reserve Requirement or to be paid into the Revenue Fund 2d or the Renewal and Replacement Fund 2d for any of the respective purposes thereof;

(j) payments when due (whether at maturity of principal or due date of interest or of redemption) upon any indebtedness of JEA issued to finance or refinance any of the foregoing, and all federal, state and local taxes and payments in lieu of taxes in connection with the System or any part thereof; and

(k) working capital and reserves for any of the foregoing, including reimbursements to JEA for any of the above items theretofore paid by or on behalf of JEA.

It is intended that this definition be broadly construed to encompass all costs, expenses and liabilities of JEA related to the System which on the date of the Second Power Park Resolution or in the future shall be permitted to be funded with the proceeds of Bonds pursuant to the provisions of Florida law.

Credit Enhancement shall mean, with respect to the Bonds of a Series, a maturity within a Series or an interest rate within a maturity, an insurance policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by JEA or otherwise, the principal of and interest on such Bonds.

Credit Enhancer shall mean any person or entity which, pursuant to a Supplemental Resolution, is designated as a Credit Enhancer and which provides Credit Enhancement for the Bonds of a Series, a maturity within a Series or an interest rate within a maturity.

Current Interest Commencement Date shall mean, with respect to any particular Deferred Income Bonds, the date specified in the Supplemental Resolution authorizing such Deferred Income Bonds (which date must be prior to the maturity date for such Deferred Income Bonds) after which interest accruing on such Deferred Income Bonds shall be payable periodically on dates specified in such Supplemental Resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of (a) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits into the Debt Service Account in the Debt Service Fund 2d made from the proceeds of Bonds, Subordinated

Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund 2d); provided, that in the event that the Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then in respect of the interest payable on Such Bonds, for purposes of this definition, the interest on the Bonds of such series shall be calculated net of the amount of the cash subsidy payments due from the U.S. Treasury. If for whatever reason, JEA no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), for purposes of this definition, the interest on the Bonds of such Series shall be calculated without regard to such subsidy and (b) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, (i) in the case of Bonds other than Reimbursement Obligations, if (A) there shall be no such preceding Principal Installment due date or (B) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the Date of Issuance of Bonds of such Series, whichever date is later, and (ii) in the case of Reimbursement Obligations, in accordance with the terms thereof and the Supplemental Resolution authorizing such Reimbursement Obligations), except to the extent that such Principal Installment is paid or to be paid from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA. Such interest and Principal Installments for such Series shall be calculated on the assumption that (i) no Bonds (except for Option Bonds actually tendered for payment prior to the stated maturity thereof and paid, or to be paid, from Revenues) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, (ii) the principal amount of Option Bonds tendered for payment before the stated maturity thereof and paid, or to be paid, from Revenues, shall be deemed to accrue on the date required to be paid pursuant to such tender and (iii) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Debt Service at the times and in the manner provided in the Second Power Park Resolution; *provided, however*, that if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d takes into account Debt Service, then, for purposes of such calculation, Debt Service shall be calculated only with respect to the Bonds of the Series secured thereby.

For the purpose of computing Debt Service (a) for any future period (i) any Variable Rate Bonds, Commercial Paper Notes and Medium-Term Notes Outstanding during such period shall be assumed to bear interest during such period at the greater of (X) the actual rate of interest then borne by such Variable Rate Bonds, Commercial Paper Notes and Medium-Term Notes or (Y) the Certified Interest Rate applicable thereto and, in the case of Commercial Paper Notes and Medium-Term Notes Outstanding, such period shall be assumed to have Principal Installments that come due in accordance with the then current Commercial Paper Payment Plan or Medium-Term Note Payment Plan applicable thereto and (ii) any Option Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof and (b) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Debt Service at the times and in the manner provided in the Second Power Park Resolution.

Notwithstanding anything to the contrary contained in the Second Power Park Resolution, (a) if JEA has in connection with any Bonds entered into a Designated Swap Obligation which provides that, in respect of a notional amount corresponding to the principal amount or issue price of such Bonds, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a variable rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a fixed rate of interest, then, for purposes of calculating Debt Service with respect to such Bonds for purposes of the rate covenant contained in the Second Power Park Resolution, it will be assumed that such Bonds bear interest at a rate equal to the sum of (i) the lesser of (A) the average of the variable rate payable by JEA pursuant to such Designated Swap Obligation for the five years preceding the date of determination (or such lesser period the date of determination if in effect for less than five years), calculating such rate based upon the method, formula or index with respect thereto set forth in such Designated Swap Obligation and (B) the average of the actual rates paid by JEA pursuant to such Designated Swap Obligation for the 12 months preceding such date of determination; *provided, however*, if such Designated Swap Obligation shall not have been in effect for 12 months, then the rate of interest determined pursuant to this clause (i) shall be the rate determined pursuant to the foregoing subclause (A) and (ii) the difference (whether positive or negative) between (A) the fixed rate of interest on such Bonds and (B) the fixed rate of interest payable to JEA pursuant to such Designated Swap Obligation and (b) if JEA has in connection with any Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes entered into a Designated Swap Obligation which provides that, in respect of a notional amount of such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a fixed rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a variable rate of interest, then, for purposes of calculating Debt Service with respect to such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, for purposes of the rate covenant contained in the Second Power Park Resolution, it will be assumed that such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, bear interest at the fixed rate of interest payable by JEA pursuant to such Designated Swap Obligation.

Debt Service Reserve Requirement shall mean, with respect to each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d, unless otherwise specified in the Supplemental Resolution establishing such subaccount, as of any date of calculation, an amount equal to the maximum amount of interest to accrue on the Additionally Secured Series secured thereby during the then current, or any future, Fiscal Year (assuming, for this purpose, that all Additionally Secured Series secured thereby that bear interest at a variable or floating rate shall bear interest during such period at the Certified Interest Rate applicable thereto) excluding interest on such Bonds to be paid from deposits in the Debt Service Account in the Debt Service Fund 2d made from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund 2d).

For the purpose of the calculation of the Debt Service Reserve Requirement in the event that any Additionally Secured Bonds secured thereby shall constitute Build America Bonds, then until such time, if any, as JEA, for whatever reason, no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), for purposes of this definition, the interest on such Bonds shall be calculated net of the amount of such

subsidy; *provided, however*, that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of such Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to JEA by the U.S. Treasury, and the amount of such increase shall be required to be funded in equal semiannual installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which such specified percentage is so reduced, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period and provided, further, that in the event that JEA, for whatever reason, ceases to receive cash subsidy payments from the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), then the amount of such Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be required to be funded in equal semiannual installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which JEA does not receive the first such cash subsidy payment that it theretofore was qualified to receive, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period. Notwithstanding any other provision of this resolution, any one or more installments of any increase in the Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund provided for in the preceding sentence may be prepaid at any time in whole or in part by JEA by designating in JEA's records that such payment(s) is (or are) to be treated as a prepayment.

Defeasance Securities shall mean, unless otherwise provided with respect to the Bonds of a Series in the Supplemental Resolution authorizing such Bonds,

- (a) any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies set forth in clause (c) below to the extent unconditionally guaranteed by the United States of America, which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof,

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) above on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate and (iv) which at the time of their purchase under the Second Power Park Resolution are rated "AAA" by Standard & Poor's Credit Market Services, a business of Standard & Poor's Financial Services LLC, a limited liability company, organized and existing under the laws of the State of Delaware ("S&P"), if rated by such agency, and, are rated "Aaa" by Moody's Investors Service ("Moody's"), if rated by such agency,

(c) obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision which are not callable for redemption prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall also be specified in such instructions, and which shall be rated in the highest whole rating category by two nationally recognized rating agencies,

(d) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in clauses (a) and (c) of this definition provided that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination by federal, state, or territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$50,000,000, or obligations described in the foregoing clause (c), in any such case, which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such obligations on a specified redemption

date has been given and such obligations are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof,

(e) deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by obligations described in clause (a) or clause (b) of this definition to the extent not insured by the Federal Deposit Insurance Corporation,

(f) agreements or contracts with insurance companies or other financial institutions, or subsidiaries or affiliates thereof (hereinafter in this paragraph referred to as "Providers"), (i) whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations or (ii) whose obligations under such agreements or contracts shall be unconditionally guaranteed by another insurance company or other financial institution, or subsidiary or affiliate thereof, whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations, pursuant to which agreements or contracts the Provider shall be absolutely, unconditionally and irrevocably obligated to repay the moneys invested by JEA and interest thereon at a guaranteed rate, without any right of recoupment, counterclaim or set off; the Provider may have the right to assign its obligations under any Investment Agreement to any other insurance company or other financial institution, or subsidiary or affiliate thereof; *provided, however*, that such assignee also shall be an insurance company or other financial institution, or subsidiary or affiliate thereof, satisfying the requirements set forth in either clause (i) or clause (ii) of the preceding sentence, and

(g) upon compliance with the applicable provisions of the Second Power Park Resolution, such securities (i) as are described in clause (a) of this definition and (ii) as are described in clause (d) of this definition so long as such securities evidence ownership of the right to payments of principal and/or interest on obligations described in clause (a) of such definition, in each case provided that, notwithstanding such clauses, such securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

Deferred Income Bonds shall mean any Bonds issued under the Second Power Park Resolution as to which interest accruing prior to the Current Interest Commencement Date is (a) compounded periodically on dates specified in the Supplemental Resolution authorizing such

Deferred Income Bonds and (b) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Second Power Park Resolution or the Supplemental Resolution authorizing such Deferred Income Bonds.

Designated Swap Obligation shall mean, to the extent from time to time permitted by law, any interest rate swap transaction (a) which is entered into by JEA for the purpose of converting synthetically the interest rate on any particular Bonds from a fixed rate to a variable rate or from a variable rate to a fixed rate (regardless of whether such Designated Swap Obligation shall have a term equal to the remaining term of such Bonds) and (b) which has been designated in a certificate of an Authorized Officer of JEA filed with the records of JEA as such (which certificate shall specify the Bonds with respect to which such Designated Swap Obligation is entered into).

Electric Resolution shall mean the resolution adopted by JEA on March 30, 1982, authorizing the issuance of Electric System Revenue Bonds, as amended.

Electric System shall mean JEA's existing electric generating, transmission and distribution system consisting of the existing generating plants and transmission and distribution lines and facilities together with any and all improvements, extensions and additions thereto hereafter constructed or acquired, and all lands or interests therein, including buildings, machinery, equipment and all property, real or personal, tangible or intangible, now or hereafter owned and constructed or acquired by JEA as part of said existing electric system; such Electric System shall not be deemed to include (a) any facilities or property now or hereafter constructed, owned or operated by JEA as a part of the System or any other bulk power supply system projects or any other separate non-competing electric utility or system which JEA elects to acquire, construct and operate as a separate bulk power supply utility or system, (b) the existing water and sewer system owned by JEA or any additional utility functions hereafter added to such water and sewer system, (c) the district energy system owned by JEA or (d) any properties or interests in properties of JEA (i) which JEA determines shall not constitute a part of the Electric System for the purpose of the Electric Resolution at the time of the acquisition thereof by JEA or (ii) as to which JEA shall determine by resolution that the exclusion of such properties or interests in properties from the Electric System will not materially impair the ability of JEA to comply during the current or any future Fiscal Year with the provisions of the Electric Resolution.

First Resolution shall mean the St. Johns River Power Park System Revenue Bond Resolution adopted by JEA on March 30, 1982, as from time to time amended or supplemented.

FPL shall mean Florida Power & Light Company, a corporation organized and existing under the laws of the State of Florida.

Highest Rating Category shall mean (a) if the Bonds are rated by a Rating Agency, that each such Rating Agency has assigned a rating in the highest rating category given by that Rating Agency for that general category of security or obligation, and (b) if the Bonds are not rated (and, consequently, there is no Rating Agency), that Standard and Poor's or Moody's Investor Service has assigned a rating in the highest rating category given by that rating agency for that general category of security or obligation.

Investment Securities shall mean and include each of the following securities, obligations and investments if and to the extent that at the time the same shall be legal for investment of JEA's funds:

(a) any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies set forth in clause (b) below to the extent unconditionally guaranteed by the United States of America;

(b) bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America which at the time of their purchase under the Second Power Park Resolution are rated "AAA" by S&P and "Aaa" by Moody's, if rated by both rating agencies, and, if rated by one such rating agency, shall have a rating of "AAA" or "Aaa" by S&P or Moody's, as the case may be;

(c) obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision; *provided* that at the time of their purchase under the Second Power Park Resolution such obligations are rated in either of the two highest whole rating categories by two nationally recognized rating agencies;

(d) direct and general obligations of the State of Florida for the payment of the principal of and interest on which the full faith and credit of said State is pledged, or any bonds or other obligations which as to principal and interest are unconditionally guaranteed by the State of Florida;

(e) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in clauses (a) and (b) of this definition; *provided* that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination of federal, state, territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$50,000,000;

(f) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances issued by any bank, trust company or national banking association, in each case, having a combined capital, surplus and undivided profits of not less than \$100,000,000; *provided* that at the time of their purchase under the Second Power Park Resolution such instruments are (a) rated not lower than the second highest whole rating category by two nationally recognized rating agencies, (b) issued by a bank, trust company or nationally recognized association (1) which bank, trust company or national banking association's deposit obligations have been issued the highest possible rating (giving effect to any refinement or graduation of ratings by a numerical or symbolic modifier or otherwise) by (X) Moody's or S&P

or (Y) two nationally recognized rating agencies or (2) which bind, trust company or national banking association has issued and outstanding senior unsecured indebtedness rated not lower than the second highest whole rating category by two nationally recognized rating agencies; *provided* that, if after the purchase of any such certificates of deposit, the ratings thereon or with respect to the issuer thereof, as the case may be, shall fall below the requirements set forth in subclause (a) or (b) of this clause (f), JEA shall sell such certificates of deposit, or (c) fully insured by the Federal Deposit Insurance Corporation or secured, to the extent not insured by the Federal Deposit Insurance Corporation, by such securities as are described in clause (a) of this definition which securities shall at all times have a market value at least equal to the principal amount of such certificates of deposit or banker's acceptances;

(g) commercial paper that, at the date of investment, is rated "P-1" by Moody's and "A-1" by S&P, or if not so rated by both such rating agencies, then rated "P-1" by Moody's or "A-1" by S&P or "F-1" by Fitch Ratings and rated with the highest possible rating (giving effect to any refinement or graduation of ratings with a numerical or symbolic modifier or otherwise) by one other nationally recognized rating agency;

(h) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement relates to the sale and repurchase of any one or more of the securities described in clauses (a) and (b) above and which, in the judgment of JEA, conforms as to terms and conditions with then prevailing prudent standards in the financial markets;

(i) shares of an investment company organized under the Investment Company Act of 1940, as amended (or successor provision of law), which invests in assets exclusively in obligations of the type described in the other clauses of this definition which shares shall be rated "AA" or above if rated by S&P and "Aa2" or above if rated by Moody's;

(j) interests in the State of Florida Local Government Surplus Funds Trust Fund or other similar common trust fund for which such state, or a constitutional or statutory officer or agency thereof, shall be the custodian; and

(k) any agreements or contracts with insurance companies or other financial institutions, which agreements or contracts (a) shall be rated at the date of investment of such agreements or contracts in the highest whole rating category by two nationally recognized rating agencies, or (b) are issued or entered into by (i) an insurance company whose claims paying ability shall be rated at the date of investment in such agreements or contracts in the highest whole rating category by two nationally recognized rating agencies or (ii) an insurance company or other financial institution that has issued and outstanding senior unsecured indebtedness

rated at the date of investment in such agreements or contracts in the highest whole rating category by two nationally recognized rating agencies, and whereby under each such agreement or contract the insurance company or other financial institution shall be absolutely and unconditionally obligated to repay the moneys invested by JEA and interest thereon, without any right of recoupment, counterclaim or set off. Any such agreement or contract may provide that, with the approval of JEA, the insurance company or other financial institution may have the right to assign its obligations under any such agreement or contract to any other insurance company or other financial institution.

Joint Ownership Agreement shall mean (i) the Agreement for Joint Ownership, Construction and Operation of St. Johns River Power Park Coal Units #1 and #2, dated April 2, 1982 between JEA and FPL, as amended and (ii) after the expiration of the term of the agreement described in clause (i), the agreement between JEA and FPL governing the joint ownership and operation of the System designated by JEA's governing board as intended to be treated as the Joint Ownership Agreement within the meaning of the Second Power Park Resolution. References in the Second Power Park Resolution to particular sections of the Joint Ownership Agreement after the agreement referred to in clause (ii) is in effect shall be deemed to be references to the respective sections of such agreement which cover the substance covered in the sections referenced in the Joint Ownership Agreement described in clause (i) above.

Medium-Term Note Payment Plan shall mean, with respect to any Series of Medium-Term Notes and as of any time, the then current Medium-Term Note Payment Plan for such Notes contained in a certificate of an Authorized Officer of JEA delivered pursuant to the Second Power Park Resolution and setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Medium-Term Notes or any subsequent certificate of an Authorized Officer of JEA thereafter executed to reflect changes, if any, in the expectations of JEA with respect to the sources of funds to be utilized to pay principal of and interest on such Medium-Term Notes; *provided, however*, that if any Medium-Term Note Payment Plan provides for the refunding of any Medium-Term Note with proceeds of (a) Bonds other than Commercial Paper Notes or Medium-Term Notes or (b) Subordinated Indebtedness, in either case, that JEA intends to pay from Revenues, the principal of such Medium-Term Notes shall, for purposes of the Medium-Term Note Payment Plan, be assumed to come due over a period commencing with the due date of the Medium-Term Note and ending not later than the earlier of (a) the 40th anniversary of the first issuance of Medium-Term Notes of such Series or (b) the 30th anniversary of the due date of the Medium-Term Note to be refunded, in installments such that the principal and interest payable on such Medium-Term Notes in each Fiscal Year in such period will be equal to the principal and interest payable on such Medium-Term Notes in each other Fiscal Year in such period.

Net Revenues shall mean, for any period, the Revenues during such period, determined on an accrual basis, minus the Operation and Maintenance Expenses during such period, determined on an accrual basis, to the extent paid or to be paid from Revenues.

One-Month LIBOR Rate shall mean, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 a.m., London time, on such date, or if such date is not a date on which

dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

Operation and Maintenance Expenses shall mean JEA's current expenses, paid or accrued, of operation, maintenance and repair of the System (but only to the extent not paid by or accrued in respect of "Revenues" under the First Resolution), including administration costs, as calculated in accordance with generally accepted accounting principles, and shall include all Contract Debts. Notwithstanding the foregoing, Operation and Maintenance Expenses shall not include any reserve for renewals or replacements or any allowance for depreciation or amortization and there shall be included in Operation and Maintenance Expenses only that portion of the total administrative, general and other expenses of JEA which are properly allocable to the System.

Option Bonds shall mean Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment by JEA prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

Principal Installment shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (a) the principal amount of Bonds (including, in the case of any Option Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof and paid, or to be paid, from Revenues) of such Series due (or so tendered for payment and paid, or to be so paid) on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance (determined as provided in the Second Power Park Resolution) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (c) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Refundable Principal Installment shall mean any Principal Installment for any Series of Bonds which JEA intends to pay with moneys which are not Revenues; *provided* that (a) in the case of Bonds other than Commercial Paper Notes or Medium-Term Notes, such intent shall have been expressed in the Supplemental Resolution authorizing such Series of Bonds, (b) in the case of Commercial Paper Notes, such intent shall be expressed in the then current Commercial Paper Payment Plan for such Commercial Paper Notes and (c) in the case of Medium-Term Notes, such intent shall be expressed in the then current Medium-Term Note Payment Plan for such Medium-Term Notes; *provided, further*, that such Principal Installment shall be a Refundable Principal Installment only through the penultimate day of the month preceding the month in which such Principal Installment comes due or such earlier time as JEA no longer intends to pay such Principal Installment with moneys which are not Revenues.

Reimbursement Obligations shall mean all Bonds issued to evidence JEA's obligation to repay any advances or loans made to, or behalf of, JEA in connection with any Credit Enhancement or liquidity support for the Bonds of a series (or a maturity or maturities or interest rate within a maturity thereof).

Renewal and Replacement Requirement shall mean, (a) if the First Resolution has not been satisfied and discharged, zero and (b) if the First Resolution has been satisfied and discharged, for each Bond Year, 12 1/2 percent of Aggregate Debt Service for such Bond Year or such greater amount as shall be determined from time to time by JEA's governing board as being prudent and appropriate.

Revenues shall mean (a) so long as the First Resolution has not been satisfied and discharged, (i) all payments made by JEA from its Electric System into the Revenue Fund 2d (x) pursuant to the applicable provision in the Second Power Park Resolution and (y) as may be required to comply with the requirements of the Second Power Park Resolution and (ii) amounts received or to be received as described in sub-clause (iii) of clause (b) below and (b) after the First Resolution has been satisfied and discharged, in addition to the payments received pursuant to sub-sub-clause (x) and (y) of sub-clause (i) of clause (a) above, (i) all revenues, income, rents and receipts derived or to be derived by JEA from or attributable or relating to the ownership and operation of the System, including all revenues attributable or relating to the System or to the payment of the costs thereof received or to be received by JEA from FPL under Section Eight of the Joint Ownership Agreement or otherwise payable to it for the sale of the output, capacity, use of service of the System or any part thereof or otherwise with respect to the System, including all payments made by JEA from its Electric System into the Revenue Fund 2d pursuant to the Second Power Park Resolution, (ii) the proceeds of any insurance covering business interruption loss relating to the System derived or to be derived by JEA and (iii) interest received or to be received on any moneys or securities (other than moneys or securities in the Construction Fund 2d) held pursuant to the Second Power Park Resolution and required to be paid into the Revenue Fund 2d. Revenues shall not include (a) any income, fees, charges, receipts, profits or other moneys derived by JEA from its ownership or operation of the Electric System (except that payments made by JEA into the Revenue Fund 2d from the Electric System pursuant to the Second Power Park Resolution, as referred to in the preceding sentence, shall become Revenues when and to the extent such payments are actually made) or of any other separate bulk power supply utility or system of the nature referred to in the last sentence of the definition of St. Johns River Power Park System below, or (b) any payments by FPL to JEA for transmission service under 6.17 of the Joint Ownership Agreement. Notwithstanding the foregoing, all cash subsidy payments received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall not constitute "Revenues" for any purpose of the Resolution.

St. Johns River Power Park System or System shall mean the Initial Facilities and the Additional Facilities. St. Johns River Power Park System or System shall not include JEA's Electric System or any other separate utility or system which JEA elects to acquire, construct and operate as a separate bulk power supply utility or system.

Second Highest Rating Category shall mean (a) if the Bonds are rated by a Rating Agency, that each such Rating Agency has assigned a rating not lower than the second highest rating category (not taking into account numerical or plus or minus or other gradations within a rating category) given by that Rating Agency for that general category of security or obligation and (b) if the Bonds are not rated (and, consequently, there is no Rating Agency), that S&P or Moody's has assigned a rating not lower than the second highest rating category given by that rating agency for that general category of security or obligation.

Trust Estate shall mean (a) the proceeds of the sale of the Bonds, (b) the Revenues, and (c) all Funds and Accounts established by the Second Power Park Resolution (other than the Debt Service Reserve Account in the Debt Service Fund 2d and the Renewal and Replacement Fund 2d), including the investments and investment income, if any, thereof.

U.S. Treasury shall mean the U.S. Treasury or any party designated by the federal government to issue cash subsidy payments on Build America Bonds.

Variable Rate Bond shall mean any Bond not bearing interest throughout its remaining term at a specified rate or specified rates.

Variable Rate Taxable Index shall mean the One-Month LIBOR Rate or, if the One-Month LIBOR Rate no longer shall be available, the Alternate Variable Rate Taxable Index.

Variable Rate Tax-Exempt Index shall mean the BMA Municipal Swap Index or, if the BMA Municipal Swap Index no longer shall be available, the Alternate Variable Rate Tax-Exempt Index.

Pledge

The Bonds are special obligations of JEA payable from and secured by the funds pledged therefor. Pursuant to the Second Power Park Resolution, there is pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of the Second Power Park Resolution, subject only to the provisions of the Second Power Park Resolution permitting or requiring the application thereof for the purposes and on the terms and conditions set forth in the Second Power Park Resolution, the Trust Estate.

Pursuant to the Second Power Park Resolution, there are pledged, as additional security for the payment of the principal or sinking fund Redemption Price, if any, of, and interest on, the Bonds of each Additionally Secured Series secured thereby, subject only to the provisions of the Second Power Park Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Second Power Park Resolution, amounts on deposit in any separate subaccount established in the Debt Service Reserve Account in the Debt Service Fund 2d, including the investments and investment income, if any, thereof.

Application of Revenues

Revenues are pledged by the Second Power Park Resolution to payment of principal of and interest and redemption premium on the Bonds of all series, subject to the provisions of the Second Power Park Resolution permitting application for other purposes. For application of the Revenues, the Second Power Park Resolution establishes a Construction Fund 2d, Revenue Fund 2d, Debt Service Fund 2d, which shall consist of a Debt Service Account and a Debt Service Reserve Account, and within such Debt Service Reserve Account an Initial Subaccount; Subordinated Indebtedness Fund; Renewal and Replacement Fund 2d and General Reserve Fund 2d; all of such funds are held by JEA; *provided* that if and to the extent provided in a Supplemental Resolution authorizing Subordinated Indebtedness, the Subordinated Indebtedness Fund shall be held by the entity specified in such Supplemental Resolution.

Construction Fund 2d

There shall be paid into the Construction Fund 2d the amounts required to be so paid by the provisions of any Supplemental Resolution and there may be paid into the Construction Fund 2d, at the option of JEA, any moneys received for or in connection with the System by JEA from any other source, unless required to be otherwise applied as provided by the Second Power Park Resolution or the First Resolution. Amounts in the Construction Fund 2d shall be applied to the payment of the Costs of the System in the manner provided in the Second Power Park Resolution or for any other lawful purpose of JEA relating to the System.

The proceeds of insurance maintained pursuant to the Second Power Park Resolution against physical loss of or damage to the System or of contractors' performance bonds or other assurances of completion with respect thereto (all to the extent not required to be paid into an account under the First Resolution or not required to be held and applied under the Joint Ownership Agreement), pertaining to the period of construction or acquisition thereof, shall, upon receipt by JEA, be paid into the Renewal and Replacement Fund 2d.

Amounts in the Construction Fund 2d shall be paid by JEA into the Construction and Plant Account established pursuant to the Joint Ownership Agreement (and referred to in JEA's accounting system as the "Cost of Plant Account") to the extent, in the amounts and at the times required by the Joint Ownership Agreement.

To the extent that other moneys are not available therefor, amounts in the Construction Fund 2d shall be applied to the payment of the principal of and interest on the Bonds when due.

JEA may withdraw amounts from the Construction Fund 2d for the payment of amounts due and owing on account of Costs of the System.

Amounts credited to the Construction Fund 2d which JEA determines at any time to be in excess of the amounts required for the purposes thereof shall be deposited in the Debt Service Reserve Account in the Debt Service Fund 2d, if and to the extent necessary to make the amount in any separate subaccount therein equal to the Debt Service Reserve Requirement related thereto (or, if such excess shall be less than the amount necessary to make up the deficiencies with respect to all of the separate subaccounts in the Debt Service Reserve Account, then such excess shall be applied ratably, in proportion to the deficiency in each such subaccount), and any balance of such excess, upon written determination of an Authorized Officer of JEA, shall be deposited in the Revenue Fund 2d and the excess shall be deposited into the General Reserve Fund 2d; *provided, however*, that the amount of any such deposit to the Revenue Fund 2d shall not constitute or be deemed to constitute Revenues for any purpose of the Second Power Park Resolution.

JEA may permanently discontinue the acquisition or construction of any portion of the System, the Costs of which are at the time being paid out of the Construction Fund 2d, if the Governing Body determines by resolution that such discontinuance is necessary or desirable in the conduct of the business of JEA and not disadvantageous to the Holders of the Bonds.

Revenues and Revenue Fund 2d

Pursuant to the Second Power Park Resolution, all Revenues are to be deposited promptly by JEA to the credit of the Revenue Fund 2d.

After payment of Operation and Maintenance Expenses, the Second Power Park Resolution provides that the Revenue Fund 2d should be applied monthly to the extent available in the following order:

(a) in the Debt Service Fund 2d, (i) for credit to the Debt Service Account, an amount at least equal to the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service as of the last day of the then current month; *provided* that (A) for the purposes of computing the amount to be deposited in said Account, there shall be excluded from the balance in said Account the amount, if any, set aside in said Account from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund 2d) for the payment of interest on Bonds less that amount of such proceeds to be applied in accordance with the Second Power Park Resolution to the payment of interest accrued and unpaid and to accrue on Bonds to the last day of the then current calendar month; and (B) any amount deposited into said Account during any month that is in excess of the minimum amount required to be deposited therein during such month may be deemed by JEA to be accumulated therein with respect to (1) any Sinking Fund Installment or (2) any principal amount of Bonds (including, in the case of any Option Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof) due (or so tendered for payment) on a certain future date for which no Sinking Fund Installments have been established or (3) some combination of (1) and (2), and interest thereon; and (ii) thereafter, for deposit in each separate subaccount in the Debt Service Reserve Account, the amount, if any, required so that the balance in each such subaccount shall equal the Debt Service Reserve Requirement related thereto as of the last day of the then current month (or, if the amount on deposit in the Revenue Fund 2d shall not be sufficient to make the deposits required to be made pursuant to this clause (ii) with respect to all of the separate subaccounts in the Debt Service Reserve Account, then such amount on deposit in the Revenue Fund 2d shall be applied ratably, in proportion to the amount necessary for deposit into each such subaccount);

(b) in the Subordinated Indebtedness Fund, an amount at least equal to the amount, if any, as shall be required to be deposited therein in the then current month to pay principal or sinking fund installments of and premiums, if any, and interest on each issue of Subordinated Indebtedness coming due in such month, whether as a result of maturity or prior call for redemption, and to provide reserves therefor and make other payments, as required by the Supplemental Resolution authorizing such issue of Subordinated Indebtedness; and

(c) in the Renewal and Replacement Fund 2d, an amount determined in the discretion of JEA; *provided, however*, that the amount deposited therein in each

Fiscal Year shall be at least equal to the Renewal and Replacement Requirement for that Fiscal Year.

The balance of any moneys remaining in the Revenue Fund 2d after the above required payments have been made shall be withdrawn from the Revenue Fund 2d and deposited in the General Reserve Fund 2d (other than amounts set aside therein as a general reserve for Operation and Maintenance Expenses or as a reserve for the acquisition of fuel or materials and supplies inventory); *provided, however*, that none of the remaining moneys shall be used for any purpose other than those specified in this section above unless all current payments, including all deficiencies in prior payments, if any, have been made in full and unless JEA shall have complied fully with all the covenants and provisions of the Second Power Park Resolution.

Notwithstanding the provisions above, so long as there shall be held in the Debt Service Fund 2d an amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), no deposits shall be required to be made into the Debt Service Fund 2d.

Debt Service Fund 2d -- Debt Service Reserve Account

There shall be established in the Debt Service Reserve Account in the Debt Service Fund 2d one or more separate subaccounts, each of which subaccounts shall be for the benefit and security of one or more Series of Bonds, in the manner and to the extent provided in the Second Power Park Resolution or the Supplemental Resolution establishing such subaccount, as the case may be.

If on any day on which the principal or sinking fund Redemption Price of or interest on the Bonds shall be due the amount on deposit in the Debt Service Account in the Debt Service Fund 2d (exclusive of amounts, if any, set aside in said Account from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund 2d) for the payment of interest on Bonds on a future date) shall be less than the amount required to pay such principal, Redemption Price or interest, then JEA shall apply amounts from each separate subaccount in the Debt Service Reserve Account to the extent necessary to cure the deficiency that exists with respect to the Additionally Secured Series of the Bonds secured thereby.

Whenever the moneys on deposit in any subaccount established in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement related thereto, and after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount in accordance with the provisions of the Supplemental Resolution establishing such subaccount or the Second Power Park Resolution, as the case may be, such excess shall be deposited in the Revenue Fund 2d and the balance after all required payments have been made shall be deposited into the General Reserve Fund 2d; *provided, however*, that the amount of any such deposit to the Revenue Fund 2d shall not constitute or be deemed to constitute Revenues for any purpose of the Second Power Park Resolution.

Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated to the extent necessary in order to provide for the timely payment of principal or Redemption Price, if applicable, and interest on the Bonds.

In the event of the refunding or defeasance of any Bonds of an Additionally Secured Series, JEA may withdraw from the separate subaccount in the Debt Service Reserve Account established for the benefit of the Bonds of such Additionally Secured Series all or any portion of the amounts accumulated therein and deposit such amounts with the Escrow Agent for the Bonds being refunded or defeased to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; *provided* that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded or defeased shall be deemed to have been paid pursuant to the Second Power Park Resolution, and (b) the amount remaining in such separate subaccount in the Debt Service Reserve Account, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount in accordance with the provisions of the Supplemental Resolution establishing such subaccount, and after giving effect to the issuance of any obligations being issued to refund any Bonds being refunded and the disposition of the proceeds thereof, shall not be less than the Debt Service Reserve Requirement related thereto. In the event of such refunding or defeasance, JEA may also withdraw from such separate subaccount in the Debt Service Reserve Account all or any portion of the amounts accumulated therein and deposit such amounts in any Fund or Account under the Second Power Park Resolution; *provided* that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied; *provided, further*, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Second Power Park Resolution.

In addition to or in lieu of maintaining moneys or investments in a subaccount in the Debt Service Reserve Account JEA, in the Supplemental Resolution or Supplemental Resolutions authorizing the Series of Bonds additionally secured by such subaccount, may provide for the deposit into such subaccount of other available monies of JEA, from the sources and otherwise subject to such limitations as shall be provided in such Supplemental Resolution or Supplemental Resolutions.

Establishment of Initial Subaccount in the Debt Service Reserve Account and Application Thereof

The Second Power Park Resolution establishes an Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d. Amounts held by JEA in the Initial Subaccount shall constitute a trust fund for the benefit of the Holders of the Bonds of any Series, if and to the extent that the Supplemental Resolution authorizing such Bonds provides that such Bonds shall be additionally secured by amounts on deposit in the Initial Subaccount; *provided, however*, that if the Bonds of any Series hereafter issued are to be additionally secured by amounts on deposit in the Initial Subaccount, then it shall be a condition precedent to the authentication and delivery of

such Bonds that the amount on deposit in the Initial Subaccount, after giving effect to any surety bond, insurance policy or letter of credit that may be credited to the Initial Subaccount in accordance with the provisions of the Second Power Park Resolution, and after giving effect to the issuance of such Bonds, shall not be less than the Debt Service Reserve Requirement for the Initial Subaccount. The Bonds of any Series that are additionally secured by amounts on deposit in the Initial Subaccount as aforesaid are herein referred to collectively as the "Initial Subaccount Additionally Secured Bonds." As of the date of the Annual Disclosure Report to which this Appendix is attached, the Initial Subaccount secures JEA's Outstanding St. Johns River Power Park Revenue Bonds, Issue Three, Series Four, Series Six, Series Seven and Series Eight.

If on any day on which the principal or sinking fund Redemption Price of or interest on the Bonds shall be due the amount on deposit in the Debt Service Account in the Debt Service Fund 2d (exclusive of amounts, if any, set aside in said Account from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund 2d) for the payment of interest on Bonds on a future date) shall be less than the amount required to pay such principal, Redemption Price or interest, then JEA shall apply amounts from the Initial Subaccount to the extent necessary to cure the deficiency that exists with respect to the Initial Subaccount Additionally Secured Bonds.

In lieu of maintaining moneys or investments in the Initial Subaccount, JEA at any time may cause to be deposited into the Initial Subaccount for the benefit of the Holders of the Initial Subaccount Additionally Secured Bonds an irrevocable surety bond, an insurance policy or a letter of credit (referred to in the Second Power Park Resolution as a "reserve fund credit instrument") satisfying the requirements set forth below in an amount equal to the difference between the Debt Service Reserve Requirement for the Initial Subaccount and the sums of moneys or value of Investment Securities on deposit in the Initial Subaccount, if any, upon provision of such reserve fund credit instrument.

(a) A surety bond or insurance policy issued by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Initial Subaccount Additionally Secured Bonds (a "municipal bond insurer") may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount if the claims paying ability of the issuer thereof shall be rated in the Highest Rating Category by each Rating Agency.

(b) A surety bond or insurance policy issued by an entity other than a municipal bond insurer may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount; *provided* that such entity or its claims paying ability is rated in the Highest Rating Category by each Rating Agency.

(c) An unconditional irrevocable letter of credit issued by a bank may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount if the issuer thereof is rated at least the Second Highest Rating Category by each Rating Agency. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary thereof of a sight draft accompanied by its certificate that it then holds insufficient funds to

make a required payment of principal or interest on the Initial Subaccount Additionally Secured Bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify JEA and the beneficiary thereof, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

(d) If such notice indicates that the expiration date shall not be extended, JEA shall deposit in the Initial Subaccount an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subaccount, together with any other qualifying reserve fund credit instruments, to equal the Debt Service Reserve Requirement for the Initial Subaccount, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the reserve fund credit instrument is replaced by a reserve fund credit instrument meeting the requirements in any of clauses (a) through (c) above. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The beneficiary of the letter of credit shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Initial Subaccount is fully funded in its required amount.

(e) The use of any reserve fund credit instrument pursuant to the Second Power Park Resolution shall be subject to receipt of an opinion of counsel acceptable to JEA as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to JEA and the Credit Enhancer, if any, for the Bonds Additionally Secured by the Initial Subaccount and in form and substance satisfactory to JEA and the Credit Enhancer, if any, for the Bonds Additionally Secured by the Initial Subaccount to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against JEA.

(f) The obligation to reimburse the issuer of a reserve fund credit instrument for any fees, expenses, claim or draws upon such reserve fund credit instrument shall be subordinate to the payment of debt service on the Bonds. Subject to the second and third succeeding sentences, the right of the issuer of a reserve fund credit instrument to payment or reimbursement for claims or draws under such reserve fund credit instrument and to payment or reimbursement of its fees and expenses shall be on a parity with the cash replenishment of the Initial Subaccount. The reserve fund credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent

of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the reserve fund credit instrument to reimbursement will be subordinated to cash replenishment of the Initial Subaccount to an amount equal to the difference between the full original amount available under the reserve fund credit instrument and the amount then available for further draws or claims. If (i) the issuer of a reserve fund credit instrument becomes insolvent or (ii) the issuer of a reserve fund credit instrument defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the insurance policy or surety bond falls below the Highest Rating Category (as rated by any Rating Agency) or (iv) the rating of the issuer of the letter of credit falls below the Second Highest Rating Category (as rated by any Rating Agency), the obligation to reimburse the issuer of the reserve fund credit instrument shall be subordinate to the cash replenishment of the Initial Subaccount.

(g) If (i) the revolving reinstatement feature described in the preceding clause (f) is suspended or terminated or (ii) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below the Highest Rating Category (as rated by any Rating Agency) or (iii) the rating of the issuer of the letter of credit falls below the Second Highest Rating Category (as rated by any Rating Agency), JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash or Investment Securities and any other reserve fund credit instrument then on deposit in the Initial Subaccount to equal the Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of clauses (a) through (c) above within six months of such occurrence. In the event (1) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (2) the rating of the issuer of the letter of credit falls below "A" or (3) the issuer of the reserve fund credit instrument defaults in its payment obligations or (4) the issuer of the reserve fund credit instrument becomes insolvent, JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash or Investment Securities and any other reserve fund credit instruments on deposit in the Initial Subaccount to equal to Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of clauses (a) through (c) above within six months of such occurrence.

(h) Where applicable, the amount available for draws or claims under the reserve fund credit instrument may be reduced by the amount of cash or value of Investment Securities deposited in the Initial Subaccount pursuant to clause (X) of the final sentence of the preceding clause (g).

(i) In the event that a reserve fund credit instrument shall be deposited into the Initial Subaccount as aforesaid, any amounts owed by JEA to the issuer of such reserve fund credit instrument as a result of a draw thereon or a claim

thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Second Power Park Resolution for purposes of the rate covenant contained in the Second Power Park Resolution.

(j) The beneficiary of any reserve fund credit instrument shall ascertain the necessity for a claim or draw upon such reserve fund credit instrument and provide notice timely to the issuer of the reserve fund credit instrument in accordance with its terms in order to receive proceeds thereunder prior to each interest payment date for the Bonds of any Initial Subaccount Additionally Secured Bonds.

(k) Cash on deposit in the Initial Subaccount shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any reserve fund credit instrument. If and to the extent that more than one reserve fund credit instrument is deposited in the Initial Subaccount, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Renewal and Replacement Fund 2d

Amounts in the Renewal and Replacement Fund 2d shall be applied to the Costs of the System, the payment of extraordinary operation and maintenance costs and contingencies and payments with respect to the prevention or correction of any unusual loss or damage in connection with all or part of the System, all to the extent not paid as Operation and Maintenance Expenses or from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA. Amounts in the Renewal and Replacement Fund 2d also may be applied (a) to the purchase, redemption, payment or provision for payment of Bonds or Subordinated Indebtedness, or interest thereon or (b) upon determination of the Governing Body, to the payment of the costs of enlargements, extensions, improvements and replacements of capital assets of any other utility system owned and operated by JEA and not constituting a part of the System.

If and to the extent provided in the Supplemental Resolution authorizing Bonds of a Series or Subordinated Indebtedness, amounts from the proceeds of such Bonds or Subordinated Indebtedness may be deposited in the Renewal and Replacement Fund 2d for any purpose of such Fund or may be deposited in the "Renewal and Replacement Fund" established under the First Resolution for any purpose of such Fund.

If at any time the amounts in the Debt Service Account or any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d shall be less than the current requirements of such Account or subaccount, respectively, then JEA shall transfer from the Renewal and Replacement Fund 2d for deposit in the Debt Service Account or such separate subaccount(s) in the Debt Service Reserve Account, as the case may be, the amount necessary to make up such deficiency (or, if the amount in said Fund shall be less than the amount necessary to make up the deficiencies with respect to the Debt Service Account and all of the separate subaccounts in the Debt Service Reserve Account, then the amount in said Fund shall be applied first to make up the deficiency in the Debt Service Account, and any balance remaining shall be

applied ratably to make up the deficiencies with respect to the separate subaccounts in the Debt Service Reserve Account, in proportion to the deficiency in each such subaccount).

If at any time the amounts in the Subordinated Indebtedness Fund shall be less than the current requirement of such Fund and the amounts on deposit in the Debt Service Account and each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d shall equal the current requirements of such Account and subaccounts, respectively, and such amounts are not required for the payment of Operation and Maintenance Expenses, then JEA shall transfer from the Renewal and Replacement Fund 2d for deposit in the Subordinated Indebtedness Fund the amount necessary (or all the moneys in the Renewal and Replacement Fund 2d if less than the amount necessary) to make up such deficiency.

General Reserve Fund 2d

JEA shall withdraw from the General Reserve Fund 2d and apply moneys in the following amounts and in the following order of priority: (a) JEA shall pay Operation and Maintenance Expenses due and unpaid, (b) JEA shall deposit in the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund 2d the amount necessary (or all the moneys in the General Reserve Fund 2d if less than the amount necessary) to make up any deficiencies in said Accounts, and (c) JEA shall deposit in the Renewal and Replacement Fund 2d the amount necessary (or all the moneys in the General Reserve Fund 2d if less than the amount necessary) to make up any deficiencies in payments to such Fund required the Second Power Park Resolution.

Amounts in the General Reserve Fund 2d not required to meet a deficiency or for transfer as required above shall upon determination of JEA be applied to or set aside for any one or more of the following:

- (a) the purchase (and delivery to the Bond Registrar for cancellation) or redemption of Bonds and expenses in connection with the purchase or redemption of such Bonds;
- (b) payment of any reserves which JEA determines shall be required for such purposes;
- (c) transfer to the Renewal and Replacement Fund 2d for application to the purposes of such Fund; and
- (d) any other lawful purpose of JEA.

Additional Bonds

JEA may issue one or more series of additional Bonds for any lawful purpose of JEA relating to the System. All such Bonds will be payable from the Trust Estate pledged pursuant to the Second Power Park Resolution and secured thereby on a parity with all other Bonds. In addition, each series of Bonds may be additionally secured by amounts on deposit in a separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d established under the Second Power Park Resolution (which may be the Initial Subaccount therein). Set forth below are certain conditions applicable to the issuance of additional Bonds:

Debt Service Reserve. If, at JEA's option, any series of additional Bonds is to be additionally secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d established under the Second Power Park Resolution, the issuance of the additional Bonds of such series is further conditioned upon the deposit to the Initial Subaccount of moneys or reserve fund credit instruments, or a combination thereof, in an amount such that the balance in such Subaccount equals the Debt Service Reserve Requirement for such Subaccount calculated immediately after the delivery of such Bonds.

No Default. In addition, Bonds of any series other than Refunding Bonds may be issued only if JEA certified that upon the issuance of such series JEA will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Second Power Park Resolution.

Subordinated Indebtedness

JEA may, at any time, or from time to time, issue Subordinated Indebtedness for any lawful purpose of JEA related to the System, which Subordinated Indebtedness shall be payable out of, and may be secured by a pledge of, such amounts in the Subordinated Indebtedness Fund as may from time to time be available for the purpose of payment thereof; *provided, however*, that any pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge of the Trust Estate created by the Second Power Park Resolution as security for the Bonds.

Investment of Certain Funds

Unless further limited as to maturity by the provisions of a Supplemental Resolution, moneys held in the Funds and Accounts established under the Second Power Park Resolution may be invested and reinvested by JEA in Investment Securities which will provide moneys not later than such times as shall be needed for payments to be made from such Funds and Accounts. In making any investment in any Investment Securities with moneys in any Fund or Account established under the Second Power Park Resolution and held by JEA, JEA may combine such moneys with moneys in any other Fund or Account held by JEA, but solely for purposes of making such investment in such Investment Securities.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned on any moneys or investments in such Funds and Accounts, other than the Construction Fund 2d, shall be paid into the Revenue Fund 2d. Interest earned on any moneys or investments in the Construction Fund 2d shall be held in such Fund for the purposes thereof or paid into the Revenue Fund 2d.

Nothing contained in the Second Power Park Resolution shall prevent JEA, to the extent permitted by law, from entering into securities lending agreements or bonds borrowed agreements ("lending agreements") with banks which are members of the Federal Deposit Insurance Corporation, having capital stock, surplus and undivided earnings aggregating at least \$25,000,000 and government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, secured by securities, which are obligations described in the definition of Investment Securities; *provided* that each such lending agreement (a) is in commercially reasonable form and

is for a commercially reasonable period, and (b) results in a transfer to JEA of legal title to, or a grant to JEA of a prior perfected security interest in, identified securities which are obligations described in the definition of Investment Securities and which are free and clear of any claims by third parties and are segregated in a custodial or trust account held by a third party (other than the borrower) as the agent solely of, or in trust solely for the benefit of, JEA; *provided* that such securities acquired or pledged pursuant to such lending agreements shall have a current market value not less than 102 percent of the market value of the securities loaned by JEA under such agreement. Any Investment Securities loaned by JEA under any such agreement shall be released from the lien of the pledge of the Trust Estate created under the Second Power Park Resolution, but only if all rights of JEA under the lending agreement (including, but not limited to, the monetary obligations to JEA of the bank and/or government bond dealer party to such agreement) and any related collateral agreement and all rights of JEA to the identified securities transferred or pledged to JEA in connection therewith are substituted for the securities loaned, and such rights of JEA are by the Second Power Park Resolution declared to be subject to the lien of the pledge of the Trust Estate created under the Second Power Park Resolution to the same extent that the loaned Investment Securities formerly were subject.

Redemption

In the case of any redemption of Bonds, JEA shall give written notice to the Bond Registrar(s) therefor and the Paying Agents of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series and of the Bonds of each interest rate within a maturity to be redeemed (which Series, maturities, interest rates within a maturity and principal amounts thereof to be redeemed shall be determined by JEA in its sole discretion, subject to any limitations with respect thereto contained in the Second Power Park Resolution or any Supplemental Resolution authorizing the Series of which such Bonds are a part). Such notice shall be filed with such Bond Registrars and the Paying Agents for the Bonds to be redeemed at least 40 days prior to the redemption date (or such shorter period (a) as shall be specified in the Supplemental Resolution authorizing the Series of the Bonds to be redeemed or (b) as shall be acceptable to such Bond Registrars and Paying Agents). In the event notice of redemption shall have been given, and unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed.

Covenants as to Rates, Fees and Charges

JEA shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System which shall be sufficient to provide Net Revenues in each Bond Year which shall be at least equal to the greater of (a) 115 percent of the Aggregate Debt Service for such Bond Year; *provided, however*, that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such Principal Installment from sources other than Revenues, and (b) the amount which, together with other available funds, shall be sufficient for the payment of:

(a) the amount to be paid during such Bond Year into the Debt Service Account in the Debt Service Fund 2d (other than amounts required to be paid into such Account out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(b) the amount, if any, to be paid during such Bond Year into each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d (other than amounts required to be paid into any such subaccount out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(c) the amount, if any, to be paid during such Bond Year into the Subordinated Indebtedness Fund (other than amounts required to be paid into such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(d) the amount, if any, to be paid during such Bond Year into the Renewal and Replacement Fund 2d (other than amounts required to be paid into such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); and

(e) all other charges and liens whatsoever payable out of Revenues during such Bond Year.

The Second Power Park Resolution establishes charges to JEA for the account of the Electric System, for the output, capacity, use and service of the System which are due on such dates and in such aggregate amounts as shall be sufficient to provide Net Revenues in each Bond Year sufficient to comply with the provision above.

JEA will not furnish or supply or cause to be furnished or supplied any use, output, capacity or service of the System free of charge to any person, firm or corporation, public or private.

Certain Other Covenants

Creation of Liens; Sale and Lease of Property. JEA shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a security interest in or pledge of the Trust Estate or any portion thereof, any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d or other moneys, securities or funds held or set aside by JEA or by the Fiduciaries under the Second Power Park Resolution and shall not create or cause to be created any lien or charge on the Trust Estate or any portion thereof, any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d or such moneys, securities or funds; *provided, however*, that nothing contained in the Second Power Park Resolution shall prevent JEA from issuing, if and to the extent permitted by law, (a) Bond Anticipation Notes or other evidences of indebtedness payable out of, and which may be secured by a pledge of (i) the proceeds of sale of Bonds or investment income therefrom, or (ii) amounts in the Construction Fund 2d derived from the proceeds of sale of said Bond Anticipation Notes or investment income therefrom as may from time to time be available for payment of such Bond Anticipation Notes or other evidences of indebtedness (including

redemption premiums, if any, and interest thereon) as part of the Costs of the System, or (iii) Revenues to be derived on and after such date as the pledge of the Revenues provided in the Second Power Park Resolution shall be discharged and satisfied as provided in the Second Power Park Resolution, or (b) Subordinated Indebtedness.

No part of the System shall be sold, mortgaged, leased or otherwise disposed of, except as follows:

(a) JEA may dispose of, sell or exchange at any time and from time to time any property or facilities constituting part of the System only if (i) JEA shall determine that such property or facilities are not needed or useful in the operation of the System, or (ii) the net book value of the property or facilities disposed of, sold or exchanged is not more than 15 percent of the net book value of the property and facilities of the System, or (iii) there shall be filed with the records of JEA a certificate of the Consulting Engineer stating, in its opinion, that the disposal, sale or exchange of such property or facilities will not materially impair the ability of JEA to comply during the current or any future Fiscal Year with the rate covenant described under "Covenant as to Rates, Fees and Other Charges." The proceeds of any sale or exchange of any property or facilities constituting a part of the System not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith be deposited in the Revenue Fund 2d; *provided, however*, that the amount of any such deposit to the Revenue Fund 2d shall not constitute or be deemed to constitute Revenues for any purpose of the Second Power Park Resolution;

(b) JEA may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, to the extent required by the Joint Ownership Agreement;

(c) In addition to the Joint Ownership Agreement, JEA may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System; *provided* that any such lease, contract, license, arrangement, easement or right (i) does not impede the operation by JEA of the System and (ii) does not in any manner impair or adversely affect the rights or security of the Holders of the Bonds under the Second Power Park Resolution; *provided, further*, that if the depreciated cost of the property to be covered by any such lease, contract, license, arrangement, easement or other right is in excess of 15 percent of the then current accumulated Cost of Acquisition and Construction (as defined in the First Resolution) of the System, JEA shall first file with the records of JEA a certificate of an Authorized Officer of JEA to the effect that the action of JEA with respect thereto does not result in a breach of the conditions under this clause (c). Any payments received by JEA under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues;

(d) JEA may permanently discontinue the acquisition or construction of any portion of the System as provided in the Second Power Park Resolution; and

(e) JEA may acquire by lease or lease purchase additions and improvements to the System. The agreement pursuant to which such lease or lease purchase is made may provide that upon termination of such lease or lease purchase JEA shall be obligated to return the property subject to such lease or lease purchase, or such portion thereof as has not been fully paid for, to the lessor or its designee.

Maintenance of Insurance. JEA shall at all times keep or cause to be kept the properties of the System which are of an insurable nature and of the character usually insured by those operating properties similar to such properties of the System insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained. JEA shall at all times maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of the System.

JEA shall also use its best efforts to maintain or cause to be maintained any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Holders of the Bonds.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to JEA unless otherwise required by the Joint Ownership Agreement.

Reconstruction; Application of Insurance Proceeds; Condemnation Awards. If any useful portion of the System shall be damaged or destroyed or taken by any governmental authority under the power of eminent domain or otherwise ("Condemnation"), JEA shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the reconstruction or replacement thereof, unless there shall be filed with the records of JEA a certificate of an Authorized Officer of JEA setting forth a determination by JEA that, taking into account all relevant facts and circumstances, including, if and to the extent JEA deems appropriate, the advice of the Consulting Engineer as to engineering matters, its attorneys as to legal matters and other consultants and advisors, such reconstruction or replacement is not in the interest of JEA and the Holders of the Bonds or unless it is determined under the provisions under the Joint Ownership Agreement that such reconstruction or replacement is not to be undertaken. Except as provided in the Second Power Park Resolution, the proceeds of any insurance paid or award received on account of such damage, destruction (other than any business interruption loss insurance or insurance proceeds deposited in the Construction Fund 2d pursuant to the Second Power Park Resolution) or Condemnation unless held and applied under the Joint Ownership Agreement shall be held by JEA in a special account and made available for, and to the extent necessary be applied to, the cost of such reconstruction or replacement. Pending such application, such proceeds may be invested by JEA in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such costs of reconstruction or replacement. Interest earned on such account or investments shall be deposited in the Revenue Fund 2d. Any such proceeds not applied within 36 months after receipt thereof by JEA to repairing or replacing damaged, destroyed or taken property, or in respect of which notice in writing of intention to apply

the same to the work of repairing or replacing the property damaged, destroyed or taken shall not have been filed with the records of JEA within such 36 months, or which JEA shall at any time determine are not to be so applied, unless otherwise applied, shall, unless otherwise applied or to be applied under the Joint Ownership Agreement, upon determination of JEA, be deposited in the Revenue Fund 2d; *provided, however*, that the amount of any such deposit to the Revenue Fund 2d shall not constitute or be deemed to constitute Revenues for any purpose of the Second Power Park Resolution. Notwithstanding the foregoing, in the event that payments for any such repairing or replacing of property damaged, destroyed or taken prior to the availability of proceeds of insurance or Condemnation therefor are made from the Renewal and Replacement Fund 2d, or from other funds of JEA not held in any Fund or Account established pursuant to the Second Power Park Resolution, such proceeds when received shall be deposited in the Renewal and Replacement Fund 2d to the extent of such payments therefrom, or shall be paid over to JEA, free and clear of any trust, lien or pledge securing the Bonds or otherwise existing under the Second Power Park Resolution, as appropriate.

If the proceeds of insurance or Condemnation authorized by this Section to be applied to the reconstruction or replacement of any portion of the System are insufficient for such purpose, the deficiency may be supplied out of moneys in the Renewal and Replacement Fund 2d.

The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund 2d unless otherwise required by the First Resolution or the Joint Ownership Agreement.

Joint Ownership Agreement: Enforcement and Amendment. Upon the satisfaction and discharge of the First Resolution, JEA shall collect and forthwith deposit in the Revenue Fund 2d all amounts payable to it pursuant to Section Eight of the Joint Ownership Agreement or otherwise payable to it for the sale of the output, capacity, use or service of the System or any part thereof or otherwise with respect to the System. JEA shall enforce the provisions of the Joint Ownership Agreement and duly perform its covenants and agreements thereunder.

Allocation to Electric System of Output and Capacity of System; Obligations of Electric System. JEA shall allocate to and make available for the account of the Electric System in each year that portion of the output, capacity, use and service of the System which is in excess of the output, capacity, use and service of the System sold to FPL pursuant to Section Eight of the Joint Ownership Agreement. JEA shall make payments from the Electric System which will provide:

- (i) in each month, Revenues equal to:
 - (a) the Operation and Maintenance Expenses due and payable during such month (but with no duplication for amounts paid therefor pursuant to the First Resolution);
 - (b) the amount, if any, to be set aside in the Revenue Fund 2d (other than amounts required to be paid into such Fund out of the proceeds of Bonds) as a general reserve for Operation and Maintenance Expenses or as a reserve for the acquisition of fuel in accordance with the then current Annual Budget,
 - (c) the Monthly Debt Service Deposit for such month,

(d) the amount, if any, to be paid during such month into the Debt Service Reserve Account in the Debt Service Fund 2d (other than amounts required to be paid into such Account out of the proceeds of Bonds),

(e) to the extent not paid into the revenue fund established pursuant to the First Resolution, all other direct and indirect costs of operating and maintaining the System, if any, which are not payable under the Second Power Park Resolution, but which are required to be paid by JEA under the Joint Ownership Agreement, including but not limited to (X) all costs, expenses, liabilities and charges which constitute "Costs of Operation" under the Joint Ownership Agreement and (Y) all losses, costs, damages and expenses payable to FPL under Section 13.6 of the Joint Ownership Agreement, and

(f) all other charges or liens (other than Costs of Acquisition and Construction of Initial Facilities or any Additional Facilities) whatsoever payable out of Revenues during such month, including payments of damages awarded pursuant to judgments of any court; and

During any period in which the Debt Service for any Series of Bonds containing Build America Bonds shall be calculated in the manner provided in the *proviso* contained in clause (i) of the first paragraph of the definition thereof contained in Section 101 hereof, no later than each interest payment date for such Build America Bonds then Outstanding, JEA shall withdraw from the Revenue Fund 2d and transfer to the Debt Service Account in the Debt Service Fund 2d an amount equal to the amount of the cash subsidy payment payable to JEA by the U.S. Treasury in respect of the interest payable on such Build America Bonds on such interest payment date, without regard to any reduction thereto made by the U.S. Treasury for the purpose of offsetting any amount due from JEA to it. Any such cash subsidy payment received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall be deposited by JEA upon the receipt thereof in the Revenue Fund 2d, but no such payment shall constitute Revenues for any purpose of the Resolution.

(ii) in each 12-month period ending September 30, the Renewal and Replacement Requirement for such period.

So long as the Electric Resolution shall not be satisfied and discharged, all payments to be made pursuant to the applicable provision of the Second Power Park Resolution shall constitute a "Cost of Operation and Maintenance" (as defined in the Electric Resolution) to be paid directly from the "Revenue Fund" established under the Electric Resolution. After the satisfaction and discharge of the Electric Resolution, JEA shall continue to make such payments from the revenues, income, rents and receipts derived by JEA from the ownership and operation of the Electric System as an operating expense of said Electric System. All such payments from the Electric System shall be made whether or not the System or any part thereof is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of the System for any reason whatsoever, in whole or in part.

So long as the Electric Resolution shall not be satisfied and discharged, JEA shall not consent or agree to or permit any amendment or supplement to the Electric Resolution (other than a supplement thereto to authorize a series of additional parity bonds as permitted by the Electric Resolution) which will in any manner materially impair or materially adversely affect the obligation of JEA to pay for the output, capacity, use and service of the System in accordance with the Second Power Park Resolution or the priority of such obligation under the Electric Resolution, or which will in any manner impair or materially adversely affect the rights or security of the Holders of the Bonds under the Second Power Park Resolution.

Except as otherwise provided in this paragraph, after the satisfaction and discharge of the Electric Resolution and the satisfaction and discharge of the First Resolution, (i) JEA shall not become liable for any bonds, notes, debentures or other evidences of indebtedness of similar nature payable out of or secured by a pledge of or lien or charge on any of the revenues, income, rents or receipts to be derived by JEA from the ownership or operation of the Electric System which shall rank on a parity with or in priority over the obligation of JEA to pay, from the revenues, income, rents and receipts derived by JEA from the ownership or operation of the Electric System, for the output, capacity, use and service of the System in accordance with the applicable provision in the Second Power Park Resolution, and (ii) JEA shall not become liable for any obligation under any agreement to purchase or pay for electric power and energy or other goods or services whether or not the same are made available or furnished or any other obligation under which JEA lends credit to or guarantees any debt, claim or other obligation of any other person, firm or corporation which shall rank in priority over the obligation of JEA to pay, from the revenues, income, rents and receipts derived by JEA from the ownership or operation of the Electric System, for the output, capacity, use or service of the System in accordance with the applicable provision in the Second Power Park Resolution; *provided, however*, that nothing contained in this paragraph shall prohibit or restrict JEA from establishing one or more other separate bulk power supply utilities or systems pursuant to Chapter 80-513, Laws of Florida, as amended, or any other law, and issuing its bonds therefore as provided in said Chapter 80-513, as amended, or such other law, and from making payments from the revenues, income, rents and receipts derived by JEA from the ownership or operation of the Electric System for the purchase of output, capacity, use or service of any of the facilities of any such separate bulk power supply utility or system, including payments with respect to debt service on such bonds, on a parity with (but no in priority over) the obligation of JEA to pay, from the revenues, income, rents and receipts derived by JEA from the ownership or operation of the Electric System, for the output, capacity, use and service of the System in accordance with the applicable provision of the Second Power Park Resolution.

Operation and Maintenance of the Electric System. JEA shall at all times operate or cause to be operated the Electric System properly and in an efficient and economical manner, consistent with good business and utility operating practices, and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Electric System may be properly and advantageously conducted.

Rates and Fees of the Electric System. JEA shall at all times fix, establish, maintain, charge and collect fees and other charges for the sale of the output, capacity, use or service of the

Electric System as shall be required to provide moneys from the Electric System at least sufficient in each fiscal year with respect to the Electric System for the payment of all charges or liens whatsoever payable out of revenues of the Electric System during such fiscal year, including the obligation of JEA to pay from the Electric System for output, capacity, use and service of the System in accordance with the applicable provision of the Second Power Park Resolution.

Except as otherwise provided in the Electric Resolution, JEA will not furnish or supply or cause to be furnished or supplied any use, output, capacity or service of the Electric System, free of charge to any person, firm or corporation, public or private, and JEA will enforce promptly the payment of any and all accounts owing to JEA by reason of the ownership and operation of the Electric System.

Maintenance of Insurance for the Electric System. JEA shall at all times keep or cause to be kept the properties of the Electric System which are of an insurable nature and of the character usually insured by those operating properties similar to the Electric System insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained. JEA shall at all times maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of the Electric System.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to JEA.

Reconstruction of the Electric System. If any useful portion of the Electric System shall be damaged or destroyed or taken by any governmental authority under the power of eminent domain or otherwise, JEA shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the reconstruction or replacement thereof, unless there is executed a certificate by an Authorized Officer of JEA to the effect that such reconstruction and replacement is not in the interest of JEA and the Holders of the Bonds.

Events of Default; Remedies

If one or more of the following Events of Default shall happen:

(a) if default shall be made in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise (determined without giving effect to any payments made with funds provided by any Credit Enhancer pursuant to any Credit Enhancement);

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable (determined without giving effect to any payments made with funds provided by any Credit Enhancer pursuant to any Credit Enhancement) and such default shall continue for a period of 30 days;

(c) if default shall be made by JEA in the performance or observance of any other of the covenants, agreements or conditions on its part in the Second Power Park Resolution or in the Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to JEA by the Holders of not less than 10 percent in principal amount of the Bonds Outstanding;

(d) if there shall occur the dissolution (without a successor being named to assume the rights and obligations) or liquidation of JEA or the filing by JEA of a voluntary petition in bankruptcy, or adjudication of JEA as a bankrupt, or assignment by JEA for the benefit of its creditors, or the entry by JEA into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to JEA in any proceeding for its reorganization instituted under the provisions of the Bankruptcy Code, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted; or

(e) if an order or decree shall be entered, with the consent or acquiescence of JEA, appointing a receiver or receivers of the System, or any part thereof, or of the rents, fees, charges or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of JEA, shall not be vacated or discharged or stayed within 90 days after the entry thereof;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, the Holders of not less than 25 percent in principal amount of the Bonds Outstanding (by notice in writing to JEA), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything contained to the contrary in the Second Power Park Resolution or in any of the Bonds notwithstanding; *provided, however*, that in the event that a Supplemental Resolution authorizing Bonds for which Credit Enhancement is being provided provides that the principal of such Bonds, and the accrued interest thereon, may not be declared due and payable immediately (nor such declaration be rescinded and annulled, as provided in the following sentence) without the consent in writing of the Credit Enhancer therefor, then such Bonds, and the interest accrued thereon, shall not become due and payable immediately as aforesaid (nor may such declaration be rescinded and annulled, as provided in the following sentence) without such written consent, and, in that event, the remedies available to the Holders of such Bonds (or such Credit Enhancer, on behalf of such Holders) shall be limited to those set forth in the Second Power Park Resolution. The right of the Holders of not less than 25 percent in principal amount of the Bonds to make such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and all other sums then payable by JEA under the Second Power Park Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of JEA or provision shall be made for such payment, and all defaults under the Bonds or under the Second Power Park Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or adequate provision shall be made therefor, then and in every such case the Holders of 25 percent

in principal amount of the Bonds Outstanding, by written notice to JEA, may rescind such declaration and annul such default in its entirety, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon. See "Action by Credit Enhancer When Action by Holders of Bonds Required" herein.

During the continuance of an Event of Default, JEA shall apply all moneys, securities, funds and Revenues held or received by JEA under the Second Power Park Resolution (other than amounts on deposit in any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d) as follows and in the following order:

(a) Operation and Maintenance Expenses - to the payment of the amounts required for Operation and Maintenance Expenses and for the reasonable renewals, repairs and replacements of the System necessary in the judgment of JEA to prevent a loss of Revenues;

(b) Principal or Redemption Price and Interest - to the payment of the interest and principal or Redemption Price then due on the Bonds, as follows:

(c) unless the principal of all the Bonds shall have become or have been declared due and payable,

First: Interest - to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price - to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; or

(a) if the principal of all the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

(b) Subordinated Indebtedness - to the payment of principal, redemption price and interest then due on Subordinated Indebtedness in accordance with the Supplemental Resolution(s) authorizing such Subordinated Indebtedness.

During the continuance of an Event of Default, JEA shall apply all amounts on deposit in each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund 2d as follows and in the following order:

(a) unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: Interest - to the payment to the persons entitled thereto of all installments of interest then due on the Bonds of each Additionally Secured Series secured by such separate subaccount in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds of such Additionally Secured Series theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any such installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price - to the payment to the persons entitled thereto of the unpaid principal or sinking fund Redemption Price of any Bonds of such Additionally Secured Series which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all such Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or sinking fund Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; or

(b) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds of each Additionally Secured Series secured by such separate subaccount without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds.

If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Fiduciaries, and all other sums payable by JEA under the Second Power Park Resolution including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of JEA, and all defaults under the Second Power Park Resolution or the Bonds shall be made good, JEA and the Holders shall be restored,

respectively, to their former positions and rights under the Second Power Park Resolution. No such restoration of JEA and the Holders to their former positions and rights shall extend to or affect any subsequent default under the Second Power Park Resolution or impair any right consequent thereon.

Powers of Amendment

Any modification or amendment of the Second Power Park Resolution and of the rights and obligations of JEA and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Second Power Park Resolution (a) of the Holders of not less than a majority in principal amount of the Bonds affected by such modification or amendment Outstanding at the time such consent is given, and (b) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purpose of this Section, a Series shall be deemed to be affected by a modification or amendment of the Second Power Park Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. JEA may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity or any particular Commercial Paper Notes or Medium-Term Notes would be affected by any modification or amendment of the Second Power Park Resolution and any such determination shall, absent manifest error, be binding and conclusive on JEA and all Holders of Bonds. For the purpose of this Section, a change in the terms of redemption of any Outstanding Bond shall be deemed only to affect such Bond and shall be deemed not to affect any other Bond. For the purpose of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale. See "Action by Credit Enhancer When Action by Holders of Bonds Required" herein.

Amendment to the Second Power Park Resolution

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of JEA may be adopted, which, upon its adoption and compliance with the applicable provisions of the Second Power Park Resolution, shall be fully effective in accordance with its terms:

- (a) to close the Second Power Park Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained

in the Second Power Park Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(b) to add to the covenants and agreements of JEA in the Second Power Park Resolution other covenants and agreements to be observed by JEA which are not contrary to or inconsistent with the Second Power Park Resolution as theretofore in effect;

(c) to add to the limitations and restrictions in the Second Power Park Resolution other limitations and restrictions to be observed by JEA which are not contrary to or inconsistent with the Second Power Park Resolution as theretofore in effect;

(d) to authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Second Power Park Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(e) to provide for the issuance, execution, delivery, authentication, payment, registration, transfer and exchange of Bonds in coupon form payable to bearer or in uncertificated form, and, in connection therewith, to specify and determine any matters and things relative thereto;

(f) to confirm, as further assurance, any security interest or pledge under, and the subjection to any security interest or pledge created or to be created by, the Second Power Park Resolution of the Revenues or of any other moneys, securities or funds;

(g) if and to the extent authorized in a Supplemental Resolution authorizing an Additionally Secured Series of Bonds, to specify the qualifications of any provider of an obligation similar to a surety bond, insurance policy or letter of credit for deposit into the particular subaccount in the Debt Service Reserve Account securing the Bonds of such Additionally Secured Series;

(h) to modify any of the provisions of the Second Power Park Resolution in any other respect whatever; *provided* that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof; and

(i) to authorize Subordinated Indebtedness and, in connection therewith, specify and determine any matters and things relative to such Subordinated Indebtedness which are not contrary to or inconsistent with the

Second Power Park Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Subordinated Indebtedness.

Supplemental Resolutions Effective Upon Delivery of Counsel's Opinion as to No Material Adverse Effect

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (a) delivery of a Counsel's Opinion to the effect that the provisions of such Supplemental Resolution will not have a material adverse effect on the interests of the Holders of Outstanding Bonds (in rendering such opinion, such counsel may rely on such certifications of (i) any banking or financial institution serving as financial advisor to JEA, as to financial and economic matters, (ii) the Consulting Engineer, as to matters within its field of expertise and (iii) such other experts, as to matters within their fields of expertise as it, in its reasonable judgment, determines necessary or appropriate) and (b) compliance with the applicable provision of the Second Power Park Resolution, shall be fully effective in accordance with its terms:

- (i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Second Power Park Resolution;
- (ii) to insert such provisions clarifying matters or questions arising under the Second Power Park Resolution as are necessary or desirable and are not contrary to or inconsistent with the Second Power Park Resolution as theretofore in effect; or
- (iii) to make any other modification to or amendment of the Second Power Park Resolution which such counsel in its reasonable judgment shall determine will not have a material adverse effect on the interests of Holders of the Bonds.

Notwithstanding any other provision of the Second Power Park Resolution, in determining whether the interests of the Holders of Outstanding Bonds are materially adversely affected, such counsel shall consider the effect on the Holders of any Bonds for which Credit Enhancement has been provided without regard to such Credit Enhancement.

Defeasance

If all Bonds and interest due or to become due therein are paid in full, then the pledge of moneys and securities and all covenants, agreements and other obligations of JEA to the Holders of the Bonds, will thereupon cease, terminate and become void and be discharged and satisfied.

If any Bonds are paid in full, then such Bonds shall cease to be entitled to any lien, benefit or security under the Second Power Park Resolution, and all covenants, agreements and obligations of JEA to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds are deemed to have been paid and are not entitled to the lien benefit and security of the Second Power Park Resolution whenever the following conditions (or such other conditions as may be set forth in the Supplemental Subordinated Resolution authorizing such Bonds) are met (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, JEA shall have given to the Escrow Agent therefor instructions accepted in writing by such Escrow Agent to give notice of redemption thereof, (b) there shall have been deposited with the Escrow Agent therefor either moneys, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such Escrow Agent at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds, and (c) in the event said Bonds are not to be redeemed or paid at maturity within the next succeeding 60 days, JEA shall have given such Escrow Agent instructions to give to the Holders of such Bonds a notice that the above deposit has been made and that said Bonds are deemed to have been paid and stating such maturity or redemption date upon which moneys are expected to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with the provisions of the Second Power Park Resolution, the interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Escrow Agent for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the Escrow Agent on such date in respect of such Variable Rate Bonds in order to satisfy the provisions of the Second Power Park Resolution, the Escrow Agent shall, if requested by JEA, pay the amount of such excess to JEA free and clear of any trust, lien or pledge securing the Bonds or otherwise existing under the Second Power Park Resolution.

Option Bonds shall be deemed to have been paid in accordance with the provisions of the Second Power Park Resolution only if, in addition to satisfying the requirements of clauses (a) and (c) of such sentence, there shall have been deposited with the Escrow Agent moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Escrow Agent pursuant to the provisions of the Second Power Park Resolution, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph. If any portion of the moneys deposited with the Escrow Agent for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose the Escrow Agent shall, if requested by JEA, pay the amount of such excess to JEA free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Second Power Park Resolution.

Action by Credit Enhancer When Action by Holders of Bonds Required

Except as otherwise provided in a Supplemental Resolution authorizing Bonds for which Credit Enhancement is being provided, if not in default in respect of any of its obligations with respect to Credit Enhancement for the Bonds of a Series, or a maturity within a Series, the Credit Enhancer for, and not the actual Holders of, the Bonds of a Series, or a maturity within a Series or an interest rate within a maturity, for which such Credit Enhancement is being provided, shall be deemed to be the Holder of Bonds of any Series, or maturity within a Series or an interest rate within a maturity, as to which it is the Credit Enhancer at all times for the purpose of (a) giving any approval or consent to the effectiveness of any Supplemental Resolution or any amendment, change or modification of the Second Power Park Resolution, which requires the written approval or consent of Holders; *provided, however*, that the provisions of this Section shall not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto and (b) giving any approval or consent, exercising any remedies or taking any other action following the occurrence of an Event of Default under the Second Power Park Resolution.

Special Provisions Relating to Capital Appreciation Bonds, Deferred Income Bonds and Reimbursement Obligations

The principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments made under the definitions of Debt Service, Accrued Aggregate Debt Service and Aggregate Debt Service only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

For the purposes of (a) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (b) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, or (c) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to JEA any notice, consent, request, or demand pursuant to the Second Power Park Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then current Accreted Value.

For the purposes of (a) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity, or (b) receiving payment of a Deferred Income Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, or (c) computing the principal amount of Bonds held by the Holder of a Deferred Income Bond in giving to JEA any notice, consent, request or demand pursuant to the Second Power Park

Resolution for any purpose whatsoever, the principal amount of a Deferred Income Bond shall be deemed to be its then current Appreciated Value.

Except as otherwise provided in a Supplemental Resolution authorizing a Series of Reimbursement Obligations, for the purposes of (a) receiving payment of a Reimbursement Obligation, whether at maturity, upon redemption or if the principal of all Bonds is declared immediately due and payable following an Event of Default or (b) computing the principal amount of Bonds held by the Holder of a Reimbursement Obligation in giving to JEA any notice, consent, request, or demand pursuant to the Second Power Park Resolution for any purpose whatsoever, the principal amount of a Reimbursement Obligation shall be deemed to be the actual principal amount that JEA shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, JEA in connection with the Bonds of the Series or maturity or interest rate within a maturity for which such Reimbursement Obligation has been issued to evidence JEA's obligation to repay any advances or loans made in respect of the Credit Enhancement or liquidity support provided for such Bonds, less any prior repayments thereof.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE RESTATED AND AMENDED BULK POWER SUPPLY SYSTEM RESOLUTION

The following is a summary of certain provisions of the Restated and Amended Bulk Power Supply System Resolution. Summaries of certain definitions contained in the Restated and Amended Bulk Power Supply System Resolution are set forth below. Other terms defined in the Restated and Amended Bulk Power Supply System Resolution for which summary definitions are not set forth are indicated by capitalization. This summary does not purport to be a complete description of the terms of the Restated and Amended Bulk Power Supply System Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof.

The Restated and Amended Bulk Power Supply System Resolution is available for viewing and downloading on JEA's website at https://www.jea.com/About/Investor_Relations/Bonds/. Copies of the Restated and Amended Bulk Power Supply System Resolution also may be obtained from JEA; *provided* that a reasonable charge may be imposed for the cost of reproduction. The term "Bonds" as used in the Restated and Amended Bulk Power Supply System Resolution and this summary has the same meaning as the term "Additional Bulk Power Supply System Bonds" as used in the Annual Disclosure Report to which this summary is attached.

Definition of Terms

The following are summaries of certain definitions in the Restated and Amended Bulk Power Supply System Resolution.

Accreted Value shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Capital Appreciation Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series, calculating the accrued Debt Service with respect to each Series at an amount equal to the sum of (a) interest on the Bonds of such Series accrued and unpaid and to accrue to the end of the then current calendar month, and (b) Principal Installments due and unpaid and that portion of the Principal Installments for such

Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month; *provided, however*, that (a) there shall be excluded from the calculation of Accrued Aggregate Debt Service any Principal Installments which are Refundable Principal Installments, (b) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Accrued Aggregate Debt Service at the times and in the manner provided in the Restated and Amended Bulk Power Supply System Resolution and (c) if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund takes into account Accrued Aggregate Debt Service, then, for purposes of such calculation, Accrued Aggregate Debt Service shall be calculated only with respect to the Bonds of the Series secured thereby.

Additionally Secured Series shall mean a Series of Bonds for which the Supplemental Resolution authorizing such Series provides that the payment of the principal or sinking fund Redemption Price, if any, of, and interest on, the Bonds of such Series shall be secured, in addition to the pledge created pursuant to the Restated and Amended Bulk Power Supply System Resolution in favor of all of the Bonds, by amounts on deposit in a separate subaccount to be designated therefor in the Debt Service Reserve Account in the Debt Service Fund.

Aggregate Debt Service for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series; *provided, however*, that the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Aggregate Debt Service at the times and in the manner provided in the Restated and Amended Bulk Power Supply System Resolution; and *provided, further*, that if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund takes into account Aggregate Debt Service, then, for purposes of such calculation, Aggregate Debt Service shall be calculated only with respect to the Bonds of the Series secured thereby.

Annual Budget shall mean, with respect to any Project, the annual budget or budgets, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in the Restated and Amended Bulk Power Supply System Resolution.

Appreciated Value shall mean, with respect to any Deferred Income Bond, (i) as of any date of computation prior to the Current Interest Commencement Date with respect to such Deferred Income Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Deferred Income Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Deferred Income Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the

immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Deferred Income Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

Authorized Officer of JEA shall mean (a) the Chair, the Vice Chair or the Secretary of the Governing Body, (b) the Managing Director and Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer or the Director, Treasury Services of JEA (or any officer of JEA serving in a capacity equivalent to that of any of the foregoing officers) or (c) any other officer or employee of JEA authorized to perform specific acts or duties by resolution duly adopted by the Governing Body.

Bond Anticipation Notes shall mean notes or other evidences of indebtedness from time to time issued in anticipation of the issuance of Bonds, the proceeds of which have been or are required to be applied to one or more of the purposes for which Bonds may be issued, the payment of which notes is to be made from the proceeds of the Bonds in anticipation of the issuance of which said notes are issued.

Bond Year shall mean the 12-month period commencing on October 1 in any year and ending on September 30 of the following year.

Build America Bonds shall mean any Bonds with respect to which JEA has irrevocably elected, pursuant to Section 54AA(g) of the Code, or any similar federal program creating subsidies for municipal borrowers for which JEA qualifies, to receive cash subsidy payments from the U.S. Treasury equal to a portion of the interest payable on such Bonds.

Certified Interest Rate shall mean, as of any date of determination:

(a) with respect to (i) any Commercial Paper Notes or Medium-Term Notes or (ii) any Variable Rate Bonds maturing on a particular date that were, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (A) the average of the Variable Rate Tax-Exempt Index for the five years preceding such date of determination and (B) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (a) shall be the rate determined pursuant to the foregoing subclause (i),

(b) with respect to (i) any Commercial Paper Notes or Medium-Term Notes or (ii) any Variable Rate Bonds maturing on a particular date that were not, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income

tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (A) the average of the Variable Rate Taxable Index for the five years preceding such date of determination and (B) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (b) shall be the rate determined pursuant to the foregoing subclause (i); and

(c) for purposes of calculating the Debt Service Reserve Requirement for any particular subaccount in the Debt Service Reserve Account in the Debt Service Fund and with respect to (i) any Commercial Paper Notes or Medium-Term Notes or (ii) any Variable Rate Bonds maturing on a particular date, the interest rate set forth in a certificate of an Authorized Officer of JEA executed on or prior to the date of the initial issuance of such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, as determined as follows: a Certified Interest Rate shall be that rate of interest determined by JEA, or a banking or financial institution or financial advisory firm selected by JEA, as the rate of interest such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, would bear if, assuming the same maturity date, terms and provisions (other than interest rate and redemption provisions) as such proposed Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, and on the basis of JEA's credit ratings with respect to the Bonds (other than Bonds for which credit enhancement is provided by a third party), such proposed Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, were issued at a fixed interest rate.

Commercial Paper Payment Plan shall mean, with respect to any Series of Commercial Paper Notes and as of any time, the then current Commercial Paper Payment Plan for such Notes contained in a certificate of an Authorized Officer of JEA delivered pursuant to the Restated and Amended Bulk Power Supply System Resolution setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Commercial Paper Notes or any subsequent certificate of an Authorized Officer of JEA thereafter executed to reflect changes, if any, in the expectations of JEA with respect to the sources of funds to be utilized to pay principal of and interest on such Commercial Paper Notes; *provided, however*, that if any Commercial Paper Payment Plan provides for the refunding of any Commercial Paper Note with proceeds of (a) Bonds other than Commercial Paper Notes or Medium-Term Notes or (b) Subordinated Indebtedness, in either such case, that JEA intends to pay from Revenues, the principal of such Commercial Paper Note shall, for purposes of the Commercial Paper Payment Plan, be assumed to come due over a period commencing with the due date of the Commercial Paper Note and ending not later than the earlier of (x) the 40th anniversary of the first issuance of Commercial Paper Notes of such Series or (y) the 30th anniversary of the due date of the Commercial Paper Note to be refunded, in installments such that the principal and interest payable on such Commercial Paper Notes in each Fiscal Year in such period will be equal to the principal and interest payable on such Commercial Paper Notes in each other Fiscal Year in such period.

Costs shall mean, with respect to any Project, the costs, expenses and liabilities paid or incurred or to be paid or incurred by JEA in connection with the planning, engineering, designing, acquiring, constructing, installing, financing, repairing, extending, improving, reconstructing, retiring, decommissioning and disposing thereof and the obtaining of all governmental approvals, certificates, permits and licenses with respect thereto (including, for this purpose, any acquisition by JEA of an interest in an existing facility), including, but not limited to, any good faith or other similar payment or deposits required in connection with the acquisition or construction of such Project, or any part thereof, the cost of acquisition by or for JEA of real and personal property or any interests therein, costs of physical construction or acquisition of such Project, or any part thereof, and costs of JEA incidental to such construction or acquisition, the cost of acquisition of fuel or fuel inventory or facilities for the production or transportation of fuel, all costs relating to injury and damage claims relating to such Project, or any part thereof, all costs relating to the settlement or renegotiation of any contract entered into in connection with any Project, the cost of any indemnity or surety bonds and premiums on insurance, preliminary investigation and development costs, engineering fees and expenses, contractors' fees and expenses, the costs of labor, materials, equipment and utility services and supplies, legal and financial advisory fees and expenses, interest and financing costs, including, without limitation, bank commitment and letter of credit fees and bond insurance and indemnity premiums, discounts to the underwriters or purchasers thereof, amounts required to be paid under any interest rate exchanges or swaps, cash flow exchanges, options, caps, floors or collars and termination fees related to the foregoing, in each case made in connection with the issuance of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA relating to the Project, fees and expenses of the Fiduciaries, administration and general overhead expense and costs of keeping accounts and making reports required by the Restated and Amended Bulk Power Supply System Resolution, amounts, if any, required by the Restated and Amended Bulk Power Supply System Resolution to be paid into the Debt Service Fund to provide, among other things, for interest accruing on Bonds and to provide for the Debt Service Reserve Requirement or to be paid into the Revenue Fund or the Renewal and Replacement Fund for any of the respective purposes thereof, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of JEA, including Bonds, Bond Anticipation Notes and Subordinated Indebtedness, issued to finance or refinance any of the foregoing, and all federal, state and local taxes and payments in lieu of taxes in connection with any Project, or any part thereof, and working capital and reserves for any of the foregoing and shall include reimbursements to JEA for any of the above items theretofore paid by or on behalf of JEA.

It is intended that this definition be broadly construed to encompass all costs, expenses and liabilities of JEA related to the Project which on the date of the Restated and Amended Bulk Power Supply System Resolution or in the future shall be permitted to be funded with the proceeds of Bonds pursuant to the provisions of Florida law.

Credit Enhancement shall mean, with respect to the Bonds of a Series, a maturity within a Series or an interest rate within a maturity, an insurance policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by JEA or otherwise, the principal of and interest on such Bonds.

Credit Enhancer shall mean any person or entity which, pursuant to a Supplemental Resolution, is designated as a Credit Enhancer and which provides Credit Enhancement for the Bonds of a Series, a maturity within a Series or an interest rate within a maturity.

Current Interest Commencement Date shall mean, with respect to any particular Deferred Income Bonds, the date specified in the Supplemental Resolution authorizing such Deferred Income Bonds (which date must be prior to the maturity date for such Deferred Income Bonds) after which interest accruing on such Deferred Income Bonds shall be payable periodically on dates specified in such Supplemental Resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of (a) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits into the Debt Service Account in the Debt Service Fund made from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund); *provided*, that in the event that the Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then in respect of the interest payable on such Bonds, for purposes of this definition, the interest on the Bonds of such Series shall be calculated net of the amount of the cash subsidy payments due from the U.S. Treasury. If for whatever reason, JEA no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), for purposes of this definition, the interest on the Bonds of such Series shall be calculated without regard to such subsidy, and (b) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, (i) in the case of Bonds other than Reimbursement Obligations, if (A) there shall be no such preceding Principal Installment due date or (B) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the Date of Issuance of Bonds of such Series, whichever date is later, and (ii) in the case of Reimbursement Obligations, in accordance with the terms thereof and the Supplemental Resolution authorizing such Reimbursement Obligations), except to the extent that such Principal Installment is paid or to be paid from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA. Such interest and Principal Installments for such Series shall be calculated on the assumption that (i) no Bonds (except for Option Bonds actually tendered for payment prior to the stated maturity thereof) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, (ii) the principal amount of Option Bonds tendered for payment before the stated maturity thereof shall be deemed to accrue on the date required to be paid pursuant to such tender and (iii) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Debt Service at the times and in the manner provided in the Restated and Amended Bulk Power Supply System Resolution; *provided, however*, that if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund takes into account Debt Service, then, for purposes of such

calculation, Debt Service shall be calculated only with respect to the Bonds of the Series secured thereby.

For the purpose of computing Debt Service for any future period (i) any Variable Rate Bonds, Commercial Paper Notes and Medium-Term Notes Outstanding during such period shall be assumed to bear interest during such period at the Certified Interest Rate applicable thereto and, in the case of Commercial Paper Notes and Medium-Term Notes Outstanding, such period shall be assumed to have Principal Installments that come due in accordance with the then current Commercial Paper Payment Plan or Medium-Term Note Payment Plan applicable thereto and (ii) any Option Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof.

Notwithstanding anything to the contrary contained in the Restated and Amended Bulk Power Supply System Resolution, (a) if JEA has in connection with any Bonds entered into a Designated Swap Obligation which provides that, in respect of a notional amount corresponding to the principal amount or issue price of such Bonds, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a variable rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a fixed rate of interest, then, for purposes of calculating Debt Service with respect to such Bonds for purposes of the rate covenant contained in the Restated and Amended Bulk Power Supply System Resolution, it will be assumed that such Bonds bear interest at a rate equal to the sum of (i) the lesser of (A) the average of the variable rate payable by JEA pursuant to such Designated Swap Obligation for the five years preceding the date of determination (or such lesser period preceding the date of determination if in effect for less than five years), calculating such rate based upon the method, formula or index with respect thereto set forth in such Designated Swap Obligation and (B) the average of the actual rates paid by JEA pursuant to such Designated Swap Obligation for the 12 months preceding such date of determination; *provided, however*, if such Designated Swap Obligation shall not have been in effect for 12 months, then the rate of interest determined pursuant to this clause (i) shall be the rate determined pursuant to the foregoing subclause (i) and (ii) the difference (whether positive or negative) between (A) the fixed rate of interest on such Bonds and (B) the fixed rate of interest payable to JEA pursuant to such Designated Swap Obligation and (b) if JEA has in connection with any Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes entered into a Designated Swap Obligation which provides that, in respect of a notional amount of such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a fixed rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a variable rate of interest, then, for purposes of calculating Debt Service with respect to such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, for purposes of the rate covenant contained in the Restated and Amended Bulk Power Supply System Resolution, it will be assumed that such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, bear interest at the fixed rate of interest payable by JEA pursuant to such Designated Swap Obligation.

Debt Service Reserve Requirement shall mean, with respect to each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund unless otherwise specified in the Supplemental Resolution establishing such subaccount, as of any date of calculation, an amount equal to the maximum amount of interest to accrue on all Additionally Secured Bonds of all Series

secured thereby then Outstanding in the then current or any future Bond Year (assuming, for this purpose, that all Additionally Secured Series secured thereby that bear interest at a variable or floating rate except as provided below shall bear interest during such period at the Certified Interest Rate applicable thereto; *provided*, if such variable or floating rate debt shall have been converted synthetically to a fixed interest rate pursuant to an interest rate swap transaction that has a term equal to, and the notional amount of which amortizes at the same times and in the same amounts as, such Additionally Secured Series in terms of series and maturity, in which case, such Additionally Secured Series shall be deemed to bear interest at the fixed rate payable by JEA under such interest rate swap transaction for so long as such interest rate swap transaction shall remain in effect; *provided, further, however*, that if, at the time of the original issuance thereof, the interest rate on such Additionally Secured Series of a particular series and maturity shall have been converted synthetically to a fixed interest rate pursuant to such an interest rate swap transaction, but such interest rate swap transaction shall be terminated prior to the final maturity date of such Additionally Secured Series and another interest rate swap transaction has not been entered into in replacement thereof, then the Debt Service Requirement for such Additionally Secured Series shall be recalculated as of the date of termination of such interest rate swap transaction, based upon the Certified Interest Rate established for such Additionally Secured Series at the time of original issuance thereof, and any resulting deficiency in the amount on deposit in the separate subaccount shall be required to be funded within one year of such termination with money and one or more additional reserve fund credit instruments) excluding interest on such Bonds to be paid from deposits in the Debt Service Account in the Debt Service Fund made from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund).

For the purpose of the calculation of the Debt Service Reserve Requirement in the event that the Bonds of any Series shall constitute Build America Bonds, then until such time, if any, as JEA, for whatever reason, no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), the interest on such Bonds shall be calculated net of the amount of such subsidy; *provided, however*, that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of such Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to JEA by the U.S. Treasury, and the amount of such increase shall be required to be funded in equal semiannual installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which such specified percentage is so reduced, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period and provided, further, that in the event that JEA, for whatever reason, ceases to receive cash subsidy payments from the U.S. Treasury in respect of the interest payable on any such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), then the amount of such Debt Service Reserve Requirement shall

be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be required to be funded in equal semiannual installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which JEA does not receive the first such cash subsidy payment that it theretofore was qualified to receive, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period. Notwithstanding any other provision of this resolution, any one or more installments of any increase in the Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund provided for in the preceding sentence may be prepaid at any time in whole or in part by JEA by designating in JEA's records that such payment(s) is (or are) to be treated as a prepayment.

Defeasance Securities shall mean, unless otherwise provided with respect to the Bonds of a Series in the Supplemental Resolution authorizing such Bonds,

(a) any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies set forth in clause (c) below to the extent unconditionally guaranteed by the United States of America, which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof,

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) above on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations

described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate and (iv) which at the time of their purchase hereunder are rated "AAA" or "Aaa," as applicable, by any two of Standard & Poor's Credit Market Services, a business of Standard & Poor's Financial Services LLC, a limited liability company, organized and existing under the laws of the State of Delaware ("S&P"), Fitch Ratings and Moody's Investors Service ("Moody's"),

(c) obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision which are not callable for redemption prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall also be specified in such instructions, and which shall be rated in the highest whole rating category by two nationally recognized rating agencies,

(d) certificates that evidence ownership of the right to payments of principal and/or interest on (i) obligations described in clauses (a) and (b) of this definition provided that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination by federal, state, or territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$50,000,000, or (ii) obligations described in the foregoing clause (c), in any such case, which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such obligations on a specified redemption date has been given and such obligations are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof,

(e) deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by obligations described in clause (a) or clause (b) of this definition to the extent not fully insured by the Federal Deposit Insurance Corporation,

(f) agreements or contracts with insurance companies or other financial institutions, or subsidiaries or affiliates thereof (hereinafter in this paragraph referred to as "Providers"), (i) whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated at the time the investment

is made, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations or (ii) whose obligations under such agreements or contracts shall be unconditionally guaranteed by another insurance company or other financial institution, or subsidiary or affiliate thereof, whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations, pursuant to which agreements or contracts the Provider shall be absolutely, unconditionally and irrevocably obligated to repay the moneys invested by JEA and interest thereon at a guaranteed rate, without any right of recoupment, counterclaim or set off; the Provider may have the right to assign its obligations under any Investment Agreement to any other insurance company or other financial institution, or subsidiary or affiliate thereof; *provided, however*, that such assignee also shall be an insurance company or other financial institution, or subsidiary or affiliate thereof, satisfying the requirements set forth in either clause (a) or clause (b) above, and

(g) upon compliance with the applicable provisions of the Restated and Amended Bulk Power Supply System Resolution, such securities (i) as are described in clause (a) of this definition and (ii) as are described in clause (d) of this definition so long as such securities evidence ownership of the right to payments of principal and/or interest on obligations described in clause (a) of such definition; in each case *provided* that, notwithstanding such clauses, such securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

Deferred Income Bonds shall mean any Bonds issued under the Restated and Amended Bulk Power Supply System Resolution as to which interest accruing prior to the Current Interest Commencement Date is (a) compounded periodically on dates specified in the Supplemental Resolution authorizing such Deferred Income Bonds and (b) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Restated and Amended Bulk Power Supply System Resolution or the Supplemental Resolution authorizing such Deferred Income Bonds.

Designated Swap Obligation shall mean, to the extent from time to time permitted by law, any interest rate swap transaction (a) which is entered into by JEA for the purpose of converting synthetically the interest rate on any particular Bonds from a fixed rate to a variable rate or from a variable rate to a fixed rate (regardless of whether such Designated Swap Obligation shall have a term equal to the remaining term of such Bonds) and (b) which has been designated in a certificate of an Authorized Officer of JEA filed with the records of JEA as such (which certificate shall specify the Bonds with respect to which such Designated Swap Obligation is entered into).

Electric Resolution shall mean the resolution adopted by JEA on March 30, 1982, authorizing the issuance of Electric System Revenue Bonds, as amended.

Electric System shall mean the Electric System of JEA as defined in the Electric Resolution.

Highest Rating Category shall mean a rating in the highest rating category given by the applicable Rating Agency for that general category of security or obligation.

Investment Securities shall mean and include (x) each of the following securities, obligations and investments and (y) any other securities, obligations and investments, in either case, if and to the extent that at the time the same shall be legal for investment of JEA's funds:

(a) any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies set forth in clause (b) below to the extent unconditionally guaranteed by the United States of America;

(b) bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America which at the time of their purchase hereunder are rated "AAA" by S&P and "Aaa" by Moody's, if rated by both rating agencies, and, if rated by one such rating agency, shall have a rating of "AAA" or "Aaa" by S&P or Moody's, as the case may be;

(c) obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision; *provided* that at the time of their purchase hereunder such obligations are rated in either of the two highest whole rating categories by two nationally recognized rating agencies;

(d) direct and general obligations of the State of Florida for the payment of the principal of and interest on which the full faith and credit of said State is pledged, or any bonds or other obligations which as to principal and interest are unconditionally guaranteed by the State of Florida;

(e) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in clauses (a) and (b) of this definition; *provided* that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination of federal, state, territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$50,000,000;

(f) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances issued by any bank, trust company or national banking association, in each case, having a combined capital, surplus and undivided profits of not less than \$100,000,000; *provided* that at the time of their purchase hereunder such instruments are (i) rated not lower than the second highest whole rating category by two nationally recognized rating agencies, (ii) issued by a bank, trust company or nationally recognized association (A) which bank, trust company or

national banking association's deposit obligations have been issued the highest possible rating (giving effect to any refinement or graduation of ratings by a numerical or symbolic modifier or otherwise) by (I) Moody's or S&P or (II) two nationally recognized rating agencies or (B) which bank, trust company or national banking association has issued and outstanding senior unsecured indebtedness rated not lower than the second highest whole rating category by two nationally recognized rating agencies; *provided* that, if after the purchase of any such certificates of deposit, the ratings thereon or with respect to the issuer thereof, as the case may be, shall fall below the requirements set forth in subclause (i) or (ii) of this clause (f), JEA shall sell such certificates of deposit, or (iii) fully insured by the Federal Deposit Insurance Corporation or secured, to the extent not insured by the Federal Deposit Insurance Corporation, by such securities as are described in clause (a) of this definition which securities shall at all times have a market value at least equal to the principal amount of such certificates of deposit or banker's acceptances;

(g) commercial paper that, at the date of investment, is rated "P-1" by Moody's Investors Service and "A-1" by S&P, or if not so rated by both such rating agencies, then rated "P-1" by Moody's or "A-1" by S&P or "F-1" by Fitch Ratings and rated with the highest possible rating (giving effect to any refinement or graduation of ratings with a numerical or symbolic modifier or otherwise) by one other nationally recognized rating agency;

(h) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement relates to the sale and repurchase of any one or more of the securities described in clauses (a) and (b) above and which, in the judgment of JEA, conforms as to terms and conditions with then prevailing prudent standards in the financial markets;

(i) shares of an investment company organized under the Investment Company Act of 1940, as amended (or successor provision of law), which invests in assets exclusively in obligations of the type described in the other clauses of this definition which shares shall be rated "AA" or above if rated by S&P and "Aa2" or above if rated by Moody's;

(j) interests in the State of Florida Local Government Surplus Funds Trust Fund or other similar common trust fund for which such state, or a constitutional or statutory officer or agency thereof, shall be the custodian; and

(k) any agreements or contracts with insurance companies or other financial institutions, which agreements or contracts (i) shall be rated at the date of investment of such agreements or contracts in the highest whole rating category by two nationally recognized rating agencies, or (ii) are issued or entered into by (A) an insurance company whose claims paying ability shall be rated at the date of investment in such agreements or contracts in the highest whole rating category by two nationally recognized rating agencies or (B) an insurance company or other financial institution that has issued and outstanding senior unsecured indebtedness rated at the date of investment in such agreements or contracts in the highest whole rating category by two nationally recognized rating agencies, and whereby under each such agreement or contract the insurance company or other financial institution shall be absolutely and unconditionally obligated to repay the moneys invested by JEA and interest thereon, without any right of recoupment, counterclaim or set off. Any such agreement or contract may provide that, with the approval of JEA, the insurance company or other financial institution may have the right to assign its obligations under any such agreement or contract to any other insurance company or other financial institution.

Medium-Term Note Payment Plan shall mean, with respect to any Series of Medium-Term Notes and as of any time, the then current Medium-Term Note Payment Plan for such Notes contained in a certificate of an Authorized Officer of JEA delivered pursuant to the Restated and Amended Bulk Power Supply System Resolution and setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Medium-Term Notes or any subsequent certificate of an Authorized Officer of JEA thereafter executed to reflect changes, if any, in the expectations of JEA with respect to the sources of funds to be utilized to pay principal of and interest on such Medium-Term Notes; *provided, however*, that if any Medium-Term Note Payment Plan provides for the refunding of any Medium-Term Note with proceeds of (a) Bonds other than Commercial Paper Notes or Medium-Term Notes or (b) Subordinated Indebtedness, in either such case, that JEA intends to pay from Revenues, the principal of such Medium-Term Notes shall, for purposes of the Medium-Term Note Payment Plan, be assumed to come due over a period commencing with the due date of the Medium-Term Note and ending not later than the earlier of (a) the 40th anniversary of the first issuance of Medium-Term Notes of such Series or (b) the 30th anniversary of the due date of the Medium-Term Note to be refunded, in installments such that the principal and interest payable on such Medium-Term Notes in each Fiscal Year in such period will be equal to the principal and interest payable on such Medium-Term Notes in each other Fiscal Year in such period.

Net Revenues shall mean, for any period, the Revenues during such period, determined on an accrual basis, minus Operation and Maintenance Expenses during such period, determined on an accrual basis, to the extent paid or to be paid from Revenues.

One-Month LIBOR Rate shall mean, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 a.m., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

Operation and Maintenance Expenses shall mean (i) JEA's expenses for operation and maintenance of all Projects, and ordinary repairs, renewals, replacements and reconstruction of all Projects, including all JEA's costs of producing and delivering electric power and energy from all Projects and payments (other than payments out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA) into reserves in the Revenue Fund for items of Operation and Maintenance Expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, fuel costs (including fuel hedges), costs of transmission service, rents, administrative and general expenses, costs of financial products, engineering expenses, legal, accounting and financial advisory expenses, salaries, management fees, payments to pension, retirement, health and hospitalization funds, insurance and surety bond premiums, any taxes or payments in lieu of taxes and payments required to be paid by JEA under any Project Agreement which are to be applied pursuant to the terms thereof to the payment of such costs and expenses, all to the extent properly allocable to the Projects in accordance with generally accepted accounting principles, or required to be incurred under or in connection with the performance of JEA's obligations under any Project Agreement, (ii) any other current expenses or obligations required to be paid by JEA under the provisions of the Restated and Amended Bulk Power Supply System Resolution or by law or regulation, all to the extent properly allocable to the Projects in accordance with generally accepted accounting principles, or required to be paid by JEA under any Project Agreement, (iii) the fees and expenses of the Fiduciaries and (iv) the costs and expenses in connection with the purchase or redemption of Bonds. Notwithstanding the foregoing, operation and Maintenance Expenses shall not include any allowance for depreciation or amortization and there shall be included in operation and Maintenance Expenses only that, portion of the total administrative and general expenses of JEA which are properly allocable to the Projects.

Option Bonds shall mean Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment by JEA prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

Principal Installment shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (a) the principal amount of Bonds (including, in the case of any Option Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof) of such Series due (or so tendered for payment) on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance (determined as provided in the Restated and Amended Bulk Power Supply System Resolution) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (c) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Project shall mean (i) the Scherer 4 Project or (ii) any Additional Project. Each Project shall be a separate bulk power supply utility or system within the meaning of Chapter 80-513, Laws of Florida, Special Acts of 1980, as amended. "Project" shall not include JEA's Electric System, the SJRPP System, or any other separate utility or system which JEA elects to acquire,

construct and operate as a separate bulk power supply utility or system, or any part of any of the foregoing, and which is not financed with the proceeds of Bonds issued under the Restated and Amended Bulk Power Supply System Resolution or Subordinated Indebtedness.

Project Agreements shall mean, with respect to the Scherer 4 Project, the Scherer 4 Project Agreements and, with respect to any Additional Project, all of the contracts entered into by JEA relating to the ownership, lease, construction and operation of such Project, as from time to time amended or supplemented, and designated in a Supplemental Resolution or Supplemental Resolutions.

Refundable Principal Installment shall mean any Principal Installment for any Series of Bonds which JEA intends to pay with moneys which are not Revenues; *provided* that (a) in the case of Bonds other than Commercial Paper Notes or Medium-Term Notes, such intent shall have been expressed in the Supplemental Resolution authorizing such Series of Bonds, (b) in the case of Commercial Paper Notes, such intent shall be expressed in the then current Commercial Paper Payment Plan for such Commercial Paper Notes and (c) in the case of Medium-Term Notes, such intent shall be expressed in the then current Medium-Term Note Payment Plan for such Medium-Term Notes; *provided, further*, that such Principal Installment shall be a Refundable Principal Installment only through the penultimate day of the month preceding the month in which such Principal Installment comes due or such earlier time as JEA no longer intends to pay such Principal Installment with moneys which are not Revenues.

Reimbursement Obligations shall mean all Bonds issued to evidence JEA's obligation to repay any advances or loans made to, or behalf of, JEA in connection with any Credit Enhancement or liquidity support for the Bonds of a series (or a maturity or maturities or interest rate within a maturity thereof).

Renewal and Replacement Requirement shall mean for each Bond Year, 12.5 percent of Aggregate Debt Service for such Bond Year or such greater amount as shall be determined from time to time by the Governing Body as being prudent and appropriate.

Revenues shall mean (i) all revenues, income, rents and receipts derived or to be derived by JEA from or attributable or relating to the ownership and operation of all Projects, including all payments made by JEA from its Electric System into the Revenue Fund pursuant to the Restated and Amended Bulk Power Supply System Resolution for output, capacity, use or service of the Projects, (ii) the proceeds of any insurance covering business interruption loss relating to any Project derived or to be derived by JEA and (iii) interest and gains on the sale of securities received or to be received on any moneys or securities held pursuant to the Restated and Amended Bulk Power Supply System Resolution and paid or required to be paid into the Revenue Fund. Revenues shall not include any income, fees, charges, receipts, profits or other moneys derived by JEA from its ownership or operation of the Electric System (except that payments made or to be made by JEA into the Revenue Fund from the Electric System pursuant to the Restated and Amended Bulk Power Supply System Resolution, as referred to in clause (i) of the preceding sentence, shall become Revenues when and to the extent such payments have been accrued) or of any other separate bulk power supply utility or system of the nature referred to in the last sentence of the definition of Project. For any purpose of the Restated and Amended Bulk Power Supply System Resolution that requires the computation of Revenues with respect to any period of time,

"Revenues" shall include such amounts described in the second preceding sentence derived or to be derived or received or to be received, as the case may be, during such period, determined on an accrual basis, plus (x) the amounts, if any, paid from the Rate Stabilization Fund into the Revenue Fund during such period (excluding from (x) amounts included in the Revenues for such period representing interest earnings transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the Restated and Amended Bulk Power Supply System Resolution) and minus (y) the amounts, if any, paid from the Revenue Fund into the Rate Stabilization Fund during such period. Notwithstanding the foregoing, all cash subsidy payments received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall not constitute "Revenues" for any purpose of the Resolution.

Scherer 4 shall mean Plant Robert W. Scherer Unit No. 4, an 846 MW coal-fired, steam electric generating unit located near Forsyth, Georgia.

Scherer 4 Project shall mean (a) the following, all of which may be acquired by JEA in one or more transactions: (i) an undivided ownership interest in Scherer 4 of not more than 23.64 percent, (ii) an undivided ownership interest in the Additional Unit Common Facilities (as defined in the Scherer 4 Purchase Agreement) of not more than 11.82 percent, (iii) an undivided ownership interest in the Plant Scherer Common Facilities (as defined in the Scherer 4 Purchase Agreement) of not more than 5.91 percent and (iv) an undivided ownership interest in the Plant Scherer Coal Stockpile (as defined in the Scherer 4 Purchase Agreement) of not more than 5.91 percent and (b) any Capital Improvements thereto.

SJRPP Resolution shall mean the resolution adopted by JEA on March 30, 1982 entitled "St. Johns River Power Park System Revenue Bond Resolution," as amended and supplemented, together with a resolution adopted by JEA on February 20, 2007 entitled "St. Johns River Power Park System Second Revenue Bond Resolution."

SJRPP System shall mean the bulk power supply utility or system owned and operated by JEA pursuant to the SJRPP Resolution.

Second Highest Rating Category shall mean a rating not lower than the second highest rating category (not taking into account numerical or plus or minus or other gradations within a rating category) given by that Rating Agency for that general category of security or obligation.

SIFMA Municipal Swap Index shall mean the rate determined on the basis of an index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by the Securities Industry and Financial Markets Association ("SIFMA") or any successor indexing agent which meets specific criteria established by SIFMA.

Trust Estate shall mean (a) the proceeds of the sale of the Bonds, (b) the Revenues, and (c) all Funds and Accounts established by the Restated and Amended Bulk Power Supply System Resolution (other than (x) the Debt Service Reserve Account in the Debt Service Fund, (y) the Renewal and Replacement Fund and (z) the Decommissioning Fund which may be established pursuant to the Restated and Amended Bulk Power Supply System Resolution), including the investments and investment income, if any, thereof.

U.S. Treasury shall mean the U.S. Treasury or any party designated by the federal government to issue cash subsidy payments on Build America Bonds.

Variable Rate Bond shall mean any Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of issuance of the Series of Bonds, of which such Bond is one.

Variable Rate Taxable Index shall mean the One-Month LIBOR Rate or, if the One-Month LIBOR Rate no longer shall be available, the Alternate Variable Rate Taxable Index.

Variable Rate Tax-Exempt Index shall mean the SIFMA Municipal Swap Index or, if the SIFMA Municipal Swap Index no longer shall be available, the Alternate Variable Rate Tax-Exempt Index.

Pledge

The Bonds are special obligations of JEA payable from and secured by the funds pledged therefor. Pursuant to the Restated and Amended Bulk Power Supply System Resolution, there is pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of the Restated and Amended Bulk Power Supply System Resolution, subject only to the provisions of the Restated and Amended Bulk Power Supply System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Restated and Amended Bulk Power Supply System Resolution, the Trust Estate.

Pursuant to the Restated and Amended Bulk Power Supply System Resolution, there are pledged, as additional security for the payment of the principal or sinking fund Redemption Price, if any, of, and interest on, the Bonds of each Additionally Secured Series secured thereby, subject only to the provisions of the Restated and Amended Bulk Power Supply System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Restated and Amended Bulk Power Supply System Resolution, amounts on deposit in any separate subaccount established in the Debt Service Reserve Account in the Debt Service Fund, including the investments and investment income, if any, thereof.

Application of Revenues

Revenues are pledged by the Restated and Amended Bulk Power Supply System Resolution to payment of principal of and interest and redemption premium on the Bonds of all Series, subject to the provisions of the Restated and Amended Bulk Power Supply System Resolution permitting application for other purposes. For application of the Revenues, the Restated and Amended Bulk Power Supply System Resolution establishes a Construction Fund, Revenue Fund, Debt Service Fund, which shall consist of a Debt Service Account and a Debt Service Reserve Account, and within such Debt Service Reserve Account an Initial Subaccount; Subordinated Indebtedness Fund, Rate Stabilization Fund, Renewal and Replacement Fund and General Reserve Fund. All of such funds are held by JEA; *provided* that if and to the extent provided in a Supplemental Resolution authorizing Subordinated Indebtedness, the Subordinated Indebtedness Fund shall be held by the entity specified in such Supplemental Resolution.

Construction Fund

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Restated and Amended Bulk Power Supply System Resolution and there may be paid into the Construction Fund, at the option of JEA, any moneys received for or in connection with any Project by JEA from any other source, unless required to be otherwise applied as provided by the Restated and Amended Bulk Power Supply System Resolution or any Project Agreement. Amounts in the Construction Fund shall be applied to the payment of the Costs in the manner provided in the Restated and Amended Bulk Power Supply System Resolution. There shall be established within the Construction Fund a separate Project Account for each Project.

The proceeds of insurance maintained pursuant to the Restated and Amended Bulk Power Supply System Resolution against physical loss of or damage to any Project or of contractors' performance bonds or other assurances of completion with respect thereto pertaining to the period of construction or acquisition thereof, shall, upon receipt by JEA, be paid into the appropriate Project Account in the Construction Fund, unless required to be applied otherwise pursuant to the provisions of any Project Agreement relating to such Project.

Amounts in each Project Account shall be applied to the purpose or purposes specified in the Restated and Amended Bulk Power Supply System Resolution or any Supplemental Resolution authorizing Bonds relating to the Project for which such Project Account was established.

To the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of the principal of and interest on the Bonds when due.

JEA may withdraw amounts from the appropriate Project Account for the payment of amounts due and owing on account of Costs of the Project.

Amounts credited to any Project Account in the Construction Fund which JEA determines at any time to be in excess of the amounts required for the purposes thereof shall be deposited in the Debt Service Reserve Account in the Debt Service Fund if and to the extent necessary to make the amount in any separate subaccount therein equal to the Debt Service Reserve Requirement related thereto (or, if such excess shall be less than the amount necessary to make up the deficiencies with respect to all of the separate subaccounts in the Debt Service Reserve Account, then such excess shall be applied ratably, in proportion to the deficiency in each such subaccount), and any balance of such excess shall be deposited (a) in the General Reserve Fund for (i) application to the purchase, redemption, payment or provision for payment of Bonds or interest thereon or (ii) transfer to the Renewal and Replacement Fund for application as provided in the Restated and Amended Bulk Power Supply System Resolution; *provided, however*, that in the event such balance deposited in the General Reserve Fund is less than \$100,000, such balance may be applied to or set aside for any lawful purpose of JEA, (b) in the Renewal and Replacement Fund or (c) in any other Project Account in the Construction Fund for application to the payment of the Costs of any Project then under construction and/or being acquired.

Revenues and Revenue Fund

Pursuant to the Restated and Amended Bulk Power Supply System Resolution, all Revenues are to be deposited promptly by JEA to the credit of the Revenue Fund.

After payment of Operation and Maintenance Expenses, the Restated and Amended Bulk Power Supply System Resolution provides that the Revenue Fund should be applied monthly to the extent available in the following order:

(a) in the Debt Service Fund, (i) for credit to the Debt Service Account, an amount at least equal to the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service as of the last day of the then current month; *provided* that (A) for the purposes of computing the amount to be deposited in said Account, there shall be excluded from the balance in said Account the amount, if any, set aside in said Account from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund) for the payment of interest on Bonds less that amount of such proceeds to be applied in accordance with the Restated and Amended Bulk Power Supply System Resolution to the payment of interest accrued and unpaid and to accrue on Bonds to the last day of the then current calendar month; and (B) any amount deposited into said Account during any month that is in excess of the minimum amount required to be deposited therein during such month may be deemed by JEA to be accumulated therein with respect to (1) any Sinking Fund Installment or (2) any principal amount of Bonds (including, in the case of any Option Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof) due (or so tendered for payment) on a certain future date for which no Sinking Fund Installments have been established or (3) some combination of (1) and (2), and interest thereon; and (ii) for deposit in each separate subaccount in the Debt Service Reserve Account, the amount, if any, required so that the balance in each such subaccount shall equal the Debt Service Reserve Requirement related thereto as of the last day of the then current month (or, if the amount on deposit in the Revenue Fund shall not be sufficient to make the deposits required to be made pursuant to this clause (ii) with respect to all of the separate subaccounts in the Debt Service Reserve Account, then such amount on deposit in the Revenue Fund shall be applied ratably, in proportion to the amount necessary for deposit into each such subaccount);

(b) in the Subordinated Indebtedness Fund, an amount at least equal to the amount, if any, as shall be required to be deposited therein in the then current month to pay principal or sinking fund installments of and premiums, if any, and interest on each issue of Subordinated Indebtedness coming due in such month, whether as a result of maturity or prior call for redemption, and to provide reserves therefor, as required by the Supplemental Resolution authorizing such issue of Subordinated Indebtedness;

(c) in the Rate Stabilization Fund, the amount, if any (i) budgeted for deposit into such Fund as set forth in the then current Annual Budget or (ii) otherwise determined by an Authorized Officer of JEA to be deposited therein; *provided* that such deposit need not be made until the last day of the Fiscal Year;

(d) in the Renewal and Replacement Fund, an amount determined in the discretion of an Authorized Officer of JEA; *provided, however*, that the amount

deposited therein in each Fiscal Year shall be at least equal to the Renewal and Replacement Requirement for that Fiscal Year; and

(e) if any Decommissioning Funds shall have been established pursuant to the Restated and Amended Bulk Power Supply System Resolution, in each Decommissioning Fund, the amount budgeted for credit to said Fund for the then current month as set forth in the then current Annual Budget relating to the Project for which such Fund has been established (or, if the amount on deposit in the Revenue Fund shall not be sufficient to make the payments required to be made pursuant to this paragraph (e) with respect all of the Decommissioning Funds, then such amount on deposit in the Revenue Fund shall be applied (i) ratably, in proportion to the amount budgeted for credit to each such Decommissioning Fund or (ii) in such other manner as JEA may determine).

As of the last day of each Bond Year after payment of the Operation and Maintenance Expenses for such Bond Year and after all payments required to be made into the Rate Stabilization Fund, the Debt Service Fund, the Subordinated Indebtedness Fund, the Renewal and Replacement Fund and the Decommissioning Funds out of Revenues have been made for such Bond Year, JEA shall withdraw from the Revenue Fund and deposit in the General Reserve Fund the remaining balance, if any, of amounts on deposit in the Revenue Fund (other than amounts set aside therein as working capital or reserves for Operation and Maintenance Expenses).

Notwithstanding the provisions above, so long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), no deposits shall be required to be made into the Debt Service Fund.

Debt Service Fund -- Debt Service Reserve Account

There shall be established in the Debt Service Reserve Account in the Debt Service Fund one or more separate subaccounts, each of which subaccounts shall be for the benefit and security of one or more Series of Bonds, in the manner and to the extent provided in the Restated and Amended Bulk Power Supply System Resolution or the Supplemental Resolution establishing each such subaccount, as the case may be.

If on any day on which the principal or sinking fund Redemption Price of or interest on the Bonds shall be due, the amount on deposit in the Debt Service Account in the Debt Service Fund (exclusive of amounts, if any, set aside in said Account from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund) for the payment of interest on Bonds on a future date) shall be less than the amount required to pay such principal, Redemption Price or interest, then JEA shall apply amounts from each separate subaccount in the Debt Service Reserve Account to the extent necessary to cure the deficiency that exists with respect to the Additionally Secured Series of the Bonds secured thereby.

Whenever the moneys on deposit in any subaccount established in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement related thereto, and after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount in accordance with the provisions of the Supplemental Resolution establishing such subaccount, such excess shall be retained therein or deposited in the Revenue Fund; *provided, however*, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the Restated and Amended Bulk Power Supply System Resolution.

Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated to the extent necessary in order to provide for the timely payment of principal or Redemption Price, if applicable, and interest on the Bonds.

In the event of the refunding or defeasance of any Bonds of an Additionally Secured Series, JEA may withdraw from the separate subaccount in the Debt Service Reserve Account established for the benefit of the Bonds of such Additionally Secured Series all or any portion of the amounts accumulated therein and deposit such amounts with the Escrow Agent for the Bonds being refunded or defeased to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; *provided* that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded or defeased shall be deemed to have been paid pursuant to the Restated and Amended Bulk Power Supply System Resolution, and (b) the amount remaining in such separate subaccount in the Debt Service Reserve Account, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount in accordance with the provisions of the Supplemental Resolution establishing such subaccount, and after giving effect to the issuance of any obligations being issued to refund any Bonds being refunded and the disposition of the proceeds thereof, shall not be less than the Debt Service Reserve Requirement related thereto. In the event of such refunding or defeasance, JEA may also withdraw from such separate subaccount in the Debt Service Reserve Account all or any portion of the amounts accumulated therein and deposit such amounts in any Fund or Account under the Restated and Amended Bulk Power Supply System Resolution; *provided* that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied; *provided, further*, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Restated and Amended Bulk Power Supply System Resolution.

Establishment of Initial Subaccount in the Debt Service Reserve Account and Application Thereof

The Restated and Amended Bulk Power Supply System Resolution establishes an Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund. Amounts held by JEA in the Initial Subaccount shall constitute a trust fund for the benefit of the Holders of the Bonds of any Series, if and to the extent that the Supplemental Resolution authorizing such Bonds provides

that such Bonds shall be additionally secured by amounts on deposit in the Initial Subaccount; *provided, however*, that if the Bonds of any Series hereafter issued are to be additionally secured by amounts on deposit in the Initial Subaccount, then it shall be a condition precedent to the authentication and delivery of such Bonds that the amount on deposit in the Initial Subaccount, after giving effect to any surety bond, insurance policy or letter of credit that may be credited to the Initial Subaccount in accordance with the provisions of the Restated and Amended Bulk Power Supply System Resolution, and after giving effect to the issuance of such Bonds, shall not be less than the Debt Service Reserve Requirement for the Initial Subaccount. The Bonds of any Series that are additionally secured by amounts on deposit in the Initial Subaccount as aforesaid are herein referred to collectively as the "Initial Subaccount Additionally Secured Bonds." As of the date of the Annual Disclosure Report to which this Appendix is attached, the Initial Subaccount secures JEA's Outstanding Bulk Power Supply Revenue Bonds, Scherer 4 Project Issue, Series 2010A (Federally Taxable - Issuer Subsidy - Build America Bonds).

If on any day on which the principal or sinking fund Redemption Price of or interest on the Bonds shall be due the amount on deposit in the Debt Service Account in the Debt Service Fund (exclusive of amounts, if any, set aside in said Account from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund) for the payment of interest on Bonds on a future date) shall be less than the amount required to pay such principal, Redemption Price or interest, then JEA shall apply amounts from the Initial Subaccount to the extent necessary to cure the deficiency that exists with respect to the Initial Subaccount Additionally Secured Bonds.

In lieu of maintaining moneys or investments in the Initial Subaccount, JEA at any time may cause to be deposited into the Initial Subaccount for the benefit of the Holders of the Initial Subaccount Additionally Secured Bonds an irrevocable surety bond, an insurance policy or a letter of credit (referred to in the Restated and Amended Bulk Power Supply System Resolution as a "reserve fund credit instrument") satisfying the requirements set forth below in an amount equal to the difference between the Debt Service Reserve Requirement for the Initial Subaccount and the sums of moneys or value of Investment Securities on deposit in the Initial Subaccount, if any, upon provision of such reserve fund credit instrument.

(a) A surety bond or insurance policy issued by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Initial Subaccount Additionally Secured Bonds (a "municipal bond insurer") may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount if the claims paying ability of the issuer thereof shall be rated in the Highest Rating Category by each Rating Agency.

(b) A surety bond or insurance policy issued by an entity other than a municipal bond insurer may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount; *provided* that such entity or its claims paying ability is rated in the Highest Rating Category by each Rating Agency.

(c) An unconditional irrevocable letter of credit issued by a bank may be deposited in the Initial Subaccount to meet the Debt Service Reserve

Requirement for the Initial Subaccount if the issuer thereof is rated at least the Second Highest Rating Category by each Rating Agency. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary thereof of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Initial Subaccount Additionally Secured Bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify JEA and the beneficiary thereof, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

(d) If such notice indicates that the expiration date shall not be extended, JEA shall deposit in the Initial Subaccount an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subaccount, together with any other qualifying reserve fund credit instruments, to equal the Debt Service Reserve Requirement for the Initial Subaccount, such deposit to be paid in equal installments on at least a semiannual basis over the remaining term of the letter of credit, unless the reserve fund credit instrument is replaced by a reserve fund credit instrument meeting the requirements in any of clauses (a) through (c) above. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The beneficiary of the letter of credit shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Initial Subaccount is fully funded in its required amount.

(e) The use of any reserve fund credit instrument pursuant to the Restated and Amended Bulk Power Supply System Resolution shall be subject to receipt of an opinion of counsel acceptable to JEA as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to JEA and the Credit Enhancer, if any, for the Bonds Additionally Secured by the Initial Subaccount and in form and substance satisfactory to JEA and the Credit Enhancer, if any, for the Bonds Additionally Secured by the Initial Subaccount to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against JEA.

(f) The obligation to reimburse the issuer of a reserve fund credit instrument for any fees, expenses, claim or draws upon such reserve fund credit instrument shall be subordinate to the payment of debt service on the Bonds. Subject to the second and third succeeding sentences, the right of the issuer of a

reserve fund credit instrument to payment or reimbursement for claims or draws under such reserve fund credit instrument and to payment or reimbursement of its fees and expenses shall be on a parity with the cash replenishment of the Initial Subaccount. The reserve fund credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the reserve fund credit instrument to reimbursement will be subordinated to cash replenishment of the Initial Subaccount in an amount equal to the difference between the full original amount available under the reserve fund credit instrument and the amount then available for further draws or claims. If (i) the issuer of a reserve fund credit instrument becomes insolvent or (ii) the issuer of a reserve fund credit instrument defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the insurance policy or surety bond falls below the Highest Rating Category (as rated by any Rating Agency) or (iv) the rating of the issuer of the letter of credit falls below the Second Highest Rating Category (as rated by any Rating Agency), the obligation to reimburse the issuer of the reserve fund credit instrument shall be subordinate to the cash replenishment of the Initial Subaccount.

(g) If (i) the revolving reinstatement feature described in the preceding clause (f) is suspended or terminated or (ii) (A) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below the Second Highest Rating Category (as rated by any two of the Rating Agencies) and (B) within 45 days of the occurrence of such ratings reductions by two of the Rating Agencies JEA is unable to obtain confirmation of the underlying ratings on the Initial Subaccount Additionally Secured Bonds from all of the Rating Agencies at the respective ratings assigned to such Initial Subaccount Additionally Secured Bonds immediately before the decline in the rating by the first Rating Agency to reduce such rating or (iii) (A) the rating of the issuer of the letter of credit falls below the Second Highest Rating Category (as rated by any two of the Rating Agencies) and (B) within 45 days of the occurrence of such ratings reductions by two of the Ratings Agencies JEA is unable to obtain confirmation of the underlying ratings on the Initial Subaccount Additionally Secured Bonds from all of the Rating Agencies at the respective ratings assigned to such Initial Subaccount Additionally Secured Bonds immediately before the decline in the rating by the first Rating Agency to reduce such rating, JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash or Investment Securities and any other reserve fund credit instruments then on deposit in the Initial Subaccount to equal the Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing five years in equal installments deposited at least semiannually or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of clauses (a) through (c) above within six months of such occurrence. In the event (1) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A-" or "A3" by any two of the Rating Agencies or (2) the rating of the issuer of the letter of credit falls below "A-" or "A3" by any two of the Rating Agencies or (3) the issuer of the reserve fund credit instrument defaults in its payment

obligations or (4) the issuer of the reserve fund credit instrument becomes insolvent, JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash or Investment Securities and any other reserve fund credit instruments on deposit in the Initial Subaccount to equal to Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of clauses (a) through (c) above within six months of such occurrence.

(h) Where applicable, the amount available for draws or claims under the reserve fund credit instrument may be reduced by the amount of cash or value of Investment Securities deposited in the Initial Subaccount pursuant to clause (X) of the final sentence of the preceding clause (g).

(i) In the event that a reserve fund credit instrument shall be deposited into the Initial Subaccount as aforesaid, any amounts owed by JEA to the issuer of such reserve fund credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Restated and Amended Bulk Power Supply System Resolution for purposes of the rate covenant contained in the Restated and Amended Bulk Power Supply System Resolution.

(j) The beneficiary of any reserve fund credit instrument shall ascertain the necessity for a claim or draw upon such reserve fund credit instrument and provide timely notice to the issuer of the reserve fund credit instrument in accordance with its terms in order to receive proceeds thereunder prior to each interest payment date for the Bonds of any Initial Subaccount Additionally Secured Bonds.

(k) Cash on deposit in the Initial Subaccount shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any reserve fund credit instrument. If and to the extent that more than one reserve fund credit instrument is deposited in the Initial Subaccount, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Rate Stabilization Fund

Each Fiscal Year JEA shall transfer from the Rate Stabilization Fund to the Revenue Fund the amount, if any, budgeted for transfer into such Fund for the Fiscal Year as set forth in the then current Annual Budget or the amount otherwise determined by an Authorized Officer of JEA. JEA may, from time to time, withdraw amounts on deposit in the Rate Stabilization Fund and (i) transfer such amounts to any other Fund or Account established under the Restated and Amended Bulk Power Supply System Resolution, (ii) use such amounts to purchase or redeem Bonds, or (iii) use such amounts to otherwise provide for the payment of Bonds or interest thereon.

Renewal and Replacement Fund

Amounts in the Renewal and Replacement Fund shall be applied to the Costs of any Project, including Capital Improvements thereto, the payment of extraordinary operation and maintenance costs and contingencies and payments with respect to the prevention or correction of any unusual loss or damage in connection with any Project, all to the extent not paid as Operation and Maintenance Expenses or from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA. Amounts in the Renewal and Replacement Fund also may be applied (a) to the purchase, redemption, payment or provision for payment of Bonds or bonds issued under the Electric Resolution, or interest thereon or (b) upon determination of the Governing Body, to the payment of the costs of enlargements, extensions, improvements and replacements of capital assets of any other utility system owned and operated by JEA and not constituting a part of the Project.

If and to the extent provided in the Supplemental Resolution authorizing Bonds of a Series or Subordinated Indebtedness, amounts from the proceeds of such Bonds or Subordinated Indebtedness may be deposited in the Renewal and Replacement Fund for any purpose of such Fund.

If at any time the amounts in the Debt Service Account or any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund shall be less than the current requirements of such Account or subaccount, respectively, and there shall not be on deposit in the General Reserve Fund available moneys sufficient to cure such deficiency, then JEA may transfer from the Renewal and Replacement Fund for deposit in the Debt Service Account or such separate subaccount(s) in the Debt Service Reserve Account, as the case may be, the amount necessary to make up such deficiency (or, if the amount in said Fund shall be less than the amount necessary to make up the deficiencies with respect to the Debt Service Account and all of the separate subaccounts in the Debt Service Reserve Account, then the amount in said Fund may be applied first to make up the deficiency in the Debt Service Account, and any balance remaining may be applied ratably to make up the deficiencies with respect to the separate subaccounts in the Debt Service Reserve Account, in proportion to the deficiency in each such subaccount).

If at any time the amounts in the Subordinated Indebtedness Fund shall be less than the current requirement of such Fund and the amounts on deposit in the Debt Service Account and each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund shall equal the current requirements of such Account and subaccounts, respectively, and such amounts are not required for the payment of Operation and Maintenance Expenses, then JEA may transfer from the Renewal and Replacement Fund for deposit in the Subordinated Indebtedness Fund the amount necessary (or all the moneys in the Renewal and Replacement Fund if less than the amount necessary) to make up such deficiency.

If at any time amounts in the Renewal and Replacement Fund exceed the Renewal and Replacement Requirement, the excess, if not needed for any of the purposes specified in the Restated and Amended Bulk Power Supply System Resolution, may be deposited in the General Reserve Fund.

General Reserve Fund

JEA shall withdraw from the General Reserve Fund and apply moneys in the following amounts and in the following order of priority: (a) JEA shall pay Operation and Maintenance Expenses due and unpaid, (b) JEA shall deposit in the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund the amount necessary to make up any deficiencies in said Account and subaccounts (or, if the amount in the General Reserve Fund shall be less than the amount necessary to make up the deficiencies with respect to the Debt Service Reserve Account and all of the separate subaccounts in the Debt Service Reserve Account, then the amount in said Fund shall be applied first to make up the deficiency Debt Service Account, and any balance remaining shall be applied ratably to make up the deficiencies with respect to the separate subaccounts in the Debt Service Reserve Account, in proportion to the deficiency of each subaccount), (c) JEA shall deposit in the Subordinated Indebtedness Fund the amount necessary (or all of the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to such Fund required by the Restated and Amended Bulk Power Supply System Resolution and (d) JEA shall deposit in the Renewal and Replacement Fund the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to such Fund required the Restated and Amended Bulk Power Supply System Resolution.

Amounts in the General Reserve Fund not required to meet a deficiency or for transfer as required above shall upon determination of JEA be applied to or set aside for any lawful purpose of JEA (including transfers to any other Fund or Account established under the Restated and Amended Bulk Power Supply System Resolution or transfers to JEA for application in connection with the Electric System, except that the amount of any such transfer to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the Restated and Amended Bulk Power Supply System Resolution); *provided, however*, that, subject to the provisions of the preceding paragraph, amounts deposited in the General Reserve Fund pursuant to the Amended and Restated Bulk Power Supply System Resolution and required thereby to be (i) applied to the purchase, redemption, payment or provision for payment of Bonds or interest thereon or (ii) transferred to the Renewal and Replacement Fund, shall be applied to such purposes.

Additional Bonds

JEA may issue one or more series or issues of additional Bonds for any lawful purpose of JEA relating to any Project. All such Bonds will be payable from the Trust Estate pledged pursuant to the Restated and Amended Bulk Power Supply System Resolution and secured thereby on a parity with all other Bonds or Bonds of particular Issues. In addition, each series of Bonds may be additionally secured by amounts on deposit in a separate subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the Restated and Amended Bulk Power Supply System Resolution (which may be the Initial Subaccount therein). Set forth below are certain conditions applicable to the issuance of additional Bonds:

Debt Service Reserve. If, at JEA's option, any series of additional Bonds is to be additionally secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the Restated and Amended Bulk Power Supply System Resolution, the issuance of the

additional Bonds of such series is further conditioned upon the deposit to the Initial Subaccount of moneys or reserve fund credit instruments, or a combination thereof, in an amount such that the balance in such Subaccount equals the Debt Service Reserve Requirement for such Subaccount calculated immediately after the delivery of such Bonds.

No Default. In addition, Bonds of any series may be issued only if JEA certified that upon the issuance of such series JEA will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Restated and Amended Bulk Power Supply System Resolution.

Subordinated Indebtedness

JEA may, at any time, or from time to time, issue Subordinated Indebtedness for any lawful purpose of JEA related to any Project, which Subordinated Indebtedness shall be payable out of, and may be secured by a pledge of, such amounts in the Subordinated Indebtedness Fund as may from time to time be available for the purpose of payment thereof; *provided, however*, that any pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge of the Trust Estate created by the Restated and Amended Bulk Power Supply System Resolution as security for the Bonds.

Investment of Certain Funds

Unless further limited as to maturity by the provisions of a Supplemental Resolution, moneys held in the Funds and Accounts established under the Restated and Amended Bulk Power Supply System Resolution (other than any Decommissioning Fund) may be invested and reinvested by JEA in Investment Securities which will provide moneys not later than such times as shall be needed for payments to be made from such Funds and Accounts. Moneys held in any Decommissioning Fund shall be invested and reinvested by JEA in accordance with the Supplemental Resolution establishing such Fund. In making any investment in any Investment Securities with moneys in any Fund or Account established under the Restated and Amended Bulk Power Supply System Resolution and held by JEA, JEA may combine such moneys with moneys in any other Fund or Account held by JEA, but solely for purposes of making such investment in such Investment Securities.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned on any moneys or investments in such Funds and Accounts (and, in the discretion of JEA, any profit realized from the liquidation of such investment), other than the Construction Fund and any Decommissioning Fund shall be paid into the Revenue Fund. Interest earned on any moneys or investments in the Project Account in the Construction Fund held in such Project Account for the purposes thereof shall be held in such Fund for the purposes thereof or paid into the Revenue Fund. Interest earned on any moneys or investments in any Decommissioning Fund shall be applied as provided in the Supplemental Resolution establishing such Fund.

Nothing contained in the Restated and Amended Bulk Power Supply System Resolution shall prevent JEA, to the extent permitted by law, from entering into securities lending agreements

or bonds borrowed agreements ("lending agreements") with banks which are members of the Federal Deposit Insurance Corporation, having capital stock, surplus and undivided earnings aggregating at least \$25,000,000 and government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, secured by securities, which are obligations described in the definition of Investment Securities; *provided* that each such lending agreement (a) is in commercially reasonable form and is for a commercially reasonable period, and (b) results in a transfer to JEA of legal title to, or a grant to JEA of a prior perfected security interest in, identified securities which are obligations described in the definition of Investment Securities and which are free and clear of any claims by third parties and are segregated in a custodial or trust account held by a third party (other than the borrower) as the agent solely of, or in trust solely for the benefit of, JEA; *provided* that such securities acquired or pledged pursuant to such lending agreements shall have a current market value not less than 102 percent of the market value of the securities loaned by JEA under such agreement. Any Investment Securities loaned by JEA under any such agreement shall be released from the lien of the pledge of the Trust Estate created under the Restated and Amended Bulk Power Supply System Resolution, but only if all rights of JEA under the lending agreement (including, but not limited to, the monetary obligations to JEA of the bank and/or government bond dealer party to such agreement) and any related collateral agreement and all rights of JEA to the identified securities transferred or pledged to JEA in connection therewith are substituted for the securities loaned, and such rights of JEA are by the Restated and Amended Bulk Power Supply System Resolution declared to be subject to the lien of the pledge of the Trust Estate created under the Restated and Amended Bulk Power Supply System Resolution to the same extent that the loaned Investment Securities formerly were subject.

Redemption

In the case of any redemption of Bonds, JEA shall give written notice to the Bond Registrar and the Paying Agents of the redemption date, of the Issue and Series, and of the principal amounts of the Bonds of each maturity of such Issue and Series and of the Bonds of each interest rate within a maturity to be redeemed (which Issue, Series, maturities, interest rates within a maturity and principal amounts thereof to be redeemed shall be determined by JEA in its sole discretion, subject to any limitations with respect thereto contained in the Restated and Amended Bulk Power Supply System Resolution or any Supplemental Resolution authorizing the Series of which such Bonds are a part). Such notice shall be filed with the Bond Registrar and the Paying Agents for the Bonds to be redeemed at least 40 days prior to the redemption date (or such shorter period (a) as shall be specified in the Supplemental Resolution authorizing the Issue and Series of the Bonds to be redeemed or (b) as shall be acceptable to such Bond Registrar and the Paying Agents). In the event notice of redemption shall have been given, and unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed.

Covenant as to Rates, Fees and Charges

JEA shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of all of the Projects which shall be sufficient

to provide Net Revenues in each Bond Year which shall be at least equal to the greater of (i) 115 percent of the Aggregate Debt Service for such Bond Year; *provided, however*, that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such Principal Installment from sources other than Revenues, and (ii) the amount which, together with other available funds, shall be sufficient for the payment of:

(a) the amount to be paid during such Bond Year into the Debt Service Account in the Debt Service Fund (other than amounts required to be paid into such Account out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(b) the amount, if any, to be paid during such Bond Year into each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund (other than amounts required to be paid into any such subaccount out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(c) the amount, if any, to be paid during such Bond Year into the Subordinated Indebtedness Fund (other than amounts required to be paid into such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(d) the amount, if any, to be paid during such Bond Year into the Renewal and Replacement Fund (other than amounts required to be paid into such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);

(e) if any Decommissioning Funds shall have been established pursuant to the Restated and Amended Bulk Power Supply System Resolution, the amount, if any to be paid during such Bond Year into each Decommissioning Fund (other than amounts required to be paid into any such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); and

(f) all other charges and liens whatsoever payable out of Revenues during such Bond Year.

The Restated and Amended Bulk Power Supply System Resolution establishes charges to JEA for the account of the Electric System, for the output, capacity, use and service of the Projects which are due on such dates and in such aggregate amounts as shall be sufficient to provide Net Revenues in each Bond Year sufficient to comply with the provision above.

JEA generally will not furnish or supply or cause to be furnished or supplied any use, output, capacity or service of the Electric System free of charge to any person, firm or corporation, public or private.

Certain Other Covenants

Creation of Liens; Sale and Lease of Property. JEA shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a security interest in or pledge of the Trust Estate or any portion thereof, any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund or other moneys, securities or funds held or set aside by JEA or by the Fiduciaries under the Restated and Amended Bulk Power Supply System Resolution and shall not create or cause to be created any lien or charge on the Trust Estate or any portion thereof, any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund or such moneys, securities or funds; *provided, however,* that nothing contained in the Restated and Amended Bulk Power Supply System Resolution shall prevent JEA from issuing, if and to the extent permitted by law, (a) Bond Anticipation Notes or other evidences of indebtedness payable out of, and which may be secured by a pledge of (i) the proceeds of sale of Bonds or investment income therefrom, or (ii) amounts in the Construction Fund derived from the proceeds of sale of said Bond Anticipation Notes or investment income therefrom as may from time to time be available for payment of such Bond Anticipation Notes or other evidences of indebtedness (including redemption premiums, if any, and interest thereon) as part of the Costs of any Project, or (iii) amounts in the General Reserve Fund as may from time to time be available for payment of such Bond Anticipation Notes or other evidences of indebtedness (including redemption premiums, if any, and interest thereon) or (iv) Revenues to be derived on and after such date as the pledge of the Revenues provided in the Restated and Amended Bulk Power Supply System Resolution shall be discharged and satisfied as provided in the Restated and Amended Bulk Power Supply System Resolution, or (b) Subordinated Indebtedness.

No part of any Project shall be sold, mortgaged, leased or otherwise disposed of, except as follows:

(a) JEA may dispose of, sell or exchange at any time and from time to time any property or facilities constituting part of such Project only if (i) JEA shall determine that such property or facilities are not needed or useful in the operation of such Project, or (ii) the net book value of the property or facilities, sold or exchanged is not more than 15 percent of the net book value of the property and facilities of such Project, or (iii) there shall be filed with the records of JEA a certificate of an Authorized Officer of JEA stating, in his or her opinion, that the disposal, sale or exchange of such property or facilities will not materially diminish the value of the output, capacity, use and service of such Project being made available for the account of the Electric System pursuant to the Restated and Amended Bulk Power Supply System Resolution. The proceeds of any sale or exchange of any property or facilities constituting a part of a Project not used to acquire other property necessary or desirable for the safe or efficient operation of a Project shall forthwith be deposited in the General Reserve Fund or the Renewal and Replacement Fund, in either case, for application pursuant to the Restated and Amended Bulk Power Supply System Resolution;

(b) JEA may sell, lease or otherwise dispose of, or grant easements or other rights with respect to, any part of a Project to the extent required by or pursuant to the Project Agreements related thereto.

(c) In addition to the Project Agreements, JEA may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of any Project; *provided* that any such lease, contract, license, arrangement, easement or right (i) does not impede the operation by JEA of such Project and (ii) does not materially adversely affect the rights or security of the Holders of the Bonds under the Restated and Amended Bulk Power Supply System Resolution. Any payments received by JEA under or in connection with any such lease, contract, license, arrangement, easement or right in respect of any Project or any part thereof shall constitute Revenues; or

(d) JEA may sell, lease or otherwise dispose of any Project or any part thereof, if, at the time of such sale, lease or other disposition, all Bonds issued to pay the Costs of such Project (including any Refunding Bonds issued to refund such Bonds) shall have been paid or deemed to have been paid within the meaning and with the effect expressed and the defeasance provisions of the Restated and Amended Bulk Power Supply System Resolution.

Maintenance of Insurance. JEA shall at all times keep or cause to be kept the properties of each Project which are of an insurable nature and of the character usually insured by those operating properties similar to such Project insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained, but only to the extent the cost therefor is reasonable, in the judgment of JEA. JEA shall at all times maintain or cause to be maintained insurance or reserves (in the nature of self insurance) against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of each Project.

JEA shall also use its best efforts to maintain or cause to be maintained any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Bondholders.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to JEA unless otherwise required by any Project Agreement.

Reconstruction; Application of Insurance Proceeds; Condemnation Awards. If any useful portion of any Project shall be damaged or destroyed or taken by any governmental authority under the power of eminent domain or otherwise ("Condemnation"), JEA shall, as expeditiously as possible, continuously and diligently proceed with the reconstruction or replacement thereof or take any other action deemed to be in the best interest of JEA. Except as provided in the Restated and Amended Bulk Power Supply System Resolution, the proceeds of any insurance paid or award received on account of such damage, destruction (other than any business interruption loss insurance or insurance proceeds deposited in the Construction Fund pursuant to the Restated and Amended Bulk Power Supply System Resolution) or Condemnation, unless held and applied under

the applicable Project Agreements shall be held by JEA in a special account and made available for, and to the extent necessary be applied to, the cost of such reconstruction or replacement. Pending such application, such proceeds may be invested by JEA in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such costs of reconstruction or replacement or may be invested as otherwise provided for under such Project Agreements. Interest earned on such account or investments shall be deposited in the Revenue Fund unless otherwise required under such Project Agreements. Any such proceeds not applied within 36 months after receipt thereof by JEA to repairing or replacing damaged, destroyed or taken property, or in respect of which notice in writing of intention to apply the same to the work of repairing or replacing the property damaged, destroyed or taken shall not have been filed with the records of JEA within such 36 months, or which JEA shall at any time determine are not to be so applied, unless otherwise applied or to be applied under the applicable Project Agreements, shall be deposited (a) in the General Reserve Fund for (i) application to the purchase, redemption, payment or provision for payment of Bonds or interest thereon or (ii) transfer to the Renewal and Replacement Fund for application pursuant to the provisions of the Restated and Amended Bulk Power Supply System Resolution; *provided, however*, that in the event such amount deposited in the General Reserve Fund is less than \$100,000, such amount may be applied to or set aside for any lawful purpose of JEA or (b) in the Renewal and Replacement Fund for application pursuant to the provisions of the Restated and Amended Bulk Power Supply System Resolution. Notwithstanding the foregoing, in the event that payments for any such repairing or replacing of property damaged, destroyed or taken prior to the availability of proceeds of insurance or Condemnation therefor are made from the Renewal and Replacement Fund, or from the General Reserve Fund, or from other funds of JEA not held in any Fund or Account established pursuant to the Restated and Amended Bulk Power Supply System Resolution, such proceeds when received shall be deposited in the Renewal and Replacement Fund or in the General Reserve Fund, in each case, to the extent of such payments therefrom, or shall be paid over to JEA, free and clear of any trust, lien or pledge securing the Bonds or otherwise existing under the Restated and Amended Bulk Power Supply System Resolution, as appropriate.

If the proceeds of insurance or Condemnation authorized by in the preceding paragraph to be applied to the reconstruction or replacement of any portion of any Project are insufficient for such purpose, the deficiency may be supplied out of moneys in the Renewal and Replacement Fund.

The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund unless otherwise required by the applicable Project Agreements.

Allocation to Electric System of Output and Capacity of System; Obligations of Electric System. JEA shall allocate to and make available for the account of the Electric System in each year 100 percent of the output, capacity, use and service of each Project. JEA shall make payments from the Electric System into the Revenue Fund for such output, capacity, use and service of each Project at the times and in the amounts which (i) will produce Net Revenues in each Bond Year at least equal to 115 percent of the Aggregate Debt Service for such Bond Year; *provided, however*, that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such Principal Installment from sources other than Revenues and (ii) will produce Revenues sufficient, together with other available funds, for the payment during each month of:

- (a) the Operation and Maintenance Expenses due and payable during such month;
- (b) the amount, if any, to be set aside in such month in the Revenue Fund (other than amounts required to be paid into such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA) as working capital or as reserves for Operation and Maintenance Expenses;
- (c) the amount, to be paid during such month into the Debt Service Account in the Debt Service Fund (other than amounts required to be paid into such Account out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);
- (d) the amount, if any, to be paid during such month into each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund (other than amounts required to be paid into any such subaccount out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);
- (e) the amount, if any, to be paid during such month into the Subordinated Indebtedness Fund (other than amounts required to be paid into such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);
- (f) the amount, if any, to be paid during such month into the Renewal and Replacement Fund (other than amounts required to be paid into such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA);
- (g) if any Decommissioning Funds shall have been established pursuant to the Restated and Amended Bulk Power Supply System Resolution, the amount, if any, to be paid during such month into each Decommissioning Fund (other than amounts required to be paid into any such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); and
- (h) all other charges and liens whatsoever payable out of Revenues during such month.

During any period in which the Debt Service for any Series of Bonds containing Build America Bonds shall be calculated in the manner provided in the *proviso* contained in clause (i) of the first paragraph of the definition thereof contained in Section 101 hereof, no later than each interest payment date for such Build America Bonds then Outstanding, JEA shall withdraw from the Revenue Fund and transfer to the Debt Service Account in the Debt Service Fund an amount equal to the amount of the cash subsidy payment payable to JEA by the U.S. Treasury in respect of the interest payable on such Build America Bonds on such interest payment date, without regard to any reduction thereto made by the U.S. Treasury for the purpose of offsetting any amount due from JEA to it. Any such cash subsidy payment received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall be deposited by JEA upon the receipt

thereof in the Revenue Fund, but no such payment shall constitute Revenues for any purpose of this Resolution.

So long as the Electric Resolution shall not be satisfied and discharged, all payments to be made in accordance with the preceding paragraph shall constitute a "Cost of Operation and Maintenance" (as defined in the Electric Resolution) to be paid directly from the "Revenue Fund" established under the Electric Resolution. After the satisfaction and discharge of the Electric Resolution, JEA shall continue to make such payments from the revenues, income, rents and receipts derived by JEA from the ownership and operation of the Electric System as an operating expense of said Electric System. All such payments from the Electric System shall be made whether or not any Project or any part thereof is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of any Project for any reason whatsoever, in whole or in part.

So long as the Electric Resolution shall not be satisfied and discharged, JEA shall not consent or agree to or permit any amendment or supplement to the Electric Resolution (other than a supplement thereto to authorize a series of additional parity bonds as permitted by the Electric Resolution) which will in any manner materially impair or materially adversely affect the obligation of JEA to pay for the output, capacity, use and service of the Projects in accordance with the Restated and Amended Bulk Power Supply System Resolution or the priority of such obligation under the Electric Resolution.

Except as otherwise provided in this paragraph, after the satisfaction and discharge of the Electric Resolution, (i) JEA shall not become liable for any bonds, notes, debentures or other evidences of indebtedness of similar nature payable out of or secured by a pledge of or lien or charge on any of the revenues, income, rents or receipts to be derived by JEA from the ownership or operation of the Electric System which shall rank on a parity with or in priority over or, except for bonds, notes, debentures or other evidences of indebtedness issued in connection with obligations of the type described in clause (ii) below, on a parity with the obligation of JEA to pay, from the revenues, income, rents and receipts derived by JEA from the ownership or operation of the Electric System, for the output, capacity, use and service of the Projects in accordance with the applicable provision in the Restated and Amended Bulk Power Supply System Resolution, and (ii) JEA shall not become liable for any obligation under any agreement to purchase or pay for electric power and energy or other goods or services whether or not the same are made available or furnished or any other obligation under which JEA lends credit to or guarantees any debt, claim or other obligation of any other person, firm or corporation which shall rank in priority over the obligation of JEA to pay, from the revenues, income, rents and receipts derived by JEA from the ownership or operation of the Electric System, for the output, capacity, use or service of the Projects in accordance with the applicable provision in the Restated and Amended Bulk Power Supply System Resolution; *provided, however*, that nothing contained in this paragraph shall prohibit or restrict JEA from establishing one or more other separate bulk power supply utilities or systems pursuant to Chapter 80-513, Laws of Florida, as amended, or any other law, and issuing its bonds therefor as provided in said Chapter 80-513, as amended, or such other law, and from making payments from the revenues, income, rents and receipts derived by JEA from the ownership or operation of the Electric System for the purchase of output, capacity, use or service of any of the facilities of any such separate bulk power supply utility or system, including payments with respect to debt service on such bonds, on a parity with (but not in priority over) the obligation

of JEA to pay, from the revenues, income, rents and receipts derived by JEA from the ownership or operation of the Electric System, for the output, capacity, use and service of any Project in accordance with the applicable provision in the Restated and Amended Bulk Power Supply System Resolution.

Operation and Maintenance of the Electric System. JEA shall at all times operate or cause to be operated the Electric System properly and in an efficient and economical manner, consistent with good business and utility operating practices, and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Electric System may be properly and advantageously conducted.

Rates and Fees of the Electric System. JEA shall at all times fix, establish, maintain, charge and collect fees and other charges for the sale of the output, capacity, use or service of the Electric System as shall be required to provide moneys from the Electric System at least sufficient in each fiscal year with respect to the Electric System for the payment of all charges or liens whatsoever payable out of revenues of the Electric System during such fiscal year, including all payments required to be made by JEA out of revenues of the Electric System (i) pursuant to the SJRPP Resolution, (ii) pursuant to the Restated and Amended Bulk Power Supply System Resolution and (iii) in connection with any other bulk power supply utility or system previously created by JEA (other than (x) the SJRPP System and (y) all Projects the acquisition and/or construction of which have previously been authorized pursuant to the Restated and Amended Bulk Power Supply System Resolution).

Except as otherwise provided in the Electric Resolution, JEA will not furnish or supply or cause to be furnished or supplied any use, output, capacity or service of the Electric System, free of charge to any person, firm or corporation, public or private; and JEA will enforce promptly the payment of any and all accounts owing to JEA by reason of the ownership and operation of the Electric System.

Maintenance of Insurance for the Electric System. JEA shall at all times keep or cause to be kept the properties of the Electric System which are of an insurable nature and of the character usually insured by those operating properties similar to the Electric System insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained, but only to the extent the cost therefor is reasonable, in the judgment of JEA. JEA shall at all times maintain or cause to be maintained insurance or reserves (in the nature of self insurance) against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of the Electric System, but only to the extent the cost therefor is reasonable, in the judgment of JEA.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to JEA.

Events of Default; Remedies

If one or more of the following Events of Default shall happen:

- (a) if default shall be made in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;
- (b) if default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable and such default shall continue for a period of 30 days;
- (c) if default shall be made by JEA in the performance or observance of any other of the covenants, agreements or conditions on its part in the Restated and Amended Bulk Power Supply System Resolution or in the Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to JEA by the Holders of not less than 10 percent in principal amount of the Bonds Outstanding;
- (d) if there shall occur the dissolution (without a successor being named to assume the rights and obligations) or liquidation of JEA or the filing by JEA of a voluntary petition in bankruptcy, or adjudication of JEA as a bankrupt, or assignment by JEA for the benefit of its creditors, or the entry by JEA into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to JEA in any proceeding for its reorganization instituted under the provisions of the Bankruptcy Code, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted; or
- (e) if an order or decree shall be entered, with the consent or acquiescence of JEA, appointing a receiver or receivers of the System, or any part thereof, or of the rents, fees, charges or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of JEA, shall not be vacated or discharged or stayed within 90 days after the entry thereof;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, the Holders of not less than 25 percent in principal amount of the Bonds Outstanding (by notice in writing to JEA), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything contained to the contrary in the Restated and Amended Bulk Power Supply System Resolution or in any of the Bonds notwithstanding; *provided, however*, that in the event that a Supplemental Resolution authorizing Bonds for which Credit Enhancement is being provided provides that the principal of such Bonds, and the accrued interest thereon, may not be declared due and payable immediately (nor such declaration be

rescinded and annulled, as provided in the following sentence) without the consent in writing of the Credit Enhancer therefor, then such Bonds, and the interest accrued thereon, shall not become due and payable immediately as aforesaid (nor may such declaration be rescinded and annulled, as provided in the following sentence) without such written consent, and, in that event, the remedies available to the Holders of such Bonds (or such Credit Enhancer, on behalf of such Holders) shall be limited to those set forth in the Restated and Amended Bulk Power Supply System Resolution. The right of the Holders of not less than 25 percent in principal amount of the Bonds to make such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and all other sums then payable by JEA under the Restated and Amended Bulk Power Supply System Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of JEA or provision shall be made for such payment, and all defaults under the Bonds or under the Restated and Amended Bulk Power Supply System Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or adequate provision shall be made therefor, then and in every such case the Holders of 25 percent in principal amount of the Bonds Outstanding, by written notice to JEA, may rescind such declaration and annul such default in its entirety, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon. See "Action by Credit Enhancer When Action by Holders of Bonds Required" herein.

During the continuance of an Event of Default, JEA shall apply all moneys, securities, funds and Revenues held or received by JEA under the Restated and Amended Bulk Power Supply System Resolution (other than (x) amounts on deposit in any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund and (y) amounts on deposit in the Decommissioning Fund) as follows and in the following order:

(a) Operation and Maintenance Expenses - to the payment of the amounts required for Operation and Maintenance Expenses and for the reasonable renewals, repairs and replacements of any Project necessary in the judgment of JEA to prevent a diminution in the value of the output, capacity, use and service of such Project being made available for the account of the Electric System pursuant to the Restated and Amended Bulk Power Supply System Resolution;

(b) Principal or Redemption Price and Interest - to the payment of the interest and principal or Redemption Price then due on the Bonds, as follows:

(i) unless the principal of all the Bonds shall have become or have been declared due and payable,

First: Interest - to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof

ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price - to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; or

(ii) if the principal of all the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

(c) Subordinated Indebtedness - to the payment of principal, redemption price and interest then due on Subordinated Indebtedness in accordance with the Supplemental Resolution(s) authorizing such Subordinated Indebtedness.

During the continuance of an Event of Default, JEA shall apply all amounts on deposit in each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund as follows and in the following order:

(d) unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: Interest - to the payment to the persons entitled thereto of all installments of interest then due on the Bonds of each Additionally Secured Series secured by such separate subaccount in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds of such Additionally Secured Series theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any such installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price - to the payment to the persons entitled thereto of the unpaid principal or sinking fund Redemption Price of any Bonds of such Additionally Secured Series

which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all such Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or sinking fund Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; or

(e) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds of each Additionally Secured Series secured by such separate subaccount without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds.

During the continuance of an Event of Default, JEA shall apply all amounts on deposit in any Decommissioning Fund only for the purposes for which such Fund was established.

If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Fiduciaries, and all other sums payable by JEA under the Restated and Amended Bulk Power Supply System Resolution including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of JEA, and all defaults under the Restated and Amended Bulk Power Supply System Resolution or the Bonds shall be made good, JEA and the Holders shall be restored, respectively, to their former positions and rights under the Restated and Amended Bulk Power Supply System Resolution. No such restoration of JEA and the Holders to their former positions and rights shall extend to or affect any subsequent default under the Restated and Amended Bulk Power Supply System Resolution or impair any right consequent thereon.

Powers of Amendment

Any modification or amendment of the Restated and Amended Bulk Power Supply System Resolution and of the rights and obligations of JEA and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Restated and Amended Bulk Power Supply System Resolution (a) of the Holders of not less than a majority in principal amount of the Bonds affected by such modification or amendment Outstanding at the time such consent is given, and (b) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of the Bonds of the particular Issue, Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Issue, Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding

for the purpose of any calculation of Outstanding Bonds under this paragraph. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purpose of this paragraph, a Series shall be deemed to be affected by a modification or amendment of the Restated and Amended Bulk Power Supply System Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. JEA may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity or any particular Commercial Paper Notes or Medium-Term Notes would be affected by any modification or amendment of the Restated and Amended Bulk Power Supply System Resolution and any such determination shall, absent manifest error, be binding and conclusive on JEA and all Holders of Bonds. For the purpose of this paragraph, a change in the terms of redemption of any Outstanding Bond shall be deemed only to affect such Bond and shall be deemed not to affect any other Bond. For the purpose of this paragraph, the Holders of any Bonds may include the Holders thereof, regardless of whether such Bonds are being held for resale. See "Action by Credit Enhancer When Action by Holders of Bonds Required" herein.

Supplemental Resolutions

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of JEA may be adopted, which, upon its adoption and compliance with the applicable provisions of the Restated and Amended Bulk Power Supply System Resolution, shall be fully effective in accordance with its terms:

- (a) to close the Restated and Amended Bulk Power Supply System Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Restated and Amended Bulk Power Supply System Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;
- (b) to add to the covenants and agreements of JEA in the Restated and Amended Bulk Power Supply System Resolution other covenants and agreements to be observed by JEA which are not contrary to or inconsistent with the Restated and Amended Bulk Power Supply System Resolution as theretofore in effect;
- (c) to add to the limitations and restrictions in the Restated and Amended Bulk Power Supply System Resolution other limitations and restrictions to be observed by JEA which are not contrary to or inconsistent with the Restated and Amended Bulk Power Supply System Resolution as theretofore in effect;
- (d) to authorize Bonds of an Issue or of a Series and, in connection therewith, specify and determine the matters and things referred to in the article of the Restated and Amended Bulk Power Supply System Resolution relating to the

authorization and issuance of Bonds, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Restated and Amended Bulk Power Supply System Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(e) to provide for the issuance, execution, delivery, authentication, payment, registration, transfer and exchange of Bonds in coupon form payable to bearer or in uncertificated form, and, in connection therewith, to specify and determine any matters and things relative thereto;

(f) to confirm, as further assurance, any security interest or pledge under, and the subjection to any security interest or pledge created or to be created by, the Restated and Amended Bulk Power Supply System Resolution of the Revenues or of any other moneys, securities or funds;

(g) if and to the extent authorized in a Supplemental Resolution authorizing an Additionally Secured Series of Bonds, to specify the qualifications of any provider of an obligation similar to a surety bond, insurance policy or letter of credit for deposit into the particular subaccount in the Debt Service Reserve if and to the extent authorized in a Supplemental Resolution authorizing an Additionally Account securing the Bonds of such Additionally Secured Series;

(h) to authorize the establishment of a Decommissioning Fund as provided in the Restated and Amended Bulk Power Supply System Resolution and, in connection therewith, to specify and determine the matters and things referred to therein or to modify any such matters and things in any other respect whatsoever;

(i) to modify any of the provisions of the Restated and Amended Bulk Power Supply System Resolution in any other respect whatever; *provided that* (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

(j) to identify and authorize the acquisition and/or construction of any Project;

(k) to designate any agreement entered into in connection with a Project as a "Project Agreement" therefor; and

(l) to authorize Subordinated Indebtedness and, in connection therewith, specify and determine any matters and things relative to such Subordinated Indebtedness which are not contrary to or inconsistent with the Restated and Amended Bulk Power Supply System Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or

determination at any time prior to the first authentication and delivery of such Subordinated Indebtedness.

**Supplemental Resolutions Effective Upon Delivery
of Counsel's Opinion as to No Material Adverse Effect**

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (a) delivery of a Counsel's Opinion to the effect that the provisions of such Supplemental Resolution will not have a material adverse effect on the interests of the Holders of Outstanding Bonds (in rendering such opinion, such counsel may rely on such certifications of (i) any banking or financial institution serving as financial advisor to JEA, as to financial and economic matters, (ii) a consulting engineer, as to matters within its field of expertise and (iii) such other experts, as to matters within their fields of expertise as it, in its reasonable judgment, determines necessary or appropriate) and (b) compliance with the applicable provision of the Restated and Amended Bulk Power Supply System Resolution, shall be fully effective in accordance with its terms:

(a) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Restated and Amended Bulk Power Supply System Resolution;

(b) to insert such provisions clarifying matters or questions arising under the Restated and Amended Bulk Power Supply System Resolution as are necessary or desirable and are not contrary to or inconsistent with the Restated and Amended Bulk Power Supply System Resolution as theretofore in effect; or

(c) to make any other modification to or amendment of the Restated and Amended Bulk Power Supply System Resolution which such counsel in its reasonable judgment shall determine will not have a material adverse effect on the interests of the Bondholders.

Notwithstanding any other provision of the Restated and Amended Bulk Power Supply System Resolution, in determining whether the interests of the Holders of Outstanding Bonds are materially adversely affected, such counsel shall consider the effect on the Holders of any Bonds for which Credit Enhancement has been provided without regard to such Credit Enhancement.

Defeasance

If all Bonds and interest due or to become due therein are paid in full, then the pledge of the Trust Estate and all covenants, agreements and other obligations of JEA to the Holders of the Bonds, will thereupon cease, terminate and become void and be discharged and satisfied.

If any Bonds are paid in full, then such Bonds shall cease to be entitled to any lien, benefit or security under the Restated and Amended Bulk Power Supply System Resolution, and all covenants, agreements and obligations of JEA to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds are deemed to have been paid and are not entitled to the lien, benefit and security of the Restated and Amended Bulk Power Supply System Resolution whenever the following conditions (or such other conditions as may be set forth in the Supplemental Subordinated Resolution authorizing such Bonds) are met (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, JEA shall have given to the Escrow Agent therefor instructions accepted in writing by such Escrow Agent to give notice of redemption thereof, (b) there shall have been deposited with the Escrow Agent therefor either moneys, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such Escrow Agent at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds, and (c) in the event said Bonds are not to be redeemed or paid at maturity within the next succeeding 60 days, JEA shall have given such Escrow Agent instructions to give to the Holders of such Bonds a notice that the above deposit has been made and that said Bonds are deemed to have been paid and stating such maturity or redemption date upon which moneys are expected to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with the provisions of the Restated and Amended Bulk Power Supply System Resolution, the interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Escrow Agent for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the Escrow Agent on such date in respect of such Variable Rate Bonds in order to satisfy the provisions of the Restated and Amended Bulk Power Supply System Resolution, the Escrow Agent shall, if requested by JEA, pay the amount of such excess to JEA free and clear of any trust, lien or pledge securing the Bonds or otherwise existing under the Restated and Amended Bulk Power Supply System Resolution.

Option Bonds shall be deemed to have been paid in accordance with the provisions of the Restated and Amended Bulk Power Supply System Resolution only if, in addition to satisfying the requirements of clauses (a) and (c) of the second preceding paragraph, there shall have been deposited with the Escrow Agent moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Escrow Agent pursuant to the provisions of the Restated and Amended Bulk Power Supply System Resolution, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph. If any portion of the moneys deposited with the Escrow Agent for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose the Escrow Agent shall, if requested by JEA, pay the amount of such excess to JEA free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Restated and Amended Bulk Power Supply System Resolution.

Action by Credit Enhancer When Action by Holders of Bonds Required

Except as otherwise provided in a Supplemental Resolution authorizing Bonds for which Credit Enhancement is being provided, if not in default in respect of any of its obligations with respect to Credit Enhancement for the Bonds of a Series, or a maturity within a Series, the Credit Enhancer for, and not the actual Holders of, the Bonds of a Series, or a maturity within a Series or an interest rate within a maturity, for which such Credit Enhancement is being provided, shall be deemed to be the Holder of Bonds of any Series, or maturity within a Series or an interest rate within a maturity, as to which it is the Credit Enhancer at all times for the purpose of (a) giving any approval or consent to the effectiveness of any Supplemental Resolution or any amendment, change or modification of the Restated and Amended Bulk Power Supply System Resolution, which requires the written approval or consent of Holders; *provided, however*, that the provisions of this Section shall not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto and (b) giving any approval or consent, exercising any remedies or taking any other action following the occurrence of an Event of Default under the Restated and Amended Bulk Power Supply System Resolution.

Special Provisions Relating to Capital Appreciation Bonds, Deferred Income Bonds and Reimbursement Obligations

The principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments made under the definitions of Debt Service, Accrued Aggregate Debt Service and Aggregate Debt Service only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

For the purposes of (a) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (b) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, or (c) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to JEA any notice, consent, request, or demand pursuant to the Restated and Amended Bulk Power Supply System Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then current Accreted Value.

For the purposes of (a) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity, or (b) receiving payment of a Deferred Income Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, or (c) computing the principal amount of Bonds held by the Holder of a Deferred Income Bond in

giving to JEA any notice, consent, request or demand pursuant to the Restated and Amended Bulk Power Supply System Resolution for any purpose whatsoever, the principal amount of a Deferred Income Bond shall be deemed to be its then current Appreciated Value.

Except as otherwise provided in a Supplemental Resolution authorizing a Series of Reimbursement Obligations, for the purposes of (a) receiving payment of a Reimbursement Obligation, whether at maturity, upon redemption or if the principal of all Bonds is declared immediately due and payable following an Event of Default or (b) computing the principal amount of Bonds held by the Holder of a Reimbursement Obligation in giving to JEA any notice, consent, request, or demand pursuant to the Restated and Amended Bulk Power Supply System Resolution for any purpose whatsoever, the principal amount of a Reimbursement Obligation shall be deemed to be the actual principal amount that JEA shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, JEA in connection with the Bonds of the Series or maturity or interest rate within a maturity for which such Reimbursement Obligation has been issued to evidence JEA's obligation to repay any advances or loans made in respect of the Credit Enhancement or liquidity support provided for such Bonds, less any prior repayments thereof.

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APPENDIX F**SUMMARY OF CERTAIN PROVISIONS OF THE
POWER PARK JOINT OWNERSHIP AGREEMENT**

The following is a brief summary of certain provisions of the Power Park Joint Ownership Agreement. This summary does not purport to be a complete or comprehensive statement of the contents of the Power Park Joint Ownership Agreement. This summary is entirely qualified by and reference is hereby made to the provisions of the Power Park Joint Ownership Agreement itself, copies of which may be obtained from JEA; *provided* that a reasonable charge may be imposed for the cost of reproduction.

Definitions

Unless the context otherwise requires, the terms defined in this section shall for the purposes of this summary have the meanings specified herein. The reader is cautioned that the definitions contained in this summary of the Power Park Joint Ownership Agreement may and do materially vary from the definitions of similar terms used elsewhere in the Annual Disclosure Report to which this summary is attached.

Bonds: The bonds, notes or other evidences of indebtedness issued from time to time by JEA pursuant to a resolution adopted by JEA on March 30, 1982 entitled "St. Johns River Power Park System Revenue Bond Resolution" (as amended and supplemented, the "First Power Park Resolution")¹ (or other applicable resolution or agreement in the case of notes or other evidences of indebtedness), except for certain bonds ("Other Bonds") issued to pay certain costs allocable solely to JEA, to pay any part of (i) Costs of Construction, (ii) Costs of Plant, (iii) interest accruing in whole or in part on bonds, notes or other evidences of indebtedness issued pursuant to the First Power Park Resolution¹ (or other applicable resolution or agreement in the case of notes or other evidences of indebtedness), except for interest accruing in whole or in part on Other Bonds, prior to and during construction and for such additional period as JEA may reasonably determine to be necessary for placing the Joint Facilities in operation, (iv) amounts required by the First Power Park Resolution¹ to be paid into the Debt Service Fund (as defined in the First Power Park Resolution¹), except for amounts to be paid into such Debt Service Fund attributable to Other Bonds, from the proceeds of bonds, notes or other evidences of indebtedness, (v) costs and expenses incurred in the issuance and sale of bonds, notes or other evidences of indebtedness issued pursuant to the First Power Park Resolution¹ (or other applicable resolution or agreement in the case of notes or other evidences of indebtedness), except for costs and expenses incurred in the issuance and sale of Other Bonds, including but not limited to legal fees and expenses, discounts to the underwriters or other purchasers thereof, fees and expenses of underwriters or other purchasers thereof and fees and expenses of financial advisors, or (vi) the payment of principal, premium, if any, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption) on notes or other evidences of indebtedness issued in accordance with the provisions of clause (i) of subsection one of Section 707 of the First Power Park Resolution¹ (relating to bond anticipation notes) to finance any of the costs referred to above in clauses (i) through (v), inclusive, which costs have not been, and are not to be, paid out of the

¹ The First Power Park Resolution was discharged and satisfied in accordance with its terms on March 21, 2018.

proceeds of bonds, and any additional bonds and refunding bonds issued in accordance with the First Power Park Resolution.¹

Co-owner: JEA or FPL or any party substituted for JEA or FPL pursuant to Section 12.1 or 12.2 of the Power Park Joint Ownership Agreement. The "Co-owners" shall mean JEA and FPL and any party substituted for JEA or FPL pursuant to such Sections.

Costs of Construction: All costs, expenses, losses, liabilities and charges (except certain costs allocable principally to JEA) incurred or accrued by JEA or FPL in planning, design, engineering, acquisition, construction, contract preparation, installation, modifying, testing, environmental control, safety and completion of the Joint Facilities, including costs related to obtaining all licenses, approvals or permits from regulatory agencies required for construction, operation and ownership of the Joint Facilities which are incurred or accrued in connection with placing Coal Units No. 1 and No. 2 in commercial operation.

Costs of Operation: All direct and indirect costs of operating the Joint Facilities incurred or accrued by JEA or FPL pursuant to the terms of the Power Park Joint Ownership Agreement, including but not limited to all costs, expenses, losses, liabilities and charges incurred or accrued in operating, maintaining, repairing, supervising, fueling, staffing, insuring, testing, protecting, preserving, meeting legal, regulatory, permit and license requirements with respect to, and using the Joint Facilities, whether incurred in the name of JEA or FPL only or the name of both Co-owners, but excluding (i) any such items otherwise included as Costs of Construction, Costs of Plant or Other Costs and (ii) cost of Fuel or costs of Plant Materials and Operating Supplies as provided in Appendix B of the Power Park Joint Ownership Agreement.

Costs of Plant: All costs, expenses, losses, liabilities and charges (except certain costs principally allocable to JEA) incurred or accrued by JEA or FPL pursuant to the terms of the Power Park Joint Ownership Agreement for the Joint Facilities, after the Date of Commercial Operation with respect to each of Coal Units No. 1 and No. 2, which are directly or indirectly related to capital improvements, additions, betterments or replacements thereof, whether incurred in the name of JEA or FPL only or in the name of both Co-owners.

Generation Entitlement: The capacity in megawatts available to a Co-owner which is equal to such Co-owner's Generation Entitlement Percentage times the Net Electric Generating Capability.

Generation Entitlement Percentage: The percentage of the Net Electric Generating Capability of each of Coal Units No. 1 and No. 2 to which JEA or FPL, as the case may be, is entitled under the Power Park Joint Ownership Agreement.

Net Electric Generating Capability: With respect to each of Coal Units No. 1 and No. 2, at any time, the gross electric capability and associated electric energy of the Coal Unit at that time, less the electric energy utilized by such Coal Unit for all processes, auxiliary equipment and systems used or useful in connection with start-up, operation, maintenance, control, supply or shutdown of such Coal Unit, including appropriate station service transformer losses, available to the Co-owners at the high voltage bus at the Plant Site-located switchyard.

Ownership Interest: With respect to each Co-owner, the percentage of undivided ownership in the Joint Facilities. This percentage is subject to change as provided in Sections 12.1, 12.2 and 13.4.3 of the Power Park Joint Ownership Agreement.

Ownership and Construction

JEA and FPL each own an undivided interest in the Joint Facilities as tenants in common. The percentages of undivided ownership, and the rights and obligations of the Co-owners with respect to the output, capacity, use and service of the Joint Facilities are 80 percent for JEA and 20 percent for FPL (their respective "Ownership Interests").

The Costs of Construction and Costs of Plant of the Joint Facilities will be paid from the Construction and Plant Account. JEA and FPL will pay into the Construction and Plant Account, in proportion to their Ownership Interests, the amounts necessary to make such payments from the Construction and Plant Account pursuant to statements prepared monthly by the Project Management Committee. JEA as agent for the Co-owners shall have the sole responsibility, right and authority to withdraw and apply funds as necessary from the Construction and Plant Account to pay the Costs of Construction, the Costs of Plant and other specified expenditures to be made from such account.

Energy Entitlements

JEA is entitled to a percentage (its "Generation Entitlement Percentage") of the Net Electric Generating Capability of Coal Units No. 1 and No. 2 at any given time equal to its Ownership Interest less the percentage of the total Net Electric Generating Capability of each of Coal Units No. 1 and No. 2 sold by JEA to FPL pursuant to Section 8 of the Power Park Joint Ownership Agreement. In Section 8 of the Power Park Joint Ownership Agreement JEA sold to FPL 37.5 percent of JEA's Ownership Interest in the Net Electric Generating Capability of Coal Units No. 1 and No. 2 (subject to the limitation that FPL may not receive in excess of 25 percent of the product of the nameplate capacity of JEA's Ownership Interest and the number of years from the date FPL first took energy pursuant to such sale until the latest maturity date of the bonds issued pursuant to a resolution adopted by JEA on March 30, 1982 entitled "St. Johns River Power Park System Revenue Bond Resolution" (the "Power Park Issue Two Bonds")¹). FPL is required to make payments to JEA for the purchase of such Net Electric Generating Capability approximately equal to the sum of 37.5 percent of the debt service on the Power Park Issue Two Bonds,¹ the administrative fees and expenses on the Power Park Issue Two Bonds,¹ the variable Costs of Operation and certain other costs, proportionate to the amount of net electric generating capability sold to FPL.

Coordination and Administration of the Joint Facilities

To provide management, administration and control of the activities necessary for the completion and operation of the Joint Facilities, the Power Park Joint Ownership Agreement established an Executive Committee and four functional committees (a Project Management Committee, Operating Committee, Fuels Committee and Energy Dispatch Committee)

¹ The Power Park Issue Two Bonds were defeased on January 5, 2018 in connection with the shutdown of SJRPP and are no longer outstanding.

subordinate to it. Each committee is composed of an equal number of representatives of JEA and FPL. The authority, responsibilities, operation and coordination of the various committees is extensively detailed in Article V of the Power Park Joint Ownership Agreement, to which the reader is referred.

Operations

JEA as agent for FPL and acting on its own behalf shall be responsible for the operation and maintenance of the Joint Facilities. JEA shall discharge such responsibility in accordance with the directives and authorizations of the Executive Committee or Operating Committee or in accordance with the policies and procedures developed by the Operating Committee and approved in accordance with the Power Park Joint Ownership Agreement.

Except as otherwise provided in the Power Park Joint Ownership Agreement the fixed Costs of Operation of the Joint Facilities shall be borne by the Co-owners in proportion to their Ownership Interests and the variable Costs of Operation (as such fixed and variable Costs of Operations are defined in Appendix B to the Power Park Joint Ownership Agreement) shall be borne by the Co-owners in proportion to their respective amounts of Generated Energy associated with their respective Ownership Interests.

Transmission of FPL's Generated Energy

JEA will provide transmission capability for delivery of FPL's Generated Energy from the coal units to FPL. FPL will pay a transmission charge to the Electric System for this service, the amount of such charge to be determined as provided in Appendix B to the Power Park Joint Ownership Agreement, such payment to be made whether or not the coal units or the transmission facilities are completed, operable or operating and notwithstanding any suspension, interruption, interference, reduction or curtailment of the output, capacity or service of either of the coal units or such transmission facilities for any reason whatsoever.

Separate System and Funds of JEA

The Power Park Joint Ownership Agreement provides that JEA's Ownership Interest in the Joint Facilities will be financed, constructed and operated by JEA as a project under the provisions of Chapter 80-513, Laws of Florida, as amended (the "Bulk Power Act"), and will be financed and accounted for by JEA under the First Power Park Resolution¹ as a separate bulk power supply system of JEA known as the St. Johns River Power Park System in accordance with the provisions of the Bulk Power Act.

Other Provisions

The Power Park Joint Ownership Agreement contains other provisions relating to insurance, damage or destruction of the Joint Facilities, assignment and transfer of interests in the Joint Facilities, liability of the parties for taxes, liabilities of third parties, force majeure, rights of the parties to audit, maintenance of records, authority of the agents of either Co-owner, supporting

¹ The First Power Park Resolution was discharged and satisfied in accordance with its terms on March 21, 2018.

staff and staff committees, sale of respective Ownership Interests, unrelated use of the Joint Facilities and the project site, resolution of disputes through voluntary non-binding arbitration, and other matters related to the joint ownership, construction and operation of the Joint Facilities.

Events of Default and Remedies on Default

(A) ***Events of Default.*** The Events of Default specified in the Power Park Joint Ownership Agreement are (a) a failure of a Co-owner to make any monetary payment required of it under the Power Park Joint Ownership Agreement when due (except for certain failures by JEA related to an inability to sell Power Park Bonds), and (b) a failure of a Co-owner to perform any other obligation or duty under the Power Park Joint Ownership Agreement which failure has not been cured within 60 days after the giving of notice of such failure or, if there is a good faith dispute, issuance of a final court or arbitrational order or decision, or, in the case of either (a) or (b) if not reasonably curable within such 60 day period, good faith efforts to cure the same have not commenced during such period and are not being pursued with due diligence by said Co-owner in default.

(B) ***Rights on Default.*** A Co-owner in default shall have no right to receive its Generation Entitlement Percentage of the Net Electric Generating Capability or to exercise any other rights under the Power Park Joint Ownership Agreement until such default has been cured (but each Co-owner shall continue to be represented on and to participate in the decision making of the administrative and planning committees described above).

During the period of a default the non-defaulting Co-owner, in addition to other rights available at law or equity, has the right to take any or all of the capacity and associated energy of Coal Units No. 1 and No. 2 unavailable to the defaulting Co-owner as described in the preceding paragraph. The defaulting Co-owner is not relieved of any liability for his default or for payments under the Power Park Joint Ownership Agreement, with the exception of some variable Costs of Operation which will be borne by the non-defaulting Co-owner in proportion to its receipt of capacity and energy associated with utilization of a defaulting Co-owner's entitlement.

In the event a Co-owner remains in default for a period of 365 days, the non-defaulting Co-owner shall have the right, in addition to other rights available, to purchase in full or in part, the defaulting Co-owner's Ownership Interest in the Joint Facilities at a price determined in accordance with Section 13.4.3 of the Power Park Joint Ownership Agreement.

Further, a non-defaulting Co-owner shall have the right at any time and from time to time to sue the Co-owner in default to recover or enforce payment of any and all amounts which the Co-owner in default is obligated by the Power Park Joint Ownership Agreement to pay or to require performance or any other obligation or duty of the defaulting Co-owner under the Power Park Joint Ownership Agreement or to recover for all loss or damage suffered by reason of the default, or to seek a declaratory judgment to the respect of rights and obligations of the Co-owners under the Power Park Joint Ownership Agreement.

APPENDIX G**SUMMARY OF CERTAIN PROVISIONS OF AGREEMENTS
RELATING TO SCHERER UNIT 4**

The following is a brief summary of certain provisions of certain agreements relating to Scherer Unit 4. This summary does not purport to be a complete or comprehensive statement of the contents of such agreements. This summary is entirely qualified by and reference is hereby made to the provisions of the such agreements themselves, copies of which may be obtained from JEA; *provided* that a reasonable charge may be imposed for the cost of reproduction.

SCHERER UNIT 4 PURCHASE AGREEMENT

The Scherer Unit 4 Purchase Agreement and certain related agreements provide for the purchase by FPL and JEA of their ownership interests in Scherer Unit 4 and associated common facilities and an associated coal stockpile and generally govern the ownership and operation of Scherer Unit 4.

Agent

JEA and FPL have appointed GPC as their agent to act on behalf of JEA and FPL (the "Scherer 4 Participants") in performing all activities relating to the planning, construction, operation, maintenance and disposal of Scherer Unit 4 and the associated common facilities, subject to the terms of the ownership and operation agreements governing the other Plant Scherer units. GPC has sole authority and responsibility to perform such functions and is authorized to take all reasonable actions which in the discretion and judgment of GPC are deemed necessary or advisable to perform such functions with respect to Scherer Unit 4 and the associated common facilities. JEA and FPL retain the right to conduct operating and management audits and to have on-site representatives and inspections and participate in the Scherer Unit 4 Operating Committee. The terms and conditions upon which GPC will perform such functions are further delineated in a Scherer Unit 4 Operating Agreement, as amended (see "Scherer Unit 4 Operating Agreement" herein). GPC can be removed as agent under the Scherer Unit 4 Purchase Agreement in certain circumstances and a successor appointed. GPC's liability for failure to properly perform such agency functions is limited by the provisions of the Scherer Unit 4 Purchase Agreement.

Ownership, Rights and Obligations

The Scherer 4 Participants own Scherer Unit 4 and the associated common facilities, and possess the rights and obligations related thereto, in proportion to their undivided ownership interests therein from time to time. The Scherer 4 Participants are entitled to the capacity and the associated energy from Scherer Unit 4 in proportion to their undivided ownership interests from time to time.

Non-Payment

A Scherer 4 Participant which fails to make payments due under the Scherer Unit 4 Purchase Agreement will have no right to any output of capacity and energy, and other rights under the Scherer Unit 4 Purchase Agreement will be suspended, until all overdue amounts are paid.

Sale or Assignment

Each Scherer 4 Participant may sell or assign its ownership interest, subject to certain rights of first refusal granted to the other Scherer 4 Participants. Upon any sale of its ownership interest or a portion thereof, the selling Scherer 4 Participant's obligations (including payment obligations) under the Scherer Unit 4 Purchase Agreement are reduced to the extent of the interest sold.

Damage or Destruction

If Scherer Unit 4 or the associated common facilities, or any portion thereof, are damaged or destroyed, the damaged or destroyed portion (i) shall be repaired or reconstructed if insurance proceeds are sufficient to pay the cost thereof, or (ii) shall not be repaired or reconstructed if the insurance proceeds are insufficient to pay the cost thereof, in each case subject to the contrary decision of a specified proportion of the utilities having an ownership interest in the damaged or destroyed facilities and further subject to the right of any utility having an ownership interest in the damaged or destroyed facilities to repair or reconstruct such facilities at its own cost; *provided, however*, that if any such utility having an ownership interest in the damaged or destroyed facilities elects to repair or reconstruct and bear the full cost thereof, any other Scherer 4 Participant shall reimburse such utility its pro rata share of the net book value of the costs of such repair or reconstruction as a condition to again obtaining its entitlement of energy.

Insurance

GPC is required to carry in the name of the Scherer 4 Participants the following types of insurance: worker's compensation, commercial general liability, and "all risk" property, in such amounts and with such provisions as is consistent with GPC's customary practices.

Coal Stockpiles

JEA and FPL, for accounting, payment and settlement costs only, shall each have a separate coal stockpile and shall be entitled only to the use of coal in its separate stockpile account.

Clean Air Act Emissions Allowances

Each Scherer 4 Participant shall be entitled to a pro rata share (based upon its ownership interest in Scherer Unit 4) of any and all allowances allocated to Scherer Unit 4 under the 1990 Amendments to the Clean Air Act. See "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Environmental Matters - *Global Climate Change*" in the Annual Disclosure Report to which this summary is attached.

Common Facilities Agreements

The provisions of the Scherer Unit 4 Purchase Agreement and the Scherer Unit 4 Operating Agreement relating to the associated common facilities are made subject, in the case of conflict, to the provisions of prior ownership and operating agreements governing the ownership and operation of the other Plant Scherer units.

No Adverse Distinction

The Scherer 4 Participants and GPC, as agent, each agree that in discharging their responsibilities under the Scherer Unit 4 Purchase Agreement they will not make any adverse distinction between Scherer Unit 4 and the associated common facilities, on the one hand, and any other generating units or common facilities in which such party has an ownership interest, on the other hand.

SCHERER UNIT 4 OPERATING AGREEMENT

JEA, FPL and GPC have entered into the Plant Robert W. Scherer Unit Number Four Operating Agreement, dated as of December 31, 1990, as amended (the "Scherer Unit 4 Operating Agreement"), which, together with certain related agreements, provides for the operation and maintenance, management, control, renewal, improvement, replacement, modification and disposal of Scherer Unit 4 and the associated common facilities, to the extent not covered by the Scherer Unit 4 Purchase Agreement. The Scherer Unit 4 Operating Agreement became effective on July 10, 1991 and remains in effect until the final decommissioning of Scherer Unit 4 and the associated common facilities.

GPC Agency

GPC is appointed agent for the Scherer 4 Participants to operate, maintain and perform other functions with respect to Scherer Unit 4 and the associated common facilities.

Operating Committee

The Scherer Unit 4 Operating Agreement creates an Operating Committee consisting of a representative from each of the Scherer 4 Participants. The Operating Committee has general authority to serve as liaison between GPC in its capacity as agent and the Scherer 4 Participants, and to administer the Scherer Unit 4 Operating Agreement and the Scherer Unit 4 Purchase Agreement. The Operating Committee also approves the Scherer Unit 4 business plan prepared by GPC, as agent, and certain procurement activities.

Operation

GPC, as agent for the Scherer 4 Participants, has the sole authority and responsibility to operate, maintain and perform other functions with respect to Scherer Unit 4 and the associated common facilities and is authorized to take all actions which, in its discretion and judgment, are deemed necessary or advisable to effect such operation, maintenance and other functions.

Separate Coal Procurement

Subject to the terms of the Scherer Unit 4 Purchase Agreement and Operating Agreement, FPL and JEA may act separately to supply their own coal requirements, as a separate coal stockpile, upon complying with certain conditions.

Availability, Scheduling and Dispatch of Output

The Scherer 4 Participants are entitled to the net capacity of Scherer Unit 4 in proportion to their ownership interests and other net energy output.

GPC has agreed to use its best efforts to dispatch or allow JEA and FPL direct dispatch control of the net energy output from Scherer Unit 4 to match schedules provided by the Scherer 4 Participants, subject to safety, reliability and integrity requirements of Scherer Unit 4, the other Plant Scherer units and the Georgia transmission grid.

Cost Sharing

Except as otherwise provided, each Scherer 4 Participant is responsible for its respective share of all operating and improvement costs. The Scherer Unit 4 Operating Agreement provides for the establishment of accounting and billing procedures, which have been approved by the Scherer 4 Participants.

AGENCY AGREEMENT BETWEEN JEA AND FPL

JEA and FPL have entered into an Agency Agreement Relating to the Joint Ownership of Plant Scherer Unit Number Four, dated as of December 31, 1990 (the "Scherer Unit 4 Agency Agreement"), which became effective on July 10, 1991. JEA and FPL agree in the Scherer Unit 4 Agency Agreement to create joint Executive, Operating and Services Committees relating to their ownership interests in Scherer Unit 4 and the associated common facilities. Such committees are to be composed of a representative of FPL (the "Lead FPL Member") and a representative of JEA. JEA agrees to the appointment of FPL, through the FPL Lead Members or other FPL delegates, as its agent and proxy with respect to all matters concerning the parties' ownership interests in Scherer Unit 4 and the associated common facilities, including the operation, maintenance, contracting and project management thereof, to act in accordance with the instructions of the committees established in the Scherer Unit 4 Agency Agreement. FPL's duties and obligations in carrying out such agency include (i) voting JEA's ownership interest in conjunction with FPL's ownership interest at any managing board or operating or other committees, and (ii) directing the activities of the operating agent appointed for Scherer Unit 4 (initially, GPC).

FPL's authority to act on behalf of JEA under the Scherer Unit 4 Agency Agreement does not extend to actions regarding certain third-party suits and claims, actions relating to reconstruction of damaged or destroyed facilities, retirement or life extension of Scherer Unit 4, dispatching of JEA's energy entitlement and the scheduling and transmission of such energy, and coal procurement activities.

Actions by the Executive Committee are taken by majority vote, with the votes of JEA and FPL representatives weighted in accordance with their respective ownership interests, *i.e.*, 76.36 percent for FPL and 23.64 percent for JEA. Thus, FPL will generally have the deciding vote. However, the unanimous consent of the committee representatives is required with respect to certain significant matters, including capital modifications or improvements, removal and replacement of the operating agent, and fuel utilization decisions requiring capital expenditures to maintain performance. The Scherer Unit 4 Agency Agreement provides for arbitration of deadlocks with respect to such significant matters. Decisions of the other committees established

pursuant to the Scherer Unit 4 Agency Agreement will be by consensus, with disputes resolved by the Executive Committee.

The Scherer Unit 4 Agency Agreement may be terminated by agreement of JEA and FPL or by JEA in certain circumstances, including the insolvency or dissolution of FPL.

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APPENDIX H

**JEA ELECTRIC SYSTEM BONDS SUBJECT TO
CONTINUING DISCLOSURE UNDERTAKINGS***

JEA has entered into continue disclosure undertakings with respect to the following bonds to provide certain information to the Municipal Securities Rulemaking Board not later than the June 1 following the end of each Fiscal Year.

ST. JOHNS RIVER POWER PARK SYSTEM REVENUE BONDS, ISSUE THREE

St. Johns River Power Park System Revenue Bonds, Issue Three, Series Four

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$2,160,000	5.150%	46613Q GL2
2026	2,240,000	5.250	46613Q GM0
2027	2,325,000	5.350	46613Q GN8
2028	2,415,000	5.450	46613Q GP3

St. Johns River Power Park System Revenue Bonds, Issue Three, Series Six

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$2,495,000	3.125%	46613Q HV9
2026	3,100,000	3.250	46613Q HW7
2027	3,590,000	3.375	46613Q HX5

St. Johns River Power Park System Revenue Bonds, Issue Three, Series Seven

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$10,090,000	3.000%	46613Q JZ8
2026	9,795,000	3.125	46613Q KA1
2027	9,640,000	3.250	46613Q KB9
2028	5,260,000	3.375	46613Q KC7

* Note: The CUSIP numbers listed in this APPENDIX H are provided for the convenience of bondholders. JEA is not responsible for the accuracy or completeness of such numbers.

St. Johns River Power Park System Revenue Bonds, Issue Three, Series Eight

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$2,360,000	3.000%	46613Q KW3
2026	2,430,000	3.000	46613Q KX1
2027	2,505,000	3.125	46613Q KY9

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ELECTRIC SYSTEM REVENUE BONDS**Electric System Revenue Bonds, Series Three 2004A**

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2039	\$5,000	5.000%	46613C EN1

Electric System Revenue Bonds, Series Three 2005B

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2033	\$100,000	4.750%	46613C FQ3

Electric System Revenue Bonds, Series Three 2008C-3

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2038	\$25,000,000	Variable	46613C MP7

Electric System Revenue Bonds, Series Three 2009D

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2044	\$45,955,000	6.056%	46613C VW2

Electric System Revenue Bonds, Series Three 2010E

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2030	\$ 6,840,000	5.350%	46613C J30
2040	27,415,000	5.482	46613C J22

Electric System Revenue Bonds, Series Three 2013C

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2029	\$845,000	4.600%	46613S RD4

Electric System Revenue Bonds, Series Three 2015B

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2030	\$ 75,000	5.000%	46613S LA6
2031	4,460,000	5.000	46613S DG2

Electric System Revenue Bonds, Series Three 2017B

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2026	\$ 2,820,000	5.000%	46613S FT2
2027	33,105,000	5.000	46613S FU9
2028	26,400,000	5.000	46613S FV7
2029	26,705,000	5.000	46613S FW5
2030	26,800,000	5.000	46613S FX3
2035	20,945,000	4.000	46613S FY1
2036	24,575,000	4.000	46613S FZ8
2037	22,560,000	4.000	46613S GA2
2038	7,135,000	4.000	46613S GB0
2039	7,050,000	3.375	46613S GC8

Electric System Revenue Bonds, Series Three 2020A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2026	\$ 665,000	5.000%	46613S PZ7
2027	2,815,000	5.000	46613S QA1
2028	2,170,000	5.000	46613S QB9
2029	1,655,000	5.000	46613S QC7
2030	6,415,000	5.000	46613S QD5
2031	5,500,000	5.000	46613S QE3
2032	1,685,000	5.000	46613S QF0
2033	2,215,000	5.000	46613S QG8
2034	17,080,000	5.000	46613S QH6
2035	16,805,000	5.000	46613S QJ2
2036	12,695,000	4.000	46613S QK9
2037	16,210,000	4.000	46613S QL7
2038	16,430,000	4.000	46613S QM5
2039	14,865,000	4.000	46613S QN3
2040	6,070,000	3.000	46613S QP8
2041	5,980,000	3.000	46613S QQ6

Electric System Revenue Bonds, Series Three 2021A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2033	\$8,700,000	5.000%	46613S RE2
2034	230,000	4.000	46613S RF9
2035	235,000	4.000	46613S RG7
2036	410,000	4.000	46613S RH5
2037	275,000	4.000	46613S RJ1
2038	270,000	4.000	46613S RK8
2039	265,000	4.000	46613S RL6

Electric System Revenue Bonds, Series Three 2024A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$18,680,000	5.000%	46613S RS1
2026	6,815,000	5.000	46613S RT9
2027	28,005,000	5.000	46613S RU6
2028	31,110,000	5.000	46613S RV4
2029	37,435,000	5.000	46613S RW2
2030	30,670,000	5.000	46613S RX0
2031	35,580,000	5.000	46613S RY8
2032	35,060,000	5.000	46613S RZ5
2033	29,685,000	5.000	46613S SA9
2034	19,520,000	5.000	46613S SB7
2035	5,755,000	5.000	46613S SC5
2036	20,740,000	5.000	46613S SD3
2037	29,315,000	5.000	46613S SE1
2038	11,000,000	5.000	46613S SF8
2039	11,565,000	5.000	46613S SG6
2040	665,000	5.000	46613S SH4

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ELECTRIC SYSTEM SUBORDINATED REVENUE BONDS**Electric System Subordinated Revenue Bonds, 2009 Series F**

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2034	\$56,600,000	6.406%	46613C WG6

Electric System Subordinated Revenue Bonds, 2010 Series D

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2027	\$19,470,000	5.582%	46613C J89

Electric System Subordinated Revenue Bonds, 2017 Series B

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2026	\$33,155,000	5.000%	46613S GJ3
2031	15,715,000	5.000	46613S GK0
2032	26,710,000	5.000	46613S GL8
2033	32,460,000	5.000	46613S GM6

Electric System Subordinated Revenue Bonds, 2020 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2028	\$12,830,000	5.000%	46613S QR4
2029	575,000	5.000	46613S QS2
2030	10,105,000	5.000	46613S QT0
2031	7,970,000	5.000	46613S QU7
2032	8,765,000	5.000	46613S QV5
2033	3,130,000	5.000	46613S QW3
2034	1,215,000	5.000	46613S QX1
2035	23,925,000	4.000	46613S QY9
2036	9,125,000	4.000	46613S QZ6
2037	5,905,000	4.000	46613S RA0
2038	8,870,000	4.000	46613S RB8

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Electric System Subordinated Revenue Bonds, 2021 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2029	\$ 930,000	5.000%	46613S RM4
2031	12,055,000	5.000	46613S RN2
2032	11,830,000	5.000	46613S RP7
2033	8,895,000	5.000	46613S RQ5
2034	465,000	4.000	46613S RR3

Electric System Subordinated Revenue Bonds, 2024 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2027	\$ 1,110,000	5.000%	46613S SJ0
2029	3,945,000	5.000	46613S SK7
2034	40,380,000	5.000	46613S SL5
2035	24,185,000	5.000	46613S SM3
2036	28,375,000	5.000	46613S SN1
2037	11,160,000	5.000	46613S SP6
2038	6,020,000	5.000	46613S SQ4
2039	6,055,000	5.000	46613S SR2

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BULK POWER SUPPLY SYSTEM REVENUE BONDS**Scherer 4 Project Issue, Series 2010A**

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$ 3,105,000	5.450%	472149 BJ1
2030	16,585,000	5.920	472149 BK8

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ADDITIONAL VOGTLE UNITS PPA BONDS

Municipal Electric Authority of Georgia
Plant Vogtle Units 3&4 Project J Bonds, Taxable Series 2010A
(Issuer Subsidy – Build America Bonds)

Maturity Date (April 1)	Principal Amount	Interest Rate	CUSIP Number
2057	\$1,149,130,000	6.637%	626207 YF5

Municipal Electric Authority of Georgia
Plant Vogtle Units 3&4 Project J Bonds, Series 2015A (Tax-Exempt)

Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP Number
2060	\$117,180,000	5.000%	626207 H23
2060	68,000,000	5.500	626207 H31

Municipal Electric Authority of Georgia
Plant Vogtle Units 3&4 Project J Bonds, Series 2021A (Tax-Exempt)

Maturity Date (January 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$ 1,225,000	5.000%	626207 7N8
2026	1,275,000	5.000	626207 7P3
2027	1,325,000	5.000	626207 7Q1
2028	1,385,000	5.000	626207 7R9
2029	1,445,000	5.000	626207 7S7
2030	1,505,000	5.000	626207 7T5
2031	1,565,000	5.000	626207 7U2
2032	1,630,000	5.000	626207 7V0
2033	1,695,000	5.000	626207 7W8
2034	1,770,000	5.000	626207 7X6
2035	1,845,000	4.000	626207 7Y4
2036	1,905,000	4.000	626207 7Z1
2037	1,965,000	4.000	626207 8A5
2038	2,030,000	4.000	626207 8B3
2039	2,095,000	4.000	626207 8C1
2040	2,165,000	4.000	626207 8D9
2041	3,495,000	4.000	626207 8E7
2046	13,445,000	4.000	626207 8F4
2051	21,995,000	4.000	626207 8G2
2056	27,295,000	5.000	626207 8H0
2062	54,985,000	5.000	626207 8J6

Municipal Electric Authority of Georgia
Plant Vogtle Units 3&4 Project J Bonds, Series 2022A (Tax-Exempt)

Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$ 1,635,000	5.000%	62620H DS8
2026	1,715,000	5.000	62620H DT6
2027	1,800,000	5.000	62620H DU3
2028	1,890,000	5.000	62620H DV1
2029	1,985,000	5.000	62620H DW9
2030	2,085,000	5.000	62620H DX7
2031	2,190,000	5.000	62620H DY5
2032	2,300,000	5.000	62620H DZ2
2033	2,415,000	5.000	62620H EA6
2034	2,535,000	5.000	62620H EB4
2035	2,665,000	5.000	62620H EC2
2036	2,795,000	5.000	62620H ED0
2037	2,935,000	5.000	62620H EE8
2038	3,085,000	5.000	62620H EF5
2039	3,235,000	5.000	62620H EG3
2040	3,400,000	5.000	62620H EH1
2041	3,570,000	5.000	62620H EJ7
2042	3,745,000	5.000	62620H EK4
2052	49,475,000	5.000	62620H EL2
2063	114,995,000	4.500	62620H EM0

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Municipal Electric Authority of Georgia
Plant Vogtle Units 3&4 Project J Bonds, Series 2023A (Tax-Exempt)

Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$ 1,500,000	5.000%	62620H FU1
2026	1,575,000	5.000	62620H FV9
2027	1,655,000	5.000	62620H FW7
2028	1,735,000	5.000	62620H FX5
2029	1,825,000	5.000	62620H FY3
2030	1,915,000	5.000	62620H FZ0
2031	2,010,000	5.000	62620H GA4
2032	2,110,000	5.000	62620H GB2
2033	2,215,000	5.000	62620H GC0
2034	2,330,000	5.000	62620H GD8
2035	2,445,000	5.000	62620H GE6
2036	2,565,000	5.000	62620H GF3
2037	2,695,000	5.000	62620H GG1
2038	2,830,000	5.000	62620H GH9
2039	2,970,000	5.000	62620H GJ5
2040	3,120,000	5.000	62620H GK2
2041	3,275,000	5.000	62620H GL0
2042	3,440,000	5.000	62620H GM8
2043	3,610,000	5.000	62620H GN6
2048	20,950,000	5.000	62620H GP1
2055	39,400,000	5.000	62620H GQ9
2064	86,200,000	5.000	62620H GR7

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**ANNUAL DISCLOSURE REPORT
FOR
ELECTRIC UTILITY SYSTEM
FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2024**

**(Prepared pursuant to certain
continuing disclosure undertakings
relating to the Bonds listed
in APPENDIX H hereto)**

Filed on EMMA

**Dated as of
_____, 2025**

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JEA
225 NORTH PEARL STREET
JACKSONVILLE, FLORIDA 32202
(904) 665-7410
(<http://www.jea.com>)

JEA OFFICIALS

BOARD OF DIRECTORS

Chair
Vice Chair
Secretary

Gen. Joseph P. DiSalvo
Ricardo “Rick” Morales III
Kawanza A. Humphrey
Arthur L. Adams, Jr.⁽¹⁾
John D. Baker II
MG Orender
Vacant⁽²⁾

LEADERSHIP TEAM

Managing Director and Chief Executive Officer
Chief Electric Systems Officer
Chief Water Systems Officer
Chief Customer Experience Officer
Chief Human Resources Officer
Chief Financial Officer
Chief Administrative Officer
Chief Information Officer
Chief of Staff
Deputy Chief Financial Officer ~~and Treasurer~~

Vickie P. Cavey
Ricky Erixton
Robert Zammataro
Dr. Charles E. Moreland⁽³⁾
Diane Moser
Theodore B. Phillips
Jody L. Brooks
Bradley D. Krol
Kurt Wilson
Joseph E. Orfano

Chief Legal Officer

Regina D. Ross

GENERAL COUNSEL

Michael T. Fackler, Esq.
General Counsel of the City of Jacksonville
Jacksonville, Florida

⁽¹⁾ Pursuant to Resolution 2024-952-A adopted on January 14, 2025, the Council voted to appoint Mr. Adams to the JEA Board.

⁽²⁾ On January 31, 2025, Robert L. Stein resigned from the JEA Board due to business commitments. ~~It is expected that the Council will appoint a~~The appointment of William “Worth” McArthur to the JEA Board, in replacement ~~for Mr.~~of Robert L. Stein, will be considered by the Council at its meeting on March 25, 2025, pursuant to Resolution 2025-163.

⁽³⁾ Effective December 2, 2024, Dr. Charles E. Moreland succeeded Sheila E. Pressley as JEA's Chief Customer Experience Officer. Ms. Pressley retired in January 2025.

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**ANNUAL DISCLOSURE REPORT
FOR
ELECTRIC UTILITY SYSTEM
FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2024**

INTRODUCTION

General

This Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2024 (together with the Schedule and the Appendices hereto, this “Annual Disclosure Report”) has been prepared and is being filed by JEA in connection with its annual continuing disclosure obligations as an “obligated person” (as defined in Rule 15c2-12 (“Rule 15c2-12”) of the United States Securities and Exchange Commission (the “SEC”) promulgated under the Securities Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings of JEA entered into pursuant to Rule 15c2-12 relating to those certain series of bonds more particularly identified in APPENDIX H attached hereto. Information in this Annual Disclosure Report is reported as of September 30, 2024, except where expressly indicated otherwise.

This Annual Disclosure Report is being filed with the Municipal Securities Rulemaking Board (the “MSRB”), through the MSRB’s Electronic Municipal Market Access (“EMMA”) website currently located at <https://emma.msrb.org>.

Each of the hereinafter defined Electric System, Water and Sewer System, and District Energy System is owned and operated by JEA separately. For information relating to JEA’s Water and Sewer System and District Energy System, see the Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 2024 (the “Water and Sewer/DES Annual Disclosure Report”), which is available on EMMA. **The revenues of each system do not constitute revenues of the other systems, and revenues of the Electric System are not pledged to the payment of any debt issued or to be issued by JEA to finance and refinance the other systems.** JEA may, however, satisfy its annual obligation to transfer funds to the City of Jacksonville, Florida (the “City”) with funds derived from any of its utilities systems. See “OTHER FINANCIAL INFORMATION - Transfers to the City” herein.

compiled from sources believed to be reliable, certain of which information has not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed in this Annual Disclosure Report.

This Annual Disclosure Report may contain “forward-looking” statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, JEA cautions holders and potential purchasers not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking and should not be considered a comprehensive representation of JEA’s expected operational or financial performance. All opinions, estimates, projections, forecasts and valuations are preliminary, indicative and subject to change without notice. The information in this Annual Disclosure Report is current as of the dates set forth in this Annual Disclosure Report and there may be events that have occurred or will occur subsequent to such dates that would have a material adverse effect on the operational or financial information that is presented in this Annual Disclosure Report. JEA has not undertaken any obligation to update any information in this Annual Disclosure Report.

JEA’s independent certified public accountants have not examined, compiled or otherwise applied procedures to this Annual Disclosure Report, including any forward-looking statements or financial forecasts presented in this Annual Disclosure Report, and, accordingly, do not express an opinion or any other form of assurance on the information in this Annual Disclosure Report, except where expressly indicated otherwise.

JEA Establishment and Organization

JEA is a body politic and corporate organized and existing under the laws of the State of Florida (the “State”) and is an independent agency of the City. The City is a consolidated city-county local government for Duval County, located in Northeast Florida. For information regarding the governing body of JEA (the “JEA Board”), see below in this section. JEA (then known as Jacksonville Electric Authority) was established in 1968 to own and manage the electric utility which had been owned by the City since 1895 (the “Electric System”). In 1997, the Council of the City (the “Council”) amended the Charter of the City (the “Charter”) in order to authorize JEA to own and operate additional utility functions and, effective on June 1, 1997, the City transferred to JEA the City’s combined water and sewer utilities system (the “Water and Sewer System”). Effective as of October 1, 2004, JEA established a separate utility system (the “District Energy System”) for its local district energy facilities, including its chilled water activities and any local district heating facilities JEA may develop in the future. JEA operates and maintains its records on the basis of a fiscal year ending on each September 30th (a “Fiscal Year”).

The Charter assigns responsibility for the management of JEA’s utility systems, including the Electric System, to the JEA Board. The JEA Board consists of seven members. ~~The Council previously enacted an ordinance placing a referendum question on the November 3, 2020 general election ballot that asked the voters of the City to approve a change to the Charter that would require four members of the JEA Board be~~ Four members are appointed by the Council president, and three members be appointed by the Mayor of the City. In all cases the appointments would have to be

confirmed by the Council. One of the Council president's appointments must be a former JEA employee or a person recommended by an employee, union or group of current or former JEA employees. ~~The referendum item was supported by the majority of voters on November 3, 2020, and on December 8, 2020, the Council enacted an ordinance that codified these changes, among others, into the Charter. The~~ members serve without pay for staggered terms of four years each, with a maximum of two consecutive full terms each. Any vacancy on the JEA Board, however created, will be filled for the unexpired term in the same manner as the position was originally filled, and the person filling the vacancy is required to have and retain the qualifications prescribed for membership on the JEA Board.

Current members of the JEA Board, their occupations and the commencement and expiration of their terms are as follows:

Member	Occupation	Term
Joseph P. DiSalvo, <i>Chair</i>	Lieutenant General, U.S. Army (Retired)	April 14, 2020 – February 28, 2026 ⁽¹⁾
Ricardo “Rick” Morales III, <i>Vice Chair</i>	President & CEO, Morales Construction Co. Inc.	September 28, 2021 – February 28, 2028
Kawanza A. Humphrey, <i>Secretary</i>	Chief Human Resources Officer, VyStar Credit Union	August 25, 2023 – February 28, 2027
Arthur L. Adams, Jr. ⁽²⁾	Senior Vice President, Sales & Marketing, CSX	January 14, 2025 – February 28, 2026
John D. Baker II	Executive Chairman, FRP Holdings, Inc.	April 14, 2020 – February 28, 2028 ⁽¹⁾
MG Orender	President, Hampton Golf	June 14, 2024 – February 28, 2027
Vacant ⁽³⁾		

⁽¹⁾ In 2020, all of the members of the JEA Board were replaced with new appointees. Accordingly, several of the terms of the current members of the JEA Board commenced on April 14, 2020.

⁽²⁾ Pursuant to Resolution 2024-952-A adopted on January 14, 2025, the Council voted to appoint Mr. Adams to the JEA Board.

⁽³⁾ On January 31, 2025, Robert L. Stein resigned from the JEA Board due to business commitments. ~~It is expected that the Council will appoint a~~ The appointment of William “Worth” McArthur to the JEA Board, in replacement for Mr. of Robert L. Stein, will be considered by the Council at its meeting on March 25, 2025, pursuant to Resolution 2025-163.

In addition, in accordance with the provisions of the interlocal agreement entered into between JEA and Nassau County, Florida (“Nassau County”) in connection with JEA’s acquisition of certain assets and franchises of a private water and sewer utility in Nassau County, Nassau County is entitled to appoint a non-voting representative to the JEA Board. The Nassau County representative is entitled to attend all JEA Board meetings and to participate in discussions concerning matters that affect the provision of water and sewer services within Nassau County. As of the date of this Annual Disclosure Report, Nassau County has not appointed its non-voting representative to the JEA Board.

The Charter authorizes JEA to construct, acquire (including acquisition by condemnation), establish, improve, extend, enlarge, maintain, repair, finance, manage, operate and promote its utilities systems (which consist of (a) the Electric System, (b) the Water and Sewer System, (c) the District Energy System and (d) any additional utilities systems which JEA may undertake in the

future upon satisfaction of the conditions set forth in the Charter), and to furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized therein within and outside of the City and for said purposes to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities along all public highways and streets within and outside of the City. The Charter also confers upon JEA the power to sue, to enter into contracts, agreements and leases, and to sell revenue bonds to finance capital improvements and to refund previously issued evidences of indebtedness of JEA.

In addition to the powers conferred upon JEA by the Charter, the Bulk Power Act (as defined herein) authorizes JEA to acquire, own and operate as separate bulk power supply utilities or systems, electric generating plants and transmission lines within the City and within and outside of the State. JEA may develop separate bulk power supply systems in connection with future generation and/or transmission projects. JEA has launched several initiatives to provide revenue diversity. Included in these initiatives are natural gas sales to commercial and industrial customers (see “ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Electric System - *Natural Gas Sales*” herein), forestry management of JEA-owned conservation lands, leasing of dark fiber and space on communication towers, transmission and distribution poles and partnering with the North Florida Transportation Planning Organization to encourage electrification. Additionally, on October 29, 2024, the Board approved resolution 2024-67 authorizing JEA to enter into intergovernmental support agreements with the Department of the Navy to provide utility-related services at Naval Air Station Jacksonville and Naval Station Mayport.

Management and Employees

The Charter assigns responsibility for the management of JEA’s utilities systems to the JEA Board. JEA employs a Managing Director and Chief Executive Officer as its chief executive officer. The Managing Director and Chief Executive Officer, executive officers, vice presidents, directors, managers, executive assistants and other appointed staff, numbering approximately 481 persons, form the management team (the “Management Team”) and are not subject to the City’s civil service system.

Management

The following is information regarding the Managing Director and Chief Executive Officer of JEA and the leadership team.

Vickie P. Cavey, Managing Director and Chief Executive Officer. Ms. Cavey was named JEA’s interim managing director and chief executive officer in April 2024 and was appointed as permanent Managing Director and Chief Executive Officer on September 24, 2024. At their February 25, 2025 meeting, the Board approved a three-year contract with two mutually agreed upon one-year renewals for Ms. Cavey. A frequent counselor to JEA executive leadership and 32-year JEA operations veteran, Ms. Cavey brings a deep knowledge of JEA in roles that have spanned organizational lines through engagement with the Northeast Florida business community, other utilities, regulatory bodies, and elected officials.

Following her prior retirement from JEA in 2016, Ms. Cavey returned as special assistant for external affairs to interim CEO Paul McElroy in 2020, then assisted McElroy’s successor, Jay

JEA's residential and business customer support, customer revenue, and communications and outreach teams.

Dr. Moreland has devoted his 30-plus year career to public service, serving the Jacksonville Fire and Rescue Department ("JFRD") and the City before joining JEA. Under Mayors Peyton, Brown, and Curry, he was promoted through the ranks at JFRD to director/fire chief. For the City, he served as the director of community and international affairs and as the deputy chief administrative officer, where more than 2,000 employees served under his leadership.

Dr. Moreland earned a bachelor's degree in business administration from Edward Waters University, a bachelor's degree in emergency management from Barry University, and a master's degree in public administration and a doctorate in education from Nova Southeastern University. He also is a 2008 alumnus of Leadership Jacksonville.

Diane Moser, Chief Human Resources Officer. Ms. Moser joined JEA as chief human resources officer in October 2024, after serving the City of Jacksonville for more than 30 years. She is responsible for the development and implementation of organizational redesign efforts, talent acquisition, succession planning, compensation plans, and team member engagement efforts critical to JEA's efficiency and productivity.

Before joining JEA, Ms. Moser was director of employee services for the City of Jacksonville, where she oversaw talent management, employee and labor relations, and employee benefits. She served in various roles throughout her tenure with the City, including manager of personnel services. Ms. Moser also served on the City of Jacksonville Pension Board.

Ms. Moser holds a master's degree in psychology from the University of West Florida and a bachelor's degree in psychology from the University of Florida. She has been a member of various professional organizations including the Society of Human Resources Management, WorldatWork, the American Society for Training and Development, the American Library Association (ALA), and the Public Library Association (PLA).

Theodore "Ted" B. Phillips, Chief Financial Officer. Mr. Phillips joined JEA as its Chief Financial Officer in August 2021. In this role, his responsibilities include oversight of Financial Services, Treasury Services, Risk Management Services, Supply Chain, ~~Corporate Security~~, Procurement, ~~Emergency Preparedness and Business Continuity~~, Facilities and Fleet Services, and ~~Technical Services~~ Enterprise Planning and Analytics. He brings with him a wealth of experience leading finance teams for public utilities.

Prior to joining JEA, Mr. Phillips worked for 10 years with Huntsville (Ala.) Utilities, leading teams in Finance/Accounting, MIS, Technical Services, Purchasing, Stores & Warehouses, Fleet and Facilities. Previously, he spent 20 years in the public sector working for the cities of Shelby and Monroe, North Carolina, Mecklenburg County, North Carolina, and the State Auditor's office in Missouri.

Mr. Phillips received a Bachelor of Science in Business Administration from Southeast Missouri State University. He has been an active member in the communities he has called home, having served on the boards of the United Way and The Schools Foundation in Huntsville, and in

various United Way campaign leadership positions. He is currently ~~serves as Treasurer~~ a member of the Salvation Army of Northeast Florida Advisory Board. He has also been a longtime ~~pack~~-leader for the Boy Scouts of America.

Jody L. Brooks, Chief Administrative Officer. Ms. Brooks returned to JEA as its Chief Administrative Officer in June 2024. Ms. Brooks, who served JEA in two previous stints, brings 30 years of legal experience and a wealth of knowledge about JEA, federal, state and local utility regulation and Florida environmental laws. She was JEA's chief administrative officer from 2021-2023 and the utility's first chief legal officer from 2016-2019. Previously, she supported JEA's efforts as an attorney with the OGC (as defined herein), and most recently she operated a legal practice in Orange Park.

Prior to her public service, Ms. Brooks served as general counsel at Allen Land Group Inc. and in-house counsel with The St. Joe Company. She began her legal career as an Associate with Lewis, Longman and Walker, P.A.

Ms. Brooks holds a Juris Doctor, with honors, from the University of Florida Fredric G. Levin College of Law, along with a Certificate in Environmental Land Use Law.

Bradley D. Krol, Chief Information Officer. Brad Krol joined JEA as chief information officer in 2021. His teams oversee enterprise business systems, technology infrastructure and cybersecurity, and he provides strategic leadership and direction on new technologies to support the utility's operations.

Prior to joining JEA, Mr. Krol served as chief information officer for Expro Group, a Houston-based international oilfield services company specializing in well flow management. There he was responsible for all aspects of the organization's information technology department and developed an IT strategic vision to align technology with the needs of the organization. In his career, he has also served as information technology director, IT infrastructure and operations director and global director of information technology for private companies in Houston and Calgary, Alberta, Canada.

Mr. Krol earned a Bachelor of Science in business operations from DeVry Institute of Technology. He is a member of the advisory board for the Computing Sciences Department at the University of North Florida.

Kurt Wilson, Chief of Staff. Kurt Wilson joined JEA in 2020. As chief of staff, Mr. Wilson advances key initiatives and operations for the CEO and supports JEA's leadership team, OGC, and the board of directors. He also leads strategic working relationships with community partners, government officials, and regional agencies.

Prior to being promoted to chief of staff, Mr. Wilson served as JEA's vice president, government and community relations. Before joining JEA, he served 25 years with Jacksonville Fire & Rescue, retiring as fire chief.

Mr. Wilson holds a bachelor's degree in public administration from Flagler College.

Joseph E. Orfano, Deputy Chief Financial Officer ~~and Treasurer~~. As JEA's deputy chief financial officer ~~and treasurer~~, Mr. Orfano is responsible for supporting the chief financial officer in managing JEA finances and ensuring that the organization operates efficiently and effectively.

Mr. Orfano joined JEA in 2013 and has more than 20 years of prior experience working in electric utility companies. In previous roles with JEA, he has served as treasurer, interim chief financial officer, and vice president, financial services. Prior to joining JEA, he was director of treasury at a mining company in Scottsdale, Arizona.

Mr. Orfano holds a B.B.A. in finance from the University of Notre Dame. He serves on the Finance & Audit Committee of The Energy Authority and on the Finance Administration Committee for the Better Jacksonville Plan.

Employees

The employees of JEA are governmental (public) employees and, as such, have the right to organize, be represented and bargain collectively for wages, hours and terms and conditions of employment, as provided in Chapter 447, Part II, Florida Statutes. Florida state law prohibits strikes and concerted work slowdowns by governmental (public) employees. Pursuant to the Charter, JEA has full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees and, consistent with the provisions of the Charter relating to civil service, to establish employment policies relating to hiring, promotion, discipline, termination and other terms and conditions of employment, to enter into negotiations with employee organizations with respect to wages, hours and terms and conditions of employment and to take such other employment related action as needed to assure effective and efficient administration and operation of its utilities systems. The Council is the legislative body with authority to approve or not approve collective bargaining agreements and to resolve any statutory impasses that may arise from collective bargaining.

As of October 1, 2024, JEA had 2,437 budgeted employee positions, of which 1,646 were budgeted to the Electric System, 784 were budgeted to the Water and Sewer System and seven were budgeted to the District Energy System. Except for the Management Team and a minor number of contract employees, such employees have civil service status.

Approximately 1,740 employees are covered by five collective bargaining agreements. These employees are represented by the American Federation of State, County, and Municipal Employees ("AFSCME"), the International Brotherhood of Electrical Workers ("IBEW"), Local 2358 and the Northeast Florida Public Employees, Local 630, Laborers' International Union of North America ("LIUNA"), all of which are affiliated with the AFL-CIO, and by a professional employees' association (the "PEA," Professional Employees Association) and a supervisors' association (the "JSA," Jacksonville Supervisors Association) that have no AFL-CIO affiliation. JEA has collective bargaining agreements with all the collective bargaining agents, and all of the collective bargaining agreements have been ratified and approved by the legislative body, the Council, and are effective through September 30, 2025.

Pension

Despite pension reform, which shifted new employees to a defined contribution retirement plan beginning in October 2017, a substantial portion of JEA's employees participate in the City's General Employees Retirement Plan ("GERP"). Former employees of the Power Park participate in a separate pension plan. See Note 12 to JEA's 2024 Financial Statements (as defined herein) attached hereto as APPENDIX A for a discussion of certain information on the City's plan described below. The Actuarial Valuation and Review as of October 1, 2022 for the City's GERP (the "2022 Actuarial Valuation Report") and the Actuarial Valuation and Review as of October 1, 2023 for the City's GERP (the "2023 Actuarial Valuation Report") are available for viewing and downloading from the City's website link (<https://www.jacksonville.gov/departments/finance/retirement-system/gasb-and-plan-valuation-statements>) and selecting the October 1, 2022 Valuation or the October 1, 2023 Valuation, respectively, under "General Employees Retirement Plan."

For the five Fiscal Years ended September 30, 2020, 2021, 2022, 2023, and 2024 JEA contributed approximately \$38,095,000, \$40,401,000, \$43,825,000, \$43,985,801, and \$50,036,224 to the GERP, respectively. JEA's minimum required contribution to the GERP for the Fiscal Year ending September 30, 2025 is \$61,764,924.

The Actuarial Valuation and Review as of October 1, 2024 for the City's GERP is not expected to be completed as of the date of this ~~annual disclosure report~~ [Annual Disclosure Report](#). The following discussion is based on the 2023 Actuarial Valuation Report and the 2022 Actuarial Valuation Report, the latest two reports available.

JEA expects its annual contributions to the GERP will continue to grow in line with projections made when pension reform was enacted and the GERP was closed to new participants beginning October 1, 2017. JEA expects that its annual contributions to GERP will continue to be at lower levels in the near term than they would have been absent the pension reform primarily due to the recognition of a pension liability surtax beginning with Fiscal Year ended September 30, 2017 and then it expects its annual contributions to GERP to increase over the longer-term as a result of the expected increase in the GERP's unfunded actuarial accrued liability. JEA expects that the GERP's unfunded actuarial accrued liability and JEA's portion of that unfunded liability will continue to increase over the near term primarily due to a delay in receipt of the revenues from the pension liability surtax.

For the Fiscal Year ended September 30, 2023, the aggregate unfunded actuarial accrued liability for the GERP was \$1,735,014,055, which represented an increase of \$161,496,141 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended September 30, 2022 of \$1,573,517,914. For the Fiscal Year ended September 30, 2022, the aggregate unfunded actuarial accrued liability for the GERP was \$1,573,517,914, which represented an increase of \$163,272,732 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended September 30, 2021 of \$1,410,245,182. JEA was informed by the City that the actuary for the GERP calculated (a) JEA's allocated share of the unfunded actuarial accrued liability for the GERP reported for the Fiscal Year ended September 30, 2023 of \$851,772,464 (an increase of \$108,360,596 from JEA's allocated share for the Fiscal Year ended September 30, 2022) of the aggregate amount of \$1,735,014,055 and (b) JEA's allocated share of the unfunded actuarial accrued

liability for the GERP reported for the Fiscal Year ended September 30, 2022 of \$743,411,868 (an increase of \$68,179,713 from JEA's allocated share for the Fiscal Year ended September 30, 2021) of the aggregate amount of \$1,573,517,914. The actuarial accrued liability is an estimate by the actuary for GERP of the present value of the amount of earned benefit payments that GERP will pay to retirees during retirement. The unfunded actuarial accrued liability represents the amount that the actuarial accrued liability exceeds assets in GERP available to pay those benefit payments. These figures are based on numerous assumptions, such as retirement age, mortality rates, and inflation rates, and use numerous methodologies all of which can cause the actual performance of the GERP to differ materially from the estimates of the actuary in any actuarial valuation. However, based on the current unfunded actuarial accrued liability of the GERP, JEA expects that its annual contributions to GERP will be increasing over the near future to fund its portion of the unfunded amount. JEA does not expect that increases in its annual contributions to GERP over time will be material.

JEA also maintains a medical benefits plan that it makes available to its retirees. The medical plan is a single-employer, ~~experience-rated~~self-funded 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 SJRPP Plan (defined below) is a single-employer contributory defined benefit plan covering former employees of the Power Park. As of October 1, 2023 and following cessation of commercial operations of the Power Park on January 5, 2018, no employees of the Power Park were engaged in performing tasks associated with operations of the Power Park. Upon the cessation of commercial operations of the Power Park in January 2018 pursuant to the agreement entered into between JEA and Florida Power & Light Company ("FPL"), JEA assumed all payment obligations and other liabilities related to any amounts due to be deposited into the SJRPP Plan. Former Power Park non-managerial employees were represented by IBEW Local 1618. In a prior collective bargaining agreement and under statutory authority, certain terms and conditions of employment were imposed, including separating the existing JEA St. Johns River Power Park System Employees' Retirement Plan ("SJRPP Plan") into two tiers of employees. Tier One employees remained in the traditional defined benefit plan, and Tier Two employees (defined as employees with fewer than 20 years' experience) participated 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. Tier One was closed to all new employees hired on or after February 25, 2013.

Closure of the Power Park plant triggered SJRPP Plan provisions resulting in accelerated eligibility for retirement at age 55 regardless of years of service. Members with at least 10 years of service on the plant closure date became eligible for a benefit starting at age 55, while all other members not meeting conditions for the immediate unreduced retirement may be eligible for a reduced benefit starting at age 55. With the exception of a small number of actively employed members who were eligible to continue membership in the plan based on employment with JEA, benefit accruals were scheduled to cease on January 5, 2018. However, interest credits for Tier 2 participants are assumed to continue after the plant shutdown until the benefit distribution at age 55.

The number of active members declined rapidly during the decommissioning process with only a very few active members remaining employed by SJRPP. ~~One consequence to JEA of the closure of the Power Park plant is that the annual required contribution to the SJRPP Plan is~~

~~expected to increase as a percentage of covered payroll as such payroll decreases year to year. Another is that contributions will be required after the retirement of the last active member.~~

Subsequent to the closure of the plant and the elimination of nearly all active employees in the SJRPP Plan, the assumed rate of return on the plan was lowered to 6.0 percent for use in the actuarial valuation performed as of October 1, 2018. The SJRPP Plan's assumed rate of return was 7.0 percent for use in the annual actuarial valuation performed as of October 1, 2012 through October 1, 2017. The actuarial information in the following discussion is based on the Actuarial Valuations as of October 1, 2024, 2023, and 2022, respectively.

As of October 1, 2024, the SJRPP Plan's actuarial value of assets was \$156,918,621, the actuarial accrued liability entry-age normal was \$151,536,654, the unfunded actuarial accrued liability was (\$5,381,967), the funded ratio was 103.6 percent, the covered payroll was \$402,958 and the unfunded actuarial accrued liability as a percentage of covered payroll was (1335.6) percent. As of October 1, 2023, the SJRPP Plan's actuarial value of assets was \$157,930,718, the actuarial accrued liability entry-age normal was \$154,922,847, the unfunded actuarial accrued liability was (\$3,007,871), the funded ratio was 101.9 percent, the covered payroll was \$346,486 and the unfunded actuarial accrued liability as a percentage of covered payroll was (868.1) percent. As of October 1, 2022, the SJRPP Plan's actuarial value of assets was \$164,923,091, the actuarial accrued liability entry-age normal was \$160,439,795, the unfunded actuarial accrued liability was (\$4,483,296), the funded ratio was 102.8 percent, the covered payroll was \$318,498 and the unfunded actuarial accrued liability as a percentage of covered payroll was (1407.6) percent.

In the current Fiscal Year, JEA intends to manage the SJRPP Plan to maintain a funded ratio consistent with the goal of having the SJRPP Plan assets (including all employer contributions scheduled to be made) equal to the expected actuarial accrued liability derived in an open group projection for each annual actuarial valuation. JEA made no contributions during the Fiscal Year ended September 30, 2024, \$0 in contributions during the Fiscal Year ended September 30, 2023, and \$6,900,000 in contributions during the Fiscal Year ended September 30, 2022. JEA made \$13,307,093 in contributions during the Fiscal Year ended September 30, 2020, satisfying its required employer contributions of \$3,901,061 and \$3,374,430 for the Fiscal Years ended September 30, 2021 and 2022, respectively. Beginning with the Fiscal Year ended September 30, 2018, excess contributions were set aside to create a reserve credit balance that can be used to pay future contributions. As of September 30, 2024, \$10,158,655 of excess contributions remained. That amount, adjusted for projected interest earnings, offset the required employer contribution of \$113,981 for the Fiscal Year ending September 30, 2024. JEA's required employer contribution for the Fiscal Year ending September 30, 2025 is \$77,123 and will be made in full from JEA's reserve credit balance. The decrease in the required total employer contribution to \$77,123 for the Fiscal Year ending September 30, 2025 results from a combination of the SJRPP Plan's prior funding policy, which included the objective of achieving a 100% funded ratio by October 1, 2019 and a statutorily required change in the SJRPP Plan's mortality assumption to be the same as that used by the Florida Retirement System as updated in its July 1, 2019 valuation.

Upon the cessation of commercial operations of the Power Park in January 2018 pursuant to the agreement entered into between JEA and FPL, JEA assumed all payment obligations and other liabilities related to any amounts due to be deposited into the SJRPP Plan.

The table below sets forth the annual, not seasonally adjusted, labor force, employment and unemployment figures for the Jacksonville MSA and comparative unemployment figures for the State and the United States for calendar years 2014 through 2023.

<u>Year</u>	<u>Jacksonville MSA Labor Force</u>			<u>Unemployment Rate (%)</u>	
	<u>Civilian</u>	<u>Employment</u>	<u>Unemployment Rate (%)</u>	<u>Florida</u>	<u>U.S.</u>
2014	714,795	668,958	6.4	6.4	6.2
2015	722,937	683,745	5.4	5.5	5.3
2016	738,827	704,144	4.7	4.9	4.9
2017	752,108	721,215	4.1	4.3	4.4
2018	766,719	739,813	3.5	3.7	3.9
2019	777,691	752,790	3.2	3.3	3.7
2020	774,278	723,249	6.6	8.1	8.1
2021	797,841	765,104	4.1	4.7	5.3
2022	825,265 <u>825,264</u>	801,071	2.9	3.0	3.6
2023	845,399 <u>845,400</u>	819,996	3.0	2.9	3.6

Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics database <https://www.bls.gov/lau/data.htm> (for Jacksonville MSA and Florida annual data) and Current Population Survey database <https://www.bls.gov/cps/cpsaat01.htm> (for U.S. annual data). Annual data are not seasonally adjusted.

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The following table lists the eight largest governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

<u>Name of Employer</u>	<u>Type of Entity/Activity</u>	<u>Approximate No. of Employees</u>
Naval Air Station, Jacksonville	United States Navy	14,390
Duval County Public Schools	Public Education	12,000
Naval Air Station, Mayport	United States Navy	10,600
City of Jacksonville	Municipal Government	7,908
St. Johns County School District	Public Education	5,890
Fleet Readiness Center	Maintenance / Repair Overhaul	5,550
Clay County School Board	Public Education	4,960
United States Postal Service	United States Government	3,800

Source: Jacksonville Regional Chamber of Commerce Research Department.

Indebtedness of JEA

The indebtedness of JEA relating to its Electric Utility Functions as of the date of this Annual Disclosure Report consists of Electric System Bonds, Subordinated Electric System Bonds, Power Park Issue Three Bonds, Bulk Power Supply System Bonds and borrowings outstanding under the Revolving Credit Facility (as defined herein) for the account of the Electric System. For information regarding the Revolving Credit Facility, see “OTHER FINANCIAL INFORMATION - Revolving Credit Facility” herein. As described under “INTRODUCTION - General” herein, the debt of JEA relating to its Electric Utility Functions, the debt of JEA relating to the Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources. Accordingly, the information contained in this Annual Disclosure Report relating to JEA’s Electric Utility Functions is not relevant to the Water and Sewer System Bonds (as described in the Water and Sewer System/DES Annual Disclosure Report), the Subordinated Water and Sewer System Bonds (as described in the Water and Sewer/DES Annual Disclosure Report) or the District Energy System Bonds (as described in the Water and Sewer/DES Annual Disclosure Report) and should not be taken into account in evaluating such debt.

The description of the debt of JEA contained herein and of the documents authorizing, securing and relating to such debt do not purport to be comprehensive or definitive. All references herein to such documents are qualified in their entirety by reference to such documents.

For a detailed description of the outstanding debt of JEA as of September 30, 2024, see Note 8 to JEA’s 2024 Financial Statements attached hereto as APPENDIX A.

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Strategic Planning

JEA's strategic planning efforts are guided by its values:

1. Safety – Putting the physical and emotional wellbeing of people first, both at and away from work,
2. Respect – Treating others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone, and
3. Integrity – Placing the highest standard on ethics and personal responsibility, worthy of the trust its customers and colleagues place in it.

With these values in mind, JEA's strategic efforts are centered around three strategic focus areas:

1. Developing an Unbeatable Team – because knowing employees that are treated well will treat JEA customers well,
2. Delivering Business Excellence – because JEA and its employees are serious about serving as good stewards of the resources its customers rely on, and
3. Earning Customer Loyalty – because JEA's customers count on it to deliver affordable, reliable services.

To execute on the strategic focus areas, JEA has laid out its strategic objectives:

1. Fostering an Exceptional Work Culture
 - Employee engagement
 - Diversity, equity and inclusion
 - Employee development
2. Deepening Customer and Community Engagement
 - Reasonable rates
 - Sound business decisions
 - Economic development
 - Customer solutions
 - Stakeholder relationships
 - Environmental stewardship
3. Planning for the Future
 - Long-term workforce plan
 - New business opportunities
 - Enterprise planning
 - Resilient & reliable infrastructure

- Grid modernization
4. Making Doing Business with JEA Easy
 - Technology, Tools & Data
 - Governance & Policy

While JEA's mission, vision, and values generally do not change, the strategic objectives, particularly the objectives within each focus area, will continue to evolve as JEA works to serve northeast Florida. These strategic focus areas and objectives will guide the development and/or refinement of JEA's plans, programs, and targets to meet its mission of improving lives and building community to be the best utility in the nation.

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ELECTRIC UTILITY SYSTEM

ELECTRIC UTILITY FUNCTIONS

General

In 2024, the latest year for which such information is available, JEA was the eighth largest municipally owned electric utility in the United States in terms of number of customers. During the Fiscal Year ended September 30, 2024, the Electric System served an average of 528,050 customer accounts in a service area which covers virtually the entire City. JEA also sells electricity to retail customers and an electric system in neighboring counties.

JEA's total energy sales in Fiscal Year 2024 were approximately 12.8 billion kilowatt-hours ("kWh"). Total revenues for the Electric System for Fiscal Year 2024 were approximately \$1,458,311,000 (calculated for purposes of the Electric System Schedule of Debt Service Coverage (see "ELECTRIC UTILITY SYSTEM - FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS - Schedules of Debt Service Coverage" herein)).

The Electric System includes generation, transmission, interconnection and distribution facilities. The generating facilities, located on four plant sites in the City, currently consist of a dual residual fuel oil/gas fired steam turbine-generator unit, four diesel-fired combustion turbine ("CT") generator units, five dual fueled (gas/diesel) CT generator units, one steam turbine generator unit with the steam provided by heat recovery steam generators served from two gas fired CTs (a 2-on-1 combined cycle unit), and two petroleum coke ("petcoke")- and coal-fired circulating fluidized bed ("CFB") steam turbine-generator units. As of September 30, 2024, the total combined installed net capacity of the Electric System's generating units is 2,785 megawatts ("MW"), net, summer and 2,953 MW, net, winter. See "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Electric System - *Electric System Generating Facilities*" herein.

Pursuant to Chapter 80-513, Laws of Florida, Special Acts of 1980 (as amended and supplemented, the "Bulk Power Act"), JEA is authorized to acquire, own and operate as a separate bulk power supply utility or system, electric generating plants and transmission lines within the City and within and outside of the State. The Power Park and the Scherer 4 Project each were developed as a separate bulk power supply system under the Bulk Power Act and, as such, are not included in the Electric System. The electric utility facilities of JEA are divided for financing purposes into the Electric System, the Power Park and the Scherer 4 Project.

JEA is permitted under the resolution of JEA adopted on March 30, 1982, authorizing JEA's Electric System Revenue Bonds (as heretofore amended, restated and supplemented, the "Electric System Resolution") to construct or acquire and own and/or operate other electric generating utilities or systems for the purpose of furnishing and supplying electric energy and to issue debt obligations to finance the cost of separate electric generating utilities as separate systems. The Power Park and the Scherer 4 Project constitute the only two such separate systems undertaken by JEA as of the date of this Annual Disclosure Report. The Power Park ceased commercial operation on January 5, 2018 and Scherer Unit 4 was retired on January 1, 2022.

natural gas prices. Based on information provided by the counterparties, such swap transactions had a total mark-to-market cost of approximately \$16.6 million as of September 30, 2024

JEA has ten contracts to purchase prepaid natural gas supplies at specified volumes per day. Beginning with an average of 45,000 MMBtu/day to 53,000 MMBtu/day, depending on the month, and then increasing to 55,000 to 63,000 MMBtu on November 1, 2024. [The annual savings from prepaid transactions is estimated to be \\$11.3 million.](#) The prepaid gas will be supplied from locations using JEA's firm natural gas transportation or natural gas supply agreements and will expire at various dates in 2039, 2049, 2052, 2053 and 2054. 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.

Natural Gas Sales

In March 2015, JEA made the decision to market natural gas to commercial and industrial customers within its service area as allowed under Article 21 of the Charter and JEA's Fuel Management Services Procurement Directive. JEA supplies natural gas under TECO Peoples Gas Natural Choice Program (the "Natural Choice Program"), which gives commercial and industrial customers the option to choose their gas supplier. JEA receives a number of benefits from its participation in the Natural Choice Program. Natural gas sales generate marginal net revenues, reported as "other revenues" under the Electric Enterprise Fund. JEA has become a complete energy provider within its service territory for businesses that select JEA to be their natural gas supplier. As of September 30, 2024, this program has signed approximately 218 customers, including the University of North Florida, St. Johns County School District, Boeing, The Hyatt, Jacksonville Zoo, Brooks Rehabilitation, YMCA, Jacksonville Housing Authority, Dresser Equipment, Unison, divisions of GE, several restaurants, and manufacturers.

Power Purchase Contracts

Overview

As a result of an earlier 2008 JEA Board policy establishing a 10 percent of total energy from nuclear energy goal, JEA entered into a power purchase agreement (as amended, the "Additional Vogtle Units PPA") with MEAG Power for 206 MW of capacity and related energy from MEAG Power's interest in two additional nuclear generating units (the "Additional Vogtle Units" or "Plant Vogtle Units 3 and 4") at the Alvin W. Vogtle Nuclear Plant in Burke County, Georgia. Plant Vogtle Units 3 and 4 entered commercial operation on July 31, 2023 and April 29, 2024, respectively. The owners of the Additional Vogtle Units include Georgia Power Company ("Georgia Power" or "GPC"), Oglethorpe Power Corporation ("Oglethorpe"), MEAG Power 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 11 percent of JEA's total energy requirements in the year 2030.

The Additional Vogtle Units PPA requires JEA to pay MEAG Power for the capacity and energy at the full cost of production (including debt service on the bonds issued and to be issued by MEAG Power 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)

J and the portion of additional in-service costs relating to reserve funds and other fund deposits is approximately \$3.465 billion.

Financing

In order to finance a portion of its acquisition and construction of Project J and to refund bond anticipation notes previously issued by MEAG Power, MEAG Power has issued multiple series of its Plant Vogtle Units 3 and 4 Project J Bonds (the “Project J Bonds”) in the principal amounts set forth in the chart below, which includes a series of Build America Bonds.

In 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 Power 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 Power transferred approximately 41.175 percent of its ownership interest, representing 206 MW of nominally rated generating capacity (which is the portion of MEAG Power’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 \$687.3 million, all of which has been advanced to date.

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The following chart is a summary of the financings associated with Project J:

Project J Capital Requirements (000s omitted)⁽¹⁾	Principal Amount Original Issued
Long-term Bonds Issued	
Series 2010A – Build America Bonds ⁽²⁾	\$1,224,265
Series 2010B – Tax Exempt Bonds	24,170
Series 2015A – Tax Exempt Bonds	185,180
Series 2019A – Tax Exempt Bonds	570,925
Series 2021A – Tax Exempt Bonds	150,350
Series 2022A - Tax Exempt Bonds	212,005
Series 2023A - Tax Exempt Bonds	192,370
Remaining Financing Requirement	32,400
Total Long-term Bonds Issued	\$2,591,665
DOE Advances⁽³⁾	
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	\$ 186,000
Total Capital Requirements⁽⁴⁾	\$3,464,944

(1) Totals may not add due to rounding.

(2) MEAG expected to receive a current cash subsidy payment from the United States Treasury for 35 percent of the related interest on the Series 2010A Bonds. However, at this time a portion of the interest subsidy payments with respect to 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 percent will be applied unless and until a law is enacted that cancels or otherwise affects the sequester.

(3) Includes advances and related capitalized interest accretion.

(4) Represents total construction costs and required reserve deposits, net of payments received.

Source: 2024 Financial Statements. See "APPENDIX A - FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION, AND BOND COMPLIANCE INFORMATION AS OF AND FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 and 2023 - Notes to Financial Statements - 10. Fuel Purchase and Purchased Power Commitments" attached hereto.

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Based on information provided by MEAG Power, JEA's portion of the debt service on the outstanding Project J debt as of September 30, 2024 is summarized as follows (000s omitted)⁽¹⁾:

Fiscal Year Ending September 30,	Principal	Interest	Annual Debt Service	Build America Bonds Subsidy	Capitalized Interest	Net Debt Service
2025	\$ 37,296	\$ 157,173	\$ 194,469	(\$ 25,746)	—	\$ 168,723
2026	38,710	153,997	192,707	(25,378)	—	167,329
2027	40,198	151,827	192,025	(24,993)	—	167,032
2028	41,776	149,689	191,465	(24,592)	—	166,873
2029	43,399	147,584	190,983	(24,173)	—	166,810
2030	45,082	145,359	190,441	(23,737)	—	166,704
2031	46,838	143,042	189,880	(23,281)	—	166,599
2032	48,622	140,753	189,375	(22,806)	—	166,569
2033	50,586	138,093	188,679	(22,311)	—	166,368
2034	52,603	135,465	188,068	(21,794)	—	166,274
2035	54,653	132,800	187,453	(21,255)	—	166,198
2036	48,287	130,025	178,312	(20,692)	—	157,620
2037	37,324	127,079	164,403	(20,106)	—	144,297
2038	33,865	124,038	157,903	(19,494)	—	138,409
2039	31,040	120,792	151,832	(18,855)	—	132,977
2040	22,063	117,520	139,583	(18,189)	—	121,394
2041	19,177	114,060	133,237	(17,495)	—	115,742
2042	13,207	110,900	124,107	(16,770)	—	107,337
2043	7,063	91,988	99,051	(13,880)	—	85,171
2044	2,527	21,830	24,357	(3,550)	—	20,807
Total	\$714,316	\$2,554,014	\$3,268,330	(\$409,097)	—	\$2,859,233

⁽¹⁾ Totals may not add due to rounding.

Source: 2024 Financial Statements. See "APPENDIX A - FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION, AND BOND COMPLIANCE INFORMATION AS OF AND FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 and 2023 - Notes to Financial Statements - 10. Fuel Purchase and Purchased Power Commitments" attached hereto.

Other Renewable Sources

JEA purchases energy from two landfill gas-to-energy facilities through PPAs with Landfill Energy Systems ("LES"). Each agreement is for 9.6 MW. Currently, JEA purchases 9.6 MW from Trail Ridge Landfill in Jacksonville, Florida and 6.4 MW from Sarasota Landfill in Sarasota, Florida. LES can supply the remaining 3.2 MW from Sarasota, Florida 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, Florida. JEA pays only for the energy produced. LES pays all transmission and

JEA is also subject to standards enacted by NERC and enforced by FERC regarding protection of the physical and cyber security of critical infrastructure assets required for operating North America's bulk electric system. Accordingly, JEA maintains a Critical Infrastructure Protection compliance program as per the requirements of the NERC Compliance Monitoring and Enforcement Program. In addition, compliance with or changes in the applicable standards and regulations may subject JEA to higher operating costs and/or increased capital expenditures as well as substantial fines for non-compliance.

Transmission and Distribution System

JEA's transmission system consists of all JEA-owned bulk power transmission facilities operating at 69 kV or higher, which includes all transmission lines and associated substation facilities that end at the substation's termination structure at four voltage levels: 69 kV, 138 kV, 230 kV, and 500 kV.

JEA owns a total of 744 circuit miles of transmission lines, of which 691 are overhead miles and 53 are underground. The following table presents the breakdown of miles per kV level:

<u>Voltage (kV)</u>	<u>Overhead (Miles)</u>	<u>Underground (Miles)</u>	<u>Total (Miles)</u>
69	113	46	159
138	195	3	198
230	308	4	312
500	75	0	75
Total	691	53	744

The 159 miles of 69 kV transmission lines are located in the dense interior section of the Electric System's service area, in the vicinity of the urban core. The 198 miles of 138 kV lines interconnect substations in most of JEA's high load and growth areas. The 312 miles of 230 kV lines form a semicircular loop around the City with transformation from the transmission system to the distribution system performed at numerous JEA facilities, which also serve the high load and growth areas. There currently are 85 substations in the JEA service territory. JEA owns two 500 kV lines jointly with FPL. These lines are connected between FPL's Duval Substation and the Georgia Integrated Transmission System at the Florida-Georgia state line.

To serve the growing customer load around the existing San Pablo substation as well as the future Mayo Clinic campus expansion in the eastern part of the service territory, JEA constructed and energized a new 138/26.4 kV load serving substation named Mayo in the spring of 2024. JEA is also working to have a new 230 kV transmission injection into this substation from the south along with a 230/138 kV expansion at Mayo substation. [This is expected to be completed by the fall of 2030.](#)

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The following table presents JEA's tie line interconnections with neighboring utilities within FRCC:

<u>JEA Station</u>	<u>Neighboring Utility Station</u>	<u>Voltage (kV)</u>
Steelbald	Duval (FPL) Circuit 3	230
Brandy Branch	Duval (FPL) Circuit 1	230
Brandy Branch	Duval (FPL) Circuit 2	230
Jax Heights	Duval (FPL) Circuit 4	230
Neptune	JB Penman (BES)	138
Switzerland	Sampson (BES)	230
Jax Heights	Black Creek (Seminole)	230
Nassau	Step Down (FPU)	138
Nassau	O'Neil (FPL)	138

Source: JEA.

The distribution system covers approximately 7,483 circuit miles and is composed of three voltage levels depending upon the area served. The central downtown business district is mainly served by a 13.2 kV underground secondary and spot network. Surrounding residential and commercial areas are served primarily at 26.4 kV, with some 4.16 kV and 13.2 kV interspersed. Most older areas are served from overhead distribution lines. However, the majority of all new developments, subdivisions, shopping centers, and apartment complexes are served by underground 26.4 kV distribution.

The transmission and distribution system is under the control of JEA's system operators through a supervisory control and data acquisition system. The control of the generation facilities and the balance of power flow over interconnection transmission facilities is managed by an automatic generation control application with the system operators' oversight and input as needed.

Area Served

The Electric System serves approximately 900 square miles, which includes virtually the entire City (Duval County), with the exception of Jacksonville Beach and Neptune Beach. The Electric System also provides retail service in portions of the northern sections of St. Johns and Clay Counties, which are located southeast and southwest of the City, respectively.

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Customers and Sales

In the Fiscal Year ended September 30, 2024, the Electric System served an average of 528,050 customer accounts. The following table sets forth electric revenues, the sales of the Electric System and the average number of Electric System accounts, all by customer classification, for Fiscal Years ended September 30, 2020 through 2024.

	Fiscal Year Ended September 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Electric Revenues (000s omitted):					
Residential	\$ 736,195	\$ 760,374	\$ 785,986	\$ 644,639	\$ 624,078
Commercial and industrial	638,805	708,529	714,288	566,942	556,722
Public street lighting	14,813	15,423	15,039	13,821	13,410
Sales for resale	2,800	2,254	1,341	2,137	2,128
FPL saleback	0	0	0	1	(1)
TOTAL	<u>\$1,392,613</u>	<u>\$1,486,580</u>	<u>\$1,516,654</u>	<u>\$1,227,540</u>	<u>\$1,196,337</u>
Sales (MWh):					
Residential	5,894,674	5,650,016	5,741,350	5,642,412	5,566,222
Commercial and industrial	6,744,599	6,608,722	6,674,205	6,518,435	6,562,365
Public street lighting	55,802	54,822	54,939	55,487	55,974
Sales for resale:					
Off-system	74,041	52,902	17,758	22,815	18,412
FPL saleback	0	0	0	0	0
TOTAL	<u>12,769,116</u>	<u>12,366,462</u>	<u>12,488,252</u>	<u>12,239,149</u>	<u>12,202,973</u>
Average Number of Accounts:					
Residential	467,268	455,609	444,840	436,299	427,321
Commercial and industrial	56,727	55,895	55,105	54,381	53,750
Public street lighting	4,055	4,010	3,989	3,976	3,929
TOTAL	<u>528,050</u>	<u>515,514</u>	<u>503,934</u>	<u>494,656</u>	<u>485,000</u>

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Lakeland (Utilities Dept.)	163.35	5,391.74	18,212.14
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Source: For all Florida cities, Florida Municipal Electric Association, Inc.'s "Commercial/Industrial Comparison of Electric Rates" (September 2024); for Atlanta, GPC (September 2024).

In August 2013, the JEA Board approved an Economic Development Program (the "EDP") designed to provide a financial incentive for new and existing commercial or industrial customers who, upon meeting certain eligibility criteria, expand their business and add jobs within the JEA service area. In January 2015, the JEA Board amended the EDP to create an increased level of incentive for customers expanding their business and adding jobs within designated areas where JEA has underutilized existing transmission and distribution capacity (Load Density Improvement areas). In August 2023, the JEA Board approved an extension of the EDP program application date to September 30, 2025.

On November 15, 2016, the JEA Board approved an Economic Stimulus Rider designed to provide a financial incentive for new commercial or industrial customers to locate within JEA's service area. This rate rider would allow JEA to negotiate rates in certain controlled circumstances, given the following:

(a) Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) to the effect that, but for the application of the rider, the new load would not be served by JEA; and

(b) Documentation demonstrating to JEA's satisfaction that there is a viable lower cost alternative to the customers taking electric service from JEA.

In August 2023, the JEA Board approved enhancements to the EDP program, namely introducing an Enhanced Economic Development Program (the "EEDP") designed to further provide longer-term incentives to attract new or expanding electric load and creation of jobs in the Jacksonville region. Load Density Improvement areas were replaced with definitions of Targeted Areas for EDP program and Florida's Target Industries was introduced as a qualification EEDP program. The EDP and EEDP discount schedules are described in the following tables:

EDP Program Discount Schedule:

Year	Base Charges Discount – Less Than 5MW	Base Charges Discount – 5MW or greater*	Base Charges Discount – Less Than 5MW in Targeted Areas	Base Charges Discount – Greater Than 5 MW 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
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* Year 1 can be extended as outlined in General Provisions (g) of JEA Tariff Section Economic Development Program Rider.

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EEDP Program Discount Schedule:

Year	Base Charges Discount – Less Than 5MW	Base Charges Discount – 5MW or greater*	Base Charges Discount – Less Than 5MW in Targeted Areas	Base Charges Discount – Greater Than 5 MW 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) of JEA Tariff Section Economic Development Program Rider.

Regulation

Municipal electric utilities in the State, including JEA, are not subject to state regulation except for certain environmental matters, power plant and large transmission line siting, rate structures, certain conservation activities, certain safety standards and certain provisions of the Grid Power Bill. Section 366.04(5), Florida Statutes, a part of the Grid Power Bill, states that the PSC “shall further have jurisdiction over the planning, development, and maintenance of a coordinated electric power grid throughout Florida to assure an adequate and reliable source of energy for operational and emergency purposes in Florida and the avoidance of further uneconomic duplication of generation, transmission, and distribution facilities.” In 1974, the Florida legislature enacted a statute which confers jurisdiction on the PSC to regulate “rate structures” of all utilities, including municipal utilities. In 1975, the PSC ruled that the statute does not confer ratemaking jurisdiction over municipal electric systems by distinguishing between “rates,” as relating to determination of the revenues required by the utility, and “rate structures,” as relating to the method by which revenues are generated.

The Florida legislature, in 1986, amended Section 366.04, Florida Statutes, which authorizes the PSC to prescribe and enforce safety standards for transmission and distribution facilities owned and operated by investor-owned electric utilities (“IOU’s”) and municipal- and cooperatively-owned electric utilities within the State. The PSC has adopted the National Electric Safety Code as its standard in this regard, and JEA believes it is currently in full compliance.

The Florida Electric Power Plant Siting Act, administered by the Florida Department of Environmental Protection (the “FDEP”), gives the PSC exclusive authority to determine the need for

St. Johns River Power Park

The Power Park was a coal- and petcoke-fired steam electric generating station formerly rated at 1,276 MW, net, located in the northeast section of the City. The Power Park assets were jointly owned by JEA and FPL; JEA's ownership interest in the Power Park assets was 80 percent. In May 2017, JEA entered into an agreement with FPL for an early termination of the Agreement for Joint Ownership, Construction and Operation of the St. Johns River Power Park Coal Units #1 and #2 dated as of April 2, 1982, as amended (the "Power Park Joint Ownership Agreement"), between JEA and FPL, and cessation of commercial operations in January 2018 with decommissioning of the plant to occur thereafter. The costs of decommissioning were split between JEA (80 percent) and FPL (20 percent). Upon completion of the dismantlement of the Power Park, FPL was to assign its right, title and interest in and to the land upon which the Power Park is situated to JEA.

The total cost of decommissioning St. Johns River Power Park was approximately \$64.5 million; JEA's portion was approximately \$53.2 million, all of which had been incurred as of the Fiscal Year ended September 30, 2023. JEA paid 80 percent of the decommissioning cost with the exception of the Blount Island Conveyor Demolition, for which JEA paid 100 percent.

On August 10, 2022, all land and real property assets were transferred to JEA following the substantial completion of demolition and remediation. The active landfill closure commenced on December 9, 2020 and was completed in January 2022. JEA is evaluating opportunities for the future use, ~~redevelopment, or divestiture of the~~ [of this](#) site.

Debt previously issued under the Second Power Park Resolution currently remains outstanding and was not defeased in connection with the closing of the Power Park. JEA's obligation to pay JEA's portion of the Power Park operating and maintenance expenses and renewal and replacement costs relating to the Power Park and all other costs associated with the Power Park, as well as all debt service on the Power Park Issue Three Bonds, is a Contract Debt payable as a Cost of Operation and Maintenance of the Electric System pursuant to the Electric System Resolution. Such Contract Debt payments with respect to the Power Park are required to be made in accordance with the terms of the Second Power Park Resolution. See "FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS - Debt Relating to Electric Utility Functions - Power Park Issue Three Bonds" herein.

Scherer 4

Scherer Unit 4 was one of four coal-fired steam units located at the Robert W. Scherer Electric Generating Plant ("Plant Scherer") on a 12,000-acre site near the Ocmulgee River approximately three miles east of Forsyth, Georgia. JEA owned a 23.64 percent interest in Scherer Unit 4 and a proportionate ownership interest in associated common facilities and an associated coal stockpile (such ownership interests are referred to herein as the "Scherer 4 Project") pursuant to the Plant Robert W. Scherer Unit Number Four Amended and Restated Purchase and Ownership Participation Agreement, dated as of December 31, 1990, as amended, among GPC, FPL and JEA (the "Scherer Unit 4 Purchase Agreement"). JEA's Electric System was entitled to 200 MW, net, of the capacity of Scherer Unit 4 and was required to pay for such capacity on a "take-or-pay" basis by

Under certain circumstances should the Lee Project be terminated by Duke Carolinas, Duke Carolinas may be obligated to provide JEA with options for alternative resources (but not necessarily from nuclear resources) to replace JEA's optionable 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.

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Source: JEA.

Environmental Matters

Environmental Liabilities

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 analysis of the cost of remediation and other identified environmental contingencies, as of September 30, 2024, JEA had accrued liabilities of approximately \$50.143 million related to environmental matters, of which approximately \$12.303 million is associated with the remaining cost of remediation, monitoring and long term care for the former wood-preserving facility at the Kennedy Generating Station, \$18.639 million associated with the remediation and long term care at the former chemical waste pond at Northside Generating Station and \$16.596 [million](#) associated with the long term monitoring and care of the landfills of the former St. John's River Power Park. Other environmental matters 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. For a further discussion of certain pending litigation relating to environmental matters, see the discussion under the captions "Pollution Remediation Obligations" and "Northside Generating Station Byproduct" in Note 15 to JEA's Financial Statements attached hereto as APPENDIX A. See also "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Environmental Matters - *Other Environmental*" herein.

While the final outcome of the foregoing proceedings cannot be predicted with certainty, JEA does not believe that its potential liabilities arising from such proceedings, either individually or in the aggregate, will have a material adverse effect upon its financial position, results of operations, or liquidity.

Global Climate Change

Over the past 25 years, environmental concerns of the public, the scientific community and Congress have resulted in legislation that has had, and is expected to continue to have, a significant impact on the electric utility industry. Based on the increasing intensity of national and international attention to climate change, federal and state legislative and/or regulatory actions/discussions have been ongoing in this area.

Specific regulations with significant impact to JEA are described below.

In 1990, legislation was enacted (the "1990 Amendments") that substantially revised the Federal Clean Air Act (the "Clean Air Act"). A main feature of the 1990 Amendments is the reduction of sulfur dioxide ("SO₂") and nitrogen oxide ("NO_x") emissions caused by electric utility power plants, particularly those fueled by oil and coal. The SO₂ reduction was to be achieved in two phases. Phase I addressed specific high sulfur emitting generating units named in the 1990 Amendments and was effective on January 1, 1995.

In phase II, which became effective on January 1, 2000, total U.S. SO₂ emissions are capped at 8,900,000 tons per year. The 1990 Amendments contained provisions for allocating emission

significantly less stringent than those of the CPP. The EPA accepted written comments on the proposed ACE rule until October 31, 2018. For the duration of the ACE rule's promulgation, the D.C. Circuit Court had held the CPP litigation in abeyance while the EPA acted to repeal and replace the CPP. The CPP ~~becomes~~was repealed ~~essentially~~ when the ACE ~~becomes~~became final. On June 19, 2019, the EPA issued the final ACE rule, similar to the initial proposal except that the EPA opted to finalize the NSR reform rules sometime during the year 2020. JEA anticipates the ability to comply with ACE without significant new investment. On September 17, 2019, the D.C. Circuit Court granted motions seeking to dismiss, as moot, the litigation on the CPP, essentially affirming the repeal of the CPP. For ACE compliance, JEA is working on establishing a baseline CO₂ emissions rate and initiating a heat rate improvement study for Northside Units 1 and 2. JEA began the process to propose a CO₂ emissions standard for each unit for submission to FDEP towards the end of 2021 to support submission of an FDEP State plan in 2022 for the EPA's approval by 2024. However, due to the litigation and verdict described below, this process was suspended.

On December 6, 2018, the EPA issued a proposed rule to replace the CPS by revising the new source performance standards ("NSPS") for CO₂ emissions from new, reconstructed, and modified power plants. The proposed rule revises the CO₂ performance standards for new coal fired power plants, replacing the current standard based on carbon capture and storage with a more achievable standard based on high-efficiency generating technologies in combination with best operating practices. Similar to the ACE rule, the proposed NSPS for CO₂ emissions is significantly less stringent than the CPS. Correspondingly, JEA anticipates the ability to comply with the proposed NSPS for CO₂ emissions without significant incremental investment should it ever decide to construct a new EGU or modify an existing one.

On October 8, 2020, oral arguments were held at the D.C. Circuit Court to determine the validity of the ACE rule. On January 19, 2021, the court vacated the ACE rule and remanded it back to the EPA. The court decided that it was wrong for the EPA to conclude that the best system of emission reduction meant only measures that can be applied to or at the source. The court also cited that generation shifting, averaging, trading, and biomass co-firing could be viable compliance options. The court stated that the repeal of the CPP was imbedded in the ACE rule, and therefore the CPP could go back into effect. This is not anticipated to happen, but should the CPP go back into effect, new compliance dates would have to be established since the current dates in the rule have already passed. The court concluded that the EPA can regulate the same category (EGUs) under both Sections 111 and 112 of the Clean Air Act, but not the same pollutant. Back in 2015, the EPA made the Endangerment Finding to regulate GHGs from existing EGUs as part of a NSPS. 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. Initial briefings were made on December 13, 2021, responses were submitted on January 18, 2022, and replies were completed by February 17, 2022. Oral arguments were held on February 28, 2022.

On October 27, 2022, the D.C. Circuit Court ordered the repeal of CPP, and Section 111(d) revisions were vacated, but ACE challenges remained in abeyance. The EPA proposed a replacement rule in April of 2023 to: (a) revise the NSPS under Section 111(b) for GHG emissions from new fossil fuel-fired stationary CT EGUs; (b) revise the NSPS for GHG emissions from fossil fuel-fired steam generating units that undertake a large modification; (c) establish emission guidelines pursuant to Section 111(d) for GHG emissions from existing fossil fuel-fired steam

Inflation Reduction Act of 2022

The Inflation Reduction Act of 2022 (“IRA”), also known as the Manchin-Schumer bill, calls for GHG reductions of about 40% by 2030, compared to the 2005 levels. There are tax incentives for any zero-carbon power production, and EV tax credits will continue. Details of how the IRA will be implemented are still to be determined. On January 10, 2023, the Biden-Harris Administration announced the availability of \$100 million through the IRA for Environmental Justice Grants.

As part of President Trump’s [recent](#) executive orders, he has revoked the requirement by agencies to include environmental justice initiatives in their missions.

National Ambient Air Quality Standards

National Ambient Air Quality Standard (“NAAQS”) are established to protect human health or public welfare. The EPA is required to review the NAAQS every five years and make such revisions in such criteria and standards and promulgate such new standards as may be appropriate in accordance with provisions of the Clean Air Act. If the EPA determines that a state’s air quality is not in compliance with a NAAQS, that state is required to establish plans to reduce emissions to demonstrate attainment with that NAAQS.

Specific NAAQS that have recently been revised or are currently proposed for revision are as follows:

Ozone NAAQS. On October 1, 2015, the EPA revised its NAAQS for ground-level ozone to 70 parts per billion (“ppb”), which is more stringent than the 75-ppb standard set in 2008. The Clean Air Act mandates that the EPA publish initial area designations within two years of the promulgation of a new standard (*i.e.*, by October 2017), but allows for a one-year extension if the Administrator determines he “has insufficient information to promulgate the designations.” On November 16, 2017, the EPA published a final rule establishing initial area designations for the 2015 NAAQS for ozone, designating 2,646 counties (including all counties in the State) as “attainment/unclassifiable.” The EPA is designating areas as “attainment/unclassifiable” where one or more monitors in the county are attaining the 2015 ozone NAAQS, or where the EPA does not have reason to believe the county is violating the 2015 ozone NAAQS or contributing to a violation of the 2015 ozone NAAQS in another county. States with nonattainment areas will have up to three years following designation to submit a revised SIP outlining strategy and emission control measures to achieve compliance. In November 2017, Duval County was deemed unclassifiable pending acceptable monitoring results expected at the end of 2018. Duval County is projected to be in attainment of the revised standard. On August 14, 2019, the EPA published the proposal to redesignate Duval County from unclassifiable to attainment/unclassifiable for the 2015 Ozone NAAQS. In the event that Duval County was to become a non-attainment area, JEA’s power plants (e.g., Northside and Brandy Branch) could be required to comply with additional emission control requirements (e.g., increased usage of ammonia in their selective catalytic reduction/selective non-catalytic reduction (“SCR/SNCR”)) for nitrogen oxides and volatile organic compounds which are precursors to ozone formation. The nature and consequences of a non-attainment designation cannot be predicted at this time. On

Schedules of Debt Service Coverage

The following table shows the Electric System Schedules of Debt Service Coverage for the Fiscal Years ended September 30, 2024 and September 30, 2023, respectively. Such Schedules of Debt Service Coverage were derived from supplemental information included with JEA's 2023 Financial Statements and certain other information available to JEA. Such Schedules of Debt Service Coverage should be read in conjunction with such financial statements and the notes thereto. Set forth in APPENDIX A to this Annual Disclosure Report are Schedules of Debt Service Coverage for the Power Park and the Bulk Power Supply System for the Fiscal Years ended September 30, 2024 and September 30, 2023. In accordance with the requirements of the Electric System Resolution, all the Contract Debt payments from the Electric System to the Power Park and the Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of the Power Park and the Bulk Power Supply System are reflected as a purchased power expense on the Electric System Schedules of Debt Service Coverage. The Electric System Schedules of Debt Service Coverage do not include revenues of the Power Park or the Bulk Power Supply System, except that the purchased power expense described in the preceding sentence is net of interest income on funds maintained under the Second Power Park Resolution and the Restated and Amended Bulk Power Supply System Resolution.

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The Days of Liquidity computation is as follows:

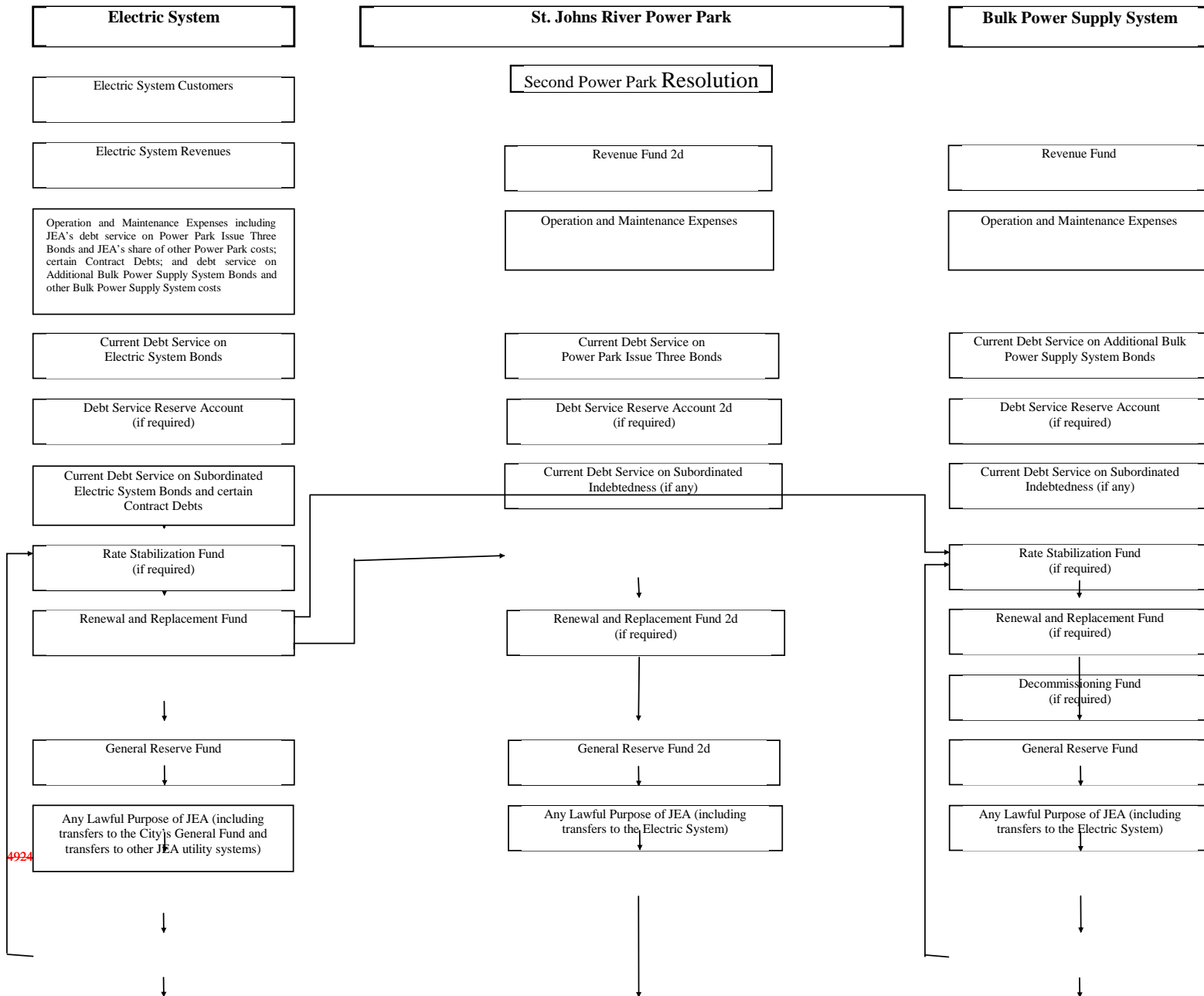
(Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2024 Financial Statements attached hereto as APPENDIX A + allocated share of available Revolving Credit Facility*) / ((Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)

* Allocated share of available Revolving Credit Facility on September 30, 2024 was approximately \$282.5 million and approximately \$295.4 million on September 30, 2023; however, the total balance of \$353 million could have been drawn as of September 30, 2024.

APPLICATION OF ELECTRIC SYSTEM REVENUES

The following chart shows a summary of the major components of the application of revenues under the Electric System Resolution, the Second Power Park Resolution and the Restated and Amended Bulk Power Supply System Resolution. For a discussion of certain proposed amendments to the Electric System Resolution that amend the provisions thereof with respect to the priority of payment of JEA's obligations with respect to the Power Park, see the subsection "ELECTRIC UTILITY SYSTEM - *FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS* - Debt Relating to Electric Utility Functions - *Proposed Amendments to the Electric System Resolution*" herein and "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION - Proposed Amendments to the Electric System Resolution - *May 1998 Amending Resolution*" in APPENDIX B attached hereto.

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OTHER FINANCIAL INFORMATION

General

JEA maintains separate accounting records for the Electric System, the Scherer 4 Project (which is sometimes referred to herein and in JEA's financial statements as the "Bulk Power Supply System"), and the Power Park. For purposes of financial reporting, however, JEA prepares combined financial statements that include the Electric System, the Bulk Power Supply System, the Power Park, the Water and Sewer System and the District Energy System. Set forth in APPENDIX A hereto are (a) the financial statements of JEA for its Fiscal Years ended September 30, 2024 (which consist of the statement of net position of JEA as of September 30, 2024 and September 30, 2023 and the related statement of revenues, expenses, and changes in net position and cash flows for the years then ended and the notes thereto; such financial statements are hereinafter referred to as "JEA's 2024 Financial Statements"), together with the report of Ernst & Young LLP, independent auditors, on such financial statements, (b) certain supplemental data as of September 30, 2024 and September 30, 2023 and for the year then ended (which consist of the combining statement of net position, the combining statement of revenues, expenses and changes in net position and the combining statement of cash flows) and (c) certain statements of bond compliance information (which consist of schedules of debt service coverage for the year ended September 30, 2024 and September 30, 2023 for the Electric System, the Bulk Power Supply System, the Power Park, the Water and Sewer System and the District Energy System), together with the report of Ernst & Young LLP, independent auditors, on such schedules. All such statements, information, data and schedules should be read in conjunction with the notes to JEA's 2024 Financial Statements, which are an integral part of the financial statements.

The assets reflected in the statement of net position included in JEA's 2024 Financial Statements include all of the assets of the Electric System, the Bulk Power Supply System, the Power Park, the Water and Sewer System and the District Energy System, and the liabilities reflected in such statement of net position include, among other things, the Electric System Bonds, the Subordinated Electric System Bonds, the Power Park Issue Three Bonds, the Additional Bulk Power Supply System Bonds, the Water and Sewer System Bonds, the Subordinated Water and Sewer System Bonds and the District Energy System Bonds. The statement of revenues, expenses, and changes in net assets includes all expenses (*e.g.*, interest charges, operating and maintenance expenses, fuel expenses) of the Electric System, the Bulk Power Supply System, the Power Park, the Water and Sewer System and the District Energy System. However, revenues of the Power Park and the Bulk Power Supply System are not included in such statement of revenues, expenses, and changes in net assets, except that interest income on funds maintained under the Second Power Park Resolution and the Restated and Amended Bulk Power Supply System Resolution.

For financing purposes, the debt of JEA relating to the Electric Utilities Functions, the debt of JEA relating to its Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources (*i.e.*, (a) the debt of JEA relating to its Electric Utility Functions is payable from and secured by the revenues derived by the Electric System from the sale of electricity and related services; (b) the debt of JEA

plus (ii) the amount calculated by multiplying 389.20 mills by the number of kgals (1000 gallons) potable water and sewer service, excluding reclaimed water service, provided to consumers during the 12-month period ending on April 30 of the Fiscal Year immediately preceding the Fiscal Year for which such assessment is applicable or (B) a minimum calculated amount which increases by 1% per year using the fiscal year 2016 combined assessment of \$114,187,538 as the base year. The amounts applicable to clause (B) above for fiscal year 2025 is \$137,424,496. As provided in the Charter, the Council may change the assessment calculation by ordinance within the provisions of the relevant section of the Charter. In the event the Council does not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas specified in the Charter, including a minimum calculated amount in clause (B) therein, which increases by one percent per year for each fiscal year computed as provided in the Charter.

The portion of the budgeted aggregate assessment calculated with respect to the Electric System has increased from approximately \$95,209,531 for the Fiscal Year ended September 30, 2024 to \$97,708,817 for the Fiscal Year ending September 30, 2025. While the Charter requires JEA to pay the JEA assessment to the City at such times as the City requests, but not in advance of collection, the Ordinance Code of the City requires JEA to pay the JEA assessment on a monthly basis. Pursuant to Section 21.07(f) of the Charter, although the calculation of the amounts assessed upon JEA pursuant to the Charter and the annual transfer of available revenues from JEA to the City pursuant to the Charter are based on formulas that are applied specifically to the respective utility systems operated by JEA, JEA may, in its discretion, determine how to allocate the aggregate assessment between the Electric System and the Water and Sewer System, and the aggregate assessment may be paid from any available revenues of JEA.

†The JEA Board has additionally approved a one-time contribution to the City of \$40 million in Fiscal Year 2026, and that such amount shall be allocated to the Electric System.†† This additional one-time contribution is subject to the approval of the Council.†

In addition, the Charter provides that the Council shall have the power to appropriate annually a portion of the available revenues of each utility system operated by JEA (other than electric, water and sewer systems) for the uses and purposes of the City in an amount to be based on a formula to be agreed upon by JEA and the Council.

The Charter imposes a monthly Franchise Fee which JEA was required to pay to the City commencing June 1, 2008 for revenues derived effective April 1, 2008 in an amount initially equal to three percent (and not to exceed six percent, with increases requiring a request by the Mayor of the City and a two-thirds supermajority vote by the Council) of the revenues of the Electric System derived within Duval County other than the beach communities and the Town of Baldwin and subject to a per customer maximum. The Charter authorizes JEA to pass through the amount of the Franchise Fee to the customers of JEA, which JEA does. As a result, the Franchise Fee has no effect on JEA's net revenues.

JEA Participation in Project with Jacksonville Port Authority

The Jacksonville Port Authority (“JaxPort”) identified that increasing the height of six aerial high-voltage electric transmission lines – from 175 feet to 225 feet – that cross the St. Johns River at the Fulton Cut crossing will improve the conditions for the size and types of ships anticipated to traverse the water crossing thereby allowing for expanded navigation capacity in Jacksonville.

On March 28, 2023, the Board approved JEA to enter into an Interlocal Agreement with JaxPort, via Resolution 2023-17, to proceed with this project. At the time this resolution was approved, the preliminary estimated aggregate cost of the project was \$45,000,000, inclusive of the contingency amounts. JaxPort had secured funding for the project via a \$22,500,000 grant from the Florida Department of Transportation (“FDOT”), and \$22,500,000, comprised of a \$10,000,000 grant and a \$12,500,000 loan, from the City to be disbursed to JaxPort during the project duration.

Since passage of resolution 2023-17, various reconfiguration alternatives were analyzed to ensure safe construction to raise the lines to at least 225 feet above mean high water to provide a minimum of 205 feet of navigation operational clearance by no later than December 31, 2026. Subsequently, the total aggregate cost of the project has increased to \$117,000,000, inclusive of contingency amounts.

On February 25, 2025, the Board adopted Resolution 2025-11b which terminated the previously approved Interlocal Agreement between JEA and JaxPort and approved JEA to enter into a Tripartite Interlocal Agreement with JaxPort and the City for the project. JaxPort has secured partial funding for the project via a \$22,500,000 grant from the FDOT, and a \$29,500,000 grant from the City comprised of \$22,500,000 in funding approved by the City in 2023 and \$7,000,000 of cost savings credited to the City from funding previously approved for the St. Johns River Harbor Deepening Project as authorized by ordinance 2020-377-E. Additionally, JEA and JaxPort have agreed to each contribute \$32,500,000 towards the cost of the project.

Effect of JEA Credit Rating Changes

General

JEA has entered into certain agreements that contain provisions giving counterparties certain rights and options in the event of a downgrade in JEA’s credit ratings below specified levels, which provisions commonly are referred to as “ratings triggers.”

The table below sets forth the current ratings and outlooks for JEA’s Electric System Bonds and Subordinated Electric System Bonds, without giving effect to any third-party credit enhancement. Given JEA’s current levels of ratings, JEA’s management does not believe that the ratings triggers contained in any of its existing agreements will have a material adverse effect on its results of operations or financial condition. However, JEA’s ratings reflect the views of the rating agencies and not of JEA, and therefore JEA cannot give any assurance that its ratings will be maintained at current levels for any period of time.

applicable section(s) of the relevant resolutions and that differ materially from the certificates provided by JEA's accountants.

Notwithstanding the failure of the accountants' certificates to strictly meet the requirements of the respective resolutions as described above, as of the date of this Annual Disclosure Report, JEA is not in default in the performance of any of the covenants, agreements or conditions contained in the Electric System Resolution, the Subordinated Electric System Resolution, the Second Power Park Resolution, and the Restated and Amended Bulk Power Supply System Resolution.

LITIGATION AND OTHER MATTERS

General

In the opinion of the Office of General Counsel of the City (the "OGC"), there is no pending litigation, proceedings, or other matters that may result in any material adverse change in the financial condition of JEA relating to the Electric System other than as set forth in JEA's 2024 Financial Statements attached hereto as APPENDIX A and other than the matters set forth in this Annual Disclosure Report.

JEA, like other similar bodies, is subject to a variety of lawsuits and proceedings arising in the ordinary conduct of its affairs. After reviewing the status of all current and pending litigation, the OGC, believes that, while the outcome of litigation cannot be predicted, the final dissolution of all lawsuits which have been filed and of any actions or claims pending or, to the knowledge of JEA, threatened against JEA or its officials in such capacity are adequately covered by insurance, or the City's Risk Management fund, or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Electric System.

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AUTHORIZATION

The dissemination and use of this Annual Disclosure Report have been duly authorized by the JEA Board.

JEA

By: /s/ Gen. Joseph P. DiSalvo
Chair

By: /s/ Vickie P. Cavey
Managing Director and Chief Executive Officer

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**ANNUAL DISCLOSURE REPORT
FOR
WATER AND SEWER SYSTEM AND DISTRICT ENERGY SYSTEM
FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2024**

**(Prepared pursuant to certain
continuing disclosure undertakings
relating to the Bonds listed
in APPENDIX E hereto)**

Filed on EMMA

**Dated as of
_____, 2025**

JEA
225 NORTH PEARL STREET
JACKSONVILLE, FLORIDA 32202
(904) 665-7410
(<http://www.jea.com>)

JEA OFFICIALS

BOARD OF DIRECTORS

Chair
Vice Chair
Secretary

Gen. Joseph P. DiSalvo
Ricardo “Rick” Morales III
Kawanza A. Humphrey
Arthur L. Adams, Jr.⁽¹⁾
John D. Baker II
MG Orender
Vacant⁽²⁾

LEADERSHIP TEAM

Managing Director and Chief Executive Officer
Chief Electric Systems Officer
Chief Water Systems Officer
Chief Customer Experience Officer
Chief Human Resources Officer
Chief Financial Officer
Chief Administrative Officer
Chief Information Officer
Chief of Staff
Deputy Chief Financial Officer

Vickie P. Cavey
Ricky Erixton
Robert Zammataro
Dr. Charles E. Moreland⁽³⁾
Diane Moser
Theodore B. Phillips
Jody L. Brooks
Bradley D. Krol
Kurt Wilson
Joseph E. Orfano

Chief Legal Officer

Regina D. Ross

GENERAL COUNSEL

Michael T. Fackler, Esq.
General Counsel of the City of Jacksonville
Jacksonville, Florida

⁽¹⁾ Pursuant to Resolution 2024-952-A adopted on January 14, 2025, the Council voted to appoint Mr. Adams to the JEA Board.

⁽²⁾ On January 31, 2025, Robert L. Stein resigned from the JEA Board due to business commitments. The appointment of William “Worth” McArthur to the JEA Board, in replacement of Robert L. Stein, will be considered by the Council at its meeting on March 25, 2025, pursuant to Resolution 2025-163.

⁽³⁾ Effective December 2, 2024, Dr. Charles E. Moreland succeeded Sheila E. Pressley as JEA's Chief Customer Experience Officer. Ms. Pressley retired in January 2025.

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**ANNUAL DISCLOSURE REPORT
FOR
WATER AND SEWER SYSTEM AND DISTRICT ENERGY SYSTEM
FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2024**

INTRODUCTION

General

This Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 2024 (together with the Schedule and the Appendices hereto, this “Annual Disclosure Report”) has been prepared and is being filed by JEA in connection with its annual continuing disclosure obligations as an “obligated person” (as defined in Rule 15c2-12 (“Rule 15c2-12”) of the United States Securities and Exchange Commission (the “SEC”) promulgated under the Securities Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings of JEA entered into pursuant to Rule 15c2-12 relating to those certain series of bonds more particularly identified in APPENDIX E attached hereto. Information in this Annual Disclosure Report is reported as of September 30, 2024, except where expressly indicated otherwise.

This Annual Disclosure Report is being filed with the Municipal Securities Rulemaking Board (the “MSRB”), through the MSRB’s Electronic Municipal Market Access (“EMMA”) website currently located at <https://emma.msrb.org/>.

Each of the hereinafter defined Electric System, Water and Sewer System and District Energy System is owned and operated by JEA separately. For information relating to JEA’s Electric System, see the Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2024 (the “Electric Annual Disclosure Report”), which is available on EMMA. **The revenues of each system do not constitute revenues of the other systems, and, except as described under “WATER AND SEWER SYSTEM - FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM - Debt Relating to Water and Sewer System - Water and Sewer System Support of the District Energy System Bonds” herein, revenues of each system are not pledged to the payment of any debt issued or to be issued by JEA to finance and refinance the other systems.** JEA may, however, satisfy its annual obligation to transfer funds to the City of Jacksonville, Florida (the “City”) with funds derived

from any of its utilities systems. See “OTHER FINANCIAL INFORMATION - Transfers to the City” herein.

This Annual Disclosure Report contains information regarding JEA’s Water and Sewer System and the District Energy System. For financing purposes and except as described under “WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*” herein, the debt of JEA relating to the Water and Sewer System is payable from and secured by the revenues derived by the Water and Sewer System from the sale of water and the provision of sewer treatment and related services. The debt of JEA relating to the District Energy System is payable from and secured by the revenues derived from JEA’s chilled water activities and any local district heating facilities JEA may develop in the future. **Accordingly, (a) except as described under “WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*” herein, the information contained herein relating to the Water and Sewer System is not relevant to the Electric System Bonds, the Subordinated Electric System Bonds or the District Energy System Bonds and should not be taken into account in evaluating such debt; and (b) the information contained herein relating to the District Energy System is not relevant to the Electric System Bonds, Subordinated Electric System Bonds, Water and Sewer System Bonds or Subordinated Water and Sewer System Bonds and should not be taken into account in evaluating such debt.**

The summaries of or references to the Water and Sewer System Resolution, the Subordinated Water and Sewer System Resolution and the District Energy System Resolution, and certain amendments thereto, where applicable, (as such terms are hereinafter defined) and certain statutes and other ordinances and documents included in this Annual Disclosure Report do not purport to be comprehensive or definitive; and such summaries and references are qualified in their entirety by references to each such resolution, statute, ordinance, and document. Copies of the Water and Sewer System Resolution, the Subordinated Water and Sewer Resolution and the District Energy System Resolution are available on the JEA website at https://www.jea.com/About/Investor_Relations/Bonds.aspx and the other documents referred to in this Annual Disclosure Report may be obtained from JEA; *provided, however*, that a reasonable charge may be imposed by JEA for the cost of reproduction.

Miscellaneous; Forward-Looking Statements

This Annual Disclosure Report is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of any of JEA’s debt or securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy JEA’s debt in any jurisdiction. The matters discussed in this Annual Disclosure Report and all other documents issued by JEA are for informational purposes only, and holders of JEA’s debt, potential investors and/or other interested parties should not rely on such information as their sole source of information about matters related to JEA’s debt or in making an investment decision with respect to JEA’s existing debt or securities or any other debt or securities which may be offered by JEA. Neither this Annual Disclosure Report nor anything in it shall form the basis of any contract or commitment. By the filing of this Annual Disclosure Report, JEA makes no recommendations and is not giving any investment

advice as to any of JEA's debt or securities. In no event shall JEA be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained in this Annual Disclosure Report and such information may not be relied upon in evaluating the merits of holding, purchasing or selling any of JEA's debt or securities. The information contained in this Annual Disclosure Report, including any forecast financial information, if any, should not be considered as advice or a recommendation to holders and potential investors in relation to holding, purchasing or selling any such securities. Before acting on any information contained in this Annual Disclosure Report, holders and potential investors should consider the appropriateness of the information having regard to these matters, consider any relevant offering document and in particular, holders and potential purchasers should seek independent financial and/or legal advice. Certain of the information in this Annual Disclosure Report has been compiled from sources believed to be reliable, certain of which information has not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed in this Annual Disclosure Report.

This Annual Disclosure Report may contain "forward-looking" statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, JEA cautions holders and potential purchasers not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking and should not be considered a comprehensive representation of JEA's expected operational or financial performance. All opinions, estimates, projections, forecasts and valuations are preliminary, indicative and subject to change without notice. The information in this Annual Disclosure Report is current as of the dates set forth in this Annual Disclosure Report and there may be events that have occurred or will occur subsequent to such dates that would have a material adverse effect on the operational or financial information that is presented in this Annual Disclosure Report. JEA has not undertaken any obligation to update any information in this Annual Disclosure Report.

JEA's independent certified public accountants have not examined, compiled or otherwise applied procedures to this Annual Disclosure Report, including any forward-looking statements or financial forecasts presented in this Annual Disclosure Report, and, accordingly, do not express an opinion or any other form of assurance on the information in this Annual Disclosure Report, except where expressly indicated otherwise.

JEA Establishment and Organization

JEA is a body politic and corporate organized and existing under the laws of the State of Florida (the "State") and is an independent agency of the City. The City is a consolidated city-county local government for Duval County, located in Northeast Florida. For information regarding the governing body of JEA (the "JEA Board"), see below in this section. JEA (then known as Jacksonville Electric Authority) was established in 1968 to own and manage the electric utility which had been owned by the City since 1895 (the "Electric System"). In 1997, the Council of the City (the "Council") amended the Charter of the City (the "Charter") in order to authorize JEA to own and operate additional utility functions and, effective on June 1, 1997, the City

transferred to JEA the City's combined water and sewer utilities system (the "Water and Sewer System"). Effective as of October 1, 2004, JEA established a separate utility system (the "District Energy System") for its local district energy facilities, including its chilled water activities and any local district heating facilities JEA may develop in the future. JEA operates and maintains its records on the basis of a fiscal year ending on each September 30th (a "Fiscal Year").

The Charter assigns responsibility for the management of JEA's utility systems, including the Water and Sewer System, to the JEA Board. The JEA Board consists of seven members. Four members are appointed by the Council president, and three members are appointed by the Mayor of the City. In all cases the appointments would have to be confirmed by the Council. One of the Council president's appointments must be a former JEA employee or a person recommended by an employee, union or group of current or former JEA employees. The members serve without pay for staggered terms of four years each, with a maximum of two consecutive full terms each. Any vacancy on the JEA Board, however created, will be filled for the unexpired term in the same manner as the position was originally filled, and the person filling the vacancy is required to have and retain the qualifications prescribed for membership on the JEA Board.

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Current members of the JEA Board, their occupations and the commencement and expiration of their terms are as follows:

Member	Occupation	Term
Joseph P. DiSalvo, <i>Chair</i>	Lieutenant General, U.S. Army (Retired)	April 14, 2020 – February 28, 2026 ⁽¹⁾
Ricardo “Rick” Morales III, <i>Vice Chair</i>	President & CEO, Morales Construction Co. Inc.	September 28, 2021 – February 28, 2028
Kawanza A. Humphrey, <i>Secretary</i>	Chief Human Resources Officer, VyStar Credit Union	August 25, 2023 – February 28, 2027
Arthur L. Adams, Jr. ⁽²⁾	Senior Vice President, Sales & Marketing, CSX	January 14, 2025 – February 28, 2026
John D. Baker II	Executive Chairman, FRP Holdings, Inc.	April 14, 2020 – February 28, 2028 ⁽¹⁾
MG Orender	President, Hampton Golf	June 14, 2024 – February 28, 2027
Vacant ⁽³⁾		

⁽¹⁾ In 2020, all of the members of the JEA Board were replaced with new appointees. Accordingly, several of the terms of the current members of the JEA Board commenced on April 14, 2020.

⁽²⁾ Pursuant to Resolution 2024-952-A adopted on January 14, 2025, the Council voted to appoint Mr. Adams to the JEA Board.

⁽³⁾ On January 31, 2025, Robert L. Stein resigned from the JEA Board due to business commitments. The appointment of William “Worth” McArthur to the JEA Board, in replacement of Robert L. Stein, will be considered by the Council at its meeting on March 25, 2025, pursuant to Resolution 2025-163.

In addition, in accordance with the provisions of the interlocal agreement entered into between JEA and Nassau County, Florida (“Nassau County”) in connection with JEA’s acquisition of certain assets and franchises of a private water and sewer utility in Nassau County, Nassau County is entitled to appoint a non-voting representative to the JEA Board. The Nassau County representative is entitled to attend all JEA Board meetings and to participate in discussions concerning matters that affect the provision of water and sewer services within Nassau County. As of the date of this Annual Disclosure Report, Nassau County has not appointed its non-voting representative to the JEA Board.

The Charter authorizes JEA to construct, acquire (including acquisition by condemnation), establish, improve, extend, enlarge, maintain, repair, finance, manage, operate and promote its utilities systems (which consist of (a) the Electric System, (b) the Water and Sewer System, (c) the District Energy System and (d) any additional utilities systems which JEA may undertake in the future upon satisfaction of the conditions set forth in the Charter), and to furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized therein within and outside of the City and for said purposes to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities along all public highways and streets within and outside of the City. Should any additional utility system be undertaken by JEA in the future, such utility system may, at the option of JEA, constitute an additional utility function added to, and may become a part of, the Water and Sewer System or the District Energy System. See “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION - Certain Other Covenants - *Additional Utility Functions*” in APPENDIX B

attached hereto. The Charter also confers upon JEA the power to sue, to enter into contracts, agreements and leases, and to sell revenue bonds to finance capital improvements and to refund previously issued evidences of indebtedness of JEA. Additionally, on October 29, 2024, the Board approved resolution 2024-67 authorizing JEA to enter into intergovernmental support agreements with the Department of the Navy to provide utility-related services at Naval Air Station Jacksonville and Naval Station Mayport.

Management and Employees

The Charter assigns responsibility for the management of JEA's utilities systems to the JEA Board. JEA employs a Managing Director and Chief Executive Officer as its chief executive officer. The Managing Director and Chief Executive Officer, executive officers, vice presidents, directors, managers, executive assistants and other appointed staff, numbering approximately 481 persons, form the management team (the "Management Team") and are not subject to the City's civil service system.

Management

The following is information regarding the Managing Director and Chief Executive Officer of JEA and the leadership team.

Vickie P. Cavey, Managing Director and Chief Executive Officer. Ms. Cavey was named JEA's interim managing director and chief executive officer in April 2024 and was appointed as permanent Managing Director and Chief Executive Officer on September 24, 2024. At their February 25, 2025 meeting, the Board approved a three-year contract with two mutually agreed upon one-year renewals for Ms. Cavey. A frequent counselor to JEA executive leadership and 32-year JEA operations veteran, Ms. Cavey brings a deep knowledge of JEA in roles that have spanned organizational lines through engagement with the Northeast Florida business community, other utilities, regulatory bodies, and elected officials.

Following her prior retirement from JEA in 2016, Ms. Cavey returned as special assistant for external affairs to interim CEO Paul McElroy in 2020, then assisted McElroy's successor, Jay Stowe, as board liaison until January 2021. She began her JEA career in 1984 as a mechanical engineer in the power engineering division, one of JEA's first female engineers. She then advanced to managerial roles in commercial key accounts and special projects prior to director roles overseeing strategic partnerships/acquisitions and strategy development and execution.

Ms. Cavey earned a bachelor's degree in mechanical engineering from the University of Florida. She has a long history of involvement in the local nonprofit community, in which she currently serves as an advisory board member for the Stellar Academy of Engineering at Nease High School. She is also a past president and board member of the Rotary Club of Ponte Vedra Beach Foundation. Her volunteer service in local nonprofits spans decades, including the United Way, BEAM, Mission House, PACE Center for Girls, and many others.

Ricky Erixton, Chief Electric Systems Officer. Mr. Erixton was named JEA's chief electric systems officer, a newly created role after JEA dissolved the role of Chief Operating Officer in

January 2025, after serving as Interim Chief Operating Officer since November 2024. He has worked at JEA in multiple leadership positions for more than 30 years.

Mr. Erixton began his career as a co-op at JEA in 1989 and joined JEA in a permanent role in 1991 as an engineer in the system operations department. He spent almost 20 years in system operations before being promoted to director, transmission, and distribution maintenance in 2011 and to senior director, transmission, and distribution in 2019. Mr. Erixton was responsible for the maintenance of the entire JEA electric system, from the generation resources to the customer, before becoming interim vice president, electric systems in 2020, and vice president, electric systems in March 2021.

Mr. Erixton holds a Bachelor of Science in Electrical Engineering from the University of Florida and holds a NERC System Operator Certification. He serves on the SERC Reliability board of directors.

Robert Zammataro, Chief Water Systems Officer. Mr. Zammataro was named JEA's chief water systems officer in January 2025, a newly created role after JEA dissolved the role of Chief Operating Officer. In the position he oversees all operations and teams for the Water and Sewer System and the District Energy System. Mr. Zammataro, who most recently served as JEA's director of Water/Wastewater Planning and Development since 2019, brings more than 27 years of industry experience. Previously, he held leadership roles with the St. Johns River Water Management District as bureau chief of district projects and construction; JEA as manager of water and wastewater system planning; St. Johns County Utility Department as chief engineer of development and planning; Mittauer & Associates as project manager; and City of Green Cove Springs as director of utilities.

Mr. Zammataro earned a bachelor of science degree in Environmental Engineering from the University of Florida.

Dr. Charles E. Moreland, Chief Customer Experience Officer. Dr. Charles E. Moreland was named JEA's chief customer experience officer in December 2024. In his role, he oversees JEA's residential and business customer support, customer revenue, and communications and outreach teams.

Dr. Moreland has devoted his 30-plus year career to public service, serving the Jacksonville Fire and Rescue Department ("JFRD") and the City before joining JEA. Under Mayors Peyton, Brown, and Curry, he was promoted through the ranks at JFRD to director/fire chief. For the City, he served as the director of community and international affairs and as the deputy chief administrative officer, where more than 2,000 employees served under his leadership.

Dr. Moreland earned a bachelor's degree in business administration from Edward Waters University, a bachelor's degree in emergency management from Barry University, and a master's degree in public administration and a doctorate in education from Nova Southeastern University. He also is a 2008 alumnus of Leadership Jacksonville.

Diane Moser, Chief Human Resources Officer. Ms. Moser joined JEA as chief human resources officer in October 2024, after serving the City of Jacksonville for more than 30 years.

She is responsible for the development and implementation of organizational redesign efforts, talent acquisition, succession planning, compensation plans, and team member engagement efforts critical to JEA's efficiency and productivity.

Before joining JEA, Ms. Moser was director of employee services for the City of Jacksonville, where she oversaw talent management, employee and labor relations, and employee benefits. She served in various roles throughout her tenure with the City, including manager of personnel services. Ms. Moser also served on the City of Jacksonville Pension Board.

Ms. Moser holds a master's degree in psychology from the University of West Florida and a bachelor's degree in psychology from the University of Florida. She has been a member of various professional organizations including the Society of Human Resources Management, WorldatWork, the American Society for Training and Development, the American Library Association (ALA), and the Public Library Association (PLA).

Theodore "Ted" B. Phillips, Chief Financial Officer. Mr. Phillips joined JEA as its Chief Financial Officer in August 2021. In this role, his responsibilities include oversight of Financial Services, Treasury Services, Risk Management Services, Supply Chain, Procurement, Facilities and Fleet Services, and Enterprise Planning and Analytics. He brings with him a wealth of experience leading finance teams for public utilities.

Prior to joining JEA, Mr. Phillips worked for 10 years with Huntsville (Ala.) Utilities, leading teams in Finance/Accounting, MIS, Technical Services, Purchasing, Stores & Warehouses, Fleet and Facilities. Previously, he spent 20 years in the public sector working for the cities of Shelby and Monroe, North Carolina, Mecklenburg County, North Carolina, and the State Auditor's office in Missouri.

Mr. Phillips received a Bachelor of Science in Business Administration from Southeast Missouri State University. He has been an active member in the communities he has called home, having served on the boards of the United Way and The Schools Foundation in Huntsville, and in various United Way campaign leadership positions. He is currently a member of the Salvation Army of Northeast Florida Advisory Board. He has also been a longtime leader for the Boy Scouts of America.

Jody L. Brooks, Chief Administrative Officer. Ms. Brooks returned to JEA as its Chief Administrative Officer in June 2024. Ms. Brooks, who served JEA in two previous stints, brings 30 years of legal experience and a wealth of knowledge about JEA, federal, state and local utility regulation and Florida environmental laws. She was JEA's chief administrative officer from 2021 - 2023 and the utility's first chief legal officer from 2016-2019. Previously, she supported JEA's efforts as an attorney with the OGC (as defined herein), and most recently she operated a legal practice in Orange Park.

Prior to her public service, Ms. Brooks served as general counsel at Allen Land Group Inc. and in-house counsel with The St. Joe Company. She began her legal career as an Associate with Lewis, Longman and Walker, P.A.

Ms. Brooks holds a Juris Doctor, with honors, from the University of Florida Fredric G. Levin College of Law, along with a Certificate in Environmental Land Use Law.

Bradley D. Krol, Chief Information Officer. Brad Krol joined JEA as chief information officer in 2021. His teams oversee enterprise business systems, technology infrastructure and cybersecurity, and he provides strategic leadership and direction on new technologies to support the utility's operations.

Prior to joining JEA, Mr. Krol served as chief information officer for Expro Group, a Houston-based international oilfield services company specializing in well flow management. There he was responsible for all aspects of the organization's information technology department and developed an IT strategic vision to align technology with the needs of the organization. In his career, he has also served as information technology director, IT infrastructure and operations director and global director of information technology for private companies in Houston and Calgary, Alberta, Canada.

Mr. Krol earned a Bachelor of Science in business operations from DeVry Institute of Technology. He is a member of the advisory board for the Computing Sciences Department at the University of North Florida.

Kurt Wilson, Chief of Staff. Kurt Wilson joined JEA in 2020. As chief of staff, Mr. Wilson advances key initiatives and operations for the CEO and supports JEA's leadership team, OGC, and the board of directors. He also leads strategic working relationships with community partners, government officials, and regional agencies.

Prior to being promoted to chief of staff, Mr. Wilson served as JEA's vice president, government and community relations. Before joining JEA, he served 25 years with Jacksonville Fire & Rescue, retiring as fire chief.

Mr. Wilson holds a bachelor's degree in public administration from Flagler College.

Joseph E. Orfano, Deputy Chief Financial Officer. As JEA's deputy chief financial officer, Mr. Orfano is responsible for supporting the chief financial officer in managing JEA finances and ensuring that the organization operates efficiently and effectively.

Mr. Orfano joined JEA in 2013 and has more than 20 years of prior experience working in electric utility companies. In previous roles with JEA, he has served as treasurer, interim chief financial officer, and vice president, financial services. Prior to joining JEA, he was director of treasury at a mining company in Scottsdale, Arizona.

Mr. Orfano holds a B.B.A. in finance from the University of Notre Dame. He serves on the Finance & Audit Committee of The Energy Authority and on the Finance Administration Committee for the Better Jacksonville Plan.

Employees

The employees of JEA are governmental (public) employees and, as such, have the right to organize, be represented and bargain collectively for wages, hours and terms and conditions of employment, as provided in Chapter 447, Part II, Florida Statutes. Florida state law prohibits strikes and concerted work slowdowns by governmental (public) employees. Pursuant to the Charter, JEA has full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees and, consistent with the provisions of the Charter relating to civil service, to establish employment policies relating to hiring, promotion, discipline, termination and other terms and conditions of employment, to enter into negotiations with employee organizations with respect to wages, hours and terms and conditions of employment and to take such other employment related action as needed to assure effective and efficient administration and operation of its utilities systems. The Council is the legislative body with authority to approve or not approve collective bargaining agreements and to resolve any statutory impasses that may arise from collective bargaining.

As of October 1, 2024, JEA had 2,437 budgeted employee positions, of which 1,646 were budgeted to the Electric System, 784 were budgeted to the Water and Sewer System and seven were budgeted to the District Energy System. Except for the Management Team and a minor number of contract employees, such employees have civil service status.

Approximately 1,740 employees are covered by five collective bargaining agreements. These employees are represented by the American Federation of State, County, and Municipal Employees (“AFSCME”), the International Brotherhood of Electrical Workers (“IBEW”), Local 2358 and the Northeast Florida Public Employees, Local 630, Laborers’ International Union of North America (“LIUNA”), all of which are affiliated with the AFL-CIO, and by a professional employees’ association (the “PEA,” Professional Employees Association) and a supervisors’ association (the “JSA,” Jacksonville Supervisors Association) that have no AFL-CIO affiliation. JEA has collective bargaining agreements with all the collective bargaining agents, and all of the collective bargaining agreements have been ratified and approved by the legislative body, the Council, and are effective through September 30, 2025.

Pension

Despite pension reform, which shifted new employees to a defined contribution retirement plan beginning in October 2017, a substantial portion of JEA’s employees participate in the City’s General Employees Retirement Plan (“GERP”). Former employees of the Power Park participate in a separate pension plan. See Note 12 to JEA’s 2024 Financial Statements (as defined herein) attached hereto as APPENDIX A for a discussion of certain information on the City’s plan described below. The Actuarial Valuation and Review as of October 1, 2022 for the City’s GERP (the “2022 Actuarial Valuation Report”) and the Actuarial Valuation and Review as of October 1, 2023 for the City’s GERP (the “2023 Actuarial Valuation Report”) are available for viewing and downloading from the City’s website link: <https://www.jacksonville.gov/departments/finance/retirement-system/gasb-and-plan-valuation-statements> and selecting the October 1, 2022 Valuation or the October 1, 2023 Valuation, respectively, under “General Employees Retirement Plan.”

For the five Fiscal Years ended September 30, 2020, 2021, 2022, 2023 and 2024, JEA contributed approximately \$38,095,000, \$40,401,000, \$43,825,000, \$43,985,801, and \$50,036,224 to the GERP, respectively. JEA's minimum required contribution to the GERP for the Fiscal Year ending September 30, 2025 is \$61,764,924.

The Actuarial Valuation and Review as of October 1, 2024 for the City's GERP is not expected to be completed as of the date of this Annual Disclosure Report. The following discussion is based on the 2023 Actuarial Valuation Report and the 2022 Actuarial Valuation Report, the latest two reports available.

JEA expects its annual contributions to the GERP will continue to grow in line with projections made when pension reform was enacted and the GERP was closed to new participants beginning October 1, 2017. JEA expects that its annual contributions to GERP will continue to be at lower levels in the near term than they would have been absent the pension reform primarily due to the recognition of a pension liability surtax beginning with Fiscal Year ended September 30, 2017 and then it expects its annual contributions to GERP to increase over the longer term as a result of the expected increase in the GERP's unfunded actuarial accrued liability. JEA expects that the GERP's unfunded actuarial accrued liability and JEA's portion of that unfunded liability will continue to increase over the near term primarily due to a delay in receipt of the revenues from the pension liability surtax.

For the Fiscal Year ended September 30, 2023, the aggregate unfunded actuarial accrued liability for the GERP was \$1,735,014,055, which represented an increase of \$161,496,141 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended September 30, 2022 of \$1,573,517,914. For the Fiscal Year ended September 30, 2022, the aggregate unfunded actuarial accrued liability for the GERP was \$1,573,517,914, which represented an increase of \$163,272,732 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended September 30, 2021 of \$1,410,245,182. JEA was informed by the City that the actuary for the GERP calculated (a) JEA's allocated share of the unfunded actuarial accrued liability for the GERP reported for the Fiscal Year ended September 30, 2023 of \$851,772,464 (an increase of \$108,360,596 from JEA's allocated share for the Fiscal Year ended September 30, 2022) of the aggregate amount of \$1,735,014,055 and (b) JEA's allocated share of the unfunded actuarial accrued liability for the GERP reported for the Fiscal Year ended September 30, 2022 of \$743,411,868 (an increase of \$68,179,713 from JEA's allocated share for the Fiscal Year ended September 30, 2021) of the aggregate amount of \$1,573,517,914. The actuarial accrued liability is an estimate by the actuary for GERP of the present value of the amount of earned benefit payments that GERP will pay to retirees during retirement. The unfunded actuarial accrued liability represents the amount that the actuarial accrued liability exceeds assets in GERP available to pay those benefit payments. These figures are based on numerous assumptions, such as retirement age, mortality rates, and inflation rates, and use numerous methodologies all of which can cause the actual performance of the GERP to differ materially from the estimates of the actuary in any actuarial valuation. However, based on the current unfunded actuarial accrued liability of the GERP, JEA expects that its annual contributions to GERP will be increasing over the near future to fund its portion of the unfunded amount. JEA does not expect that increases in its annual contributions to GERP over time will be material.

JEA also maintains a medical benefits plan that it makes available to its retirees. The medical plan is a single-employer, self-funded 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.

See Note 12, Note 13 and pages 110-116 of JEA's 2024 Financial Statements attached hereto as APPENDIX A for a discussion of the pension plans, "other post-employment benefit" plan and actuarial accrued liability.

Certain Demographic Information

The information provided in this section relates to the City and the Jacksonville Metropolitan Statistical Area (the "Jacksonville MSA"). The service areas for the Water System and the Sewer System do not encompass all of the City or the Jacksonville MSA. For additional information regarding the service areas for the Water System and the Sewer System, see "WATER AND SEWER SYSTEM - WATER AND SEWER SYSTEM FUNCTIONS - Area Served - Water System" and "- Sewer System" herein.

Under Florida law, the City and Duval County are organized as a single, consolidated government. Based upon the 2020 United States Census, the consolidated City is the most populous city in the State. The City covers 840 square miles and is one of the largest cities in area in the United States.

The Jacksonville MSA is composed of Duval, Clay, Nassau, St. Johns and Baker Counties, an area covering approximately 3,202 square miles. The U.S. Census Bureau estimates that the Jacksonville MSA had a population of 1,713,240 as of August 2024. The Jacksonville MSA is currently the fourth most populous MSA in the State. The table below shows the population for the Jacksonville MSA.

<u>Year</u>	<u>Population</u> <u>Jacksonville MSA</u> ⁽¹⁾
1990	906,727
2000	1,126,224
2010	1,348,967
2020	1,587,892
2021	1,637,666
2022	1,675,668
2023	1,713,240

Source: United States Census Bureau.

⁽¹⁾ Baker County was included in the Jacksonville MSA starting with the 2000 United States census.

The economy of the Jacksonville MSA contains significant elements of trade and services, transportation services, manufacturing, insurance and banking and tourism. The Port of Jacksonville is one of the largest ports on the South Atlantic seaboard and in terms of tonnage ranks third in the State. A number of insurance and banking companies maintain regional offices

in the City. The tourism and recreational facilities in the City include an arena, a performing arts center, a convention center, EverBank Stadium (the home field of the National Football League's Jacksonville Jaguars), a baseball park, numerous golf courses and resorts and various recreational facilities at the beaches. Two large United States Navy bases are located in the City.

The table below sets forth the annual, not seasonally adjusted, labor force, employment and unemployment figures for the Jacksonville MSA and comparative unemployment figures for the State and the United States for calendar years 2014 through 2023.

Year	Jacksonville MSA Labor Force			Unemployment Rate (%)	
	Civilian	Employment	Unemployment Rate (%)	Florida	U.S.
2014	714,795	668,958	6.4	6.4	6.2
2015	722,937	683,745	5.4	5.5	5.3
2016	738,827	704,144	4.7	4.9	4.9
2017	752,108	721,215	4.1	4.3	4.4
2018	766,719	739,813	3.5	3.7	3.9
2019	777,691	752,790	3.2	3.3	3.7
2020	774,278	723,249	6.6	8.1	8.1
2021	797,841	765,104	4.1	4.7	5.3
2022	825,264	801,071	2.9	3.0	3.6
2023	845,400	819,996	3.0	2.9	3.6

Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics database <https://www.bls.gov/lau/data.htm> (for Jacksonville MSA and Florida annual data) and Current Population Survey database <https://www.bls.gov/cps/cpsaat01.htm> (for U.S. annual data). Annual data are not seasonally adjusted.

The table below shows the estimated average non-agricultural wage and salary employment by sector for the Jacksonville MSA for the 12 months ended September 2024.

	Number of Employees	Percent of Distribution
Trade, Transportation and Utilities	171,300	21.3%
Education and Health Services	128,900	16.1
Professional and Business Services	121,000	15.1
Leisure and Hospitality	93,600	11.7
Government	81,400	10.1
Finance	74,800	9.3
Construction	51,900	6.5
Other Services ⁽¹⁾	43,300	5.4
Manufacturing	36,200	4.5
Total Non-Agricultural Employment (Except Domestic, Self-Employed and Unpaid Family Workers)	802,400	100.0%

Source: Bureau of Labor Statistics Current Employment Statistics database, extracted from <https://www.bls.gov/data/#employment> at <https://www.floridajobs.org/workforce-statistics/data-center/statistical-programs/current-employment-statistics>.

⁽¹⁾ Consists of other services, information and natural resources and mining.

The following table lists the 10 largest non-governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

<u>Name of Employer</u>	<u>Product or Service</u>	<u>Approximate No. of Employees</u>
Baptist Health System	Healthcare	12,000
Mayo Clinic	Healthcare	10,000
Bank of America / Merrill Lynch	Banking	8,000
UF Health Jacksonville	Healthcare	7,269
Florida Blue	Health Insurance	5,700
Southeastern Grocers	Supermarkets	5,700
Citi	Banking	5,072
Ascension St. Vincent's Healthcare	Healthcare	5,050
Amazon	E-commerce Fulfillment	4,850
UPS	Worldwide Parcel Delivery	4,000

Source: Jacksonville Regional Chamber of Commerce Research Department.

The following table lists the eight largest governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

<u>Name of Employer</u>	<u>Type of Entity/Activity</u>	<u>Approximate No. of Employees</u>
Naval Air Station, Jacksonville	United States Navy	14,390
Duval County Public Schools	Public Education	12,000
Naval Station, Mayport	United States Navy	10,600
City of Jacksonville	Municipal Government	7,908
St. Johns County School District	Public Education	5,890
Fleet Readiness Center	Maintenance / Repair Overhaul	5,550
Clay County School Board	Public Education	4,960
United States Postal Service	United States Government	3,800

Source: Jacksonville Regional Chamber of Commerce Research Department.

Indebtedness of JEA

The indebtedness of JEA relating to its Water and Sewer System as of the date of this Annual Disclosure Report consists of Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds (as such terms are hereinafter defined) and borrowings under the Revolving Credit Facility for the account of the Water and Sewer System. See "WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System" herein. The indebtedness of JEA relating to the District Energy System currently consists of District Energy System Bonds (as such term is hereinafter defined) and borrowings outstanding under the Revolving Credit Facility for the account of the District Energy System. See "DISTRICT ENERGY SYSTEM - *FINANCIAL INFORMATION RELATING TO DISTRICT ENERGY SYSTEM* - Debt Relating to the District Energy System" herein. For information regarding the Revolving Credit Facility, see "OTHER FINANCIAL INFORMATION - Revolving Credit Facility" herein. As described under "INTRODUCTION - General" herein, and except as described under "WATER AND SEWER

SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*" herein, the debt of JEA relating to its Electric System, the debt of JEA relating to the Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources. Accordingly, (a) except as described under "WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*" herein, the information contained in this Annual Disclosure Report relating to JEA's Water and Sewer System is not relevant to the Electric System Bonds (as described in the Electric Annual Disclosure Report), the Subordinated Electric System Bonds (as described in the Electric Annual Disclosure Report), Power Park Issue Three Bonds (as described in the Electric Annual Disclosure Report), Additional Bulk Power Supply System Bonds (as described in the Electric Annual Disclosure Report) or the District Energy System Bonds and should not be taken into account in evaluating such debt; and (b) the information contained in this Annual Disclosure Report relating to the District Energy System is not relevant to the Electric System Bonds, the Subordinated Electric System Bonds, the Power Park Issue Three Bonds, the Additional Bulk Power Supply System Bonds, the Water and Sewer System Bonds or the Subordinated Water and Sewer System Bonds.

The description of the debt of JEA contained herein and of the documents authorizing, securing and relating to such debt do not purport to be comprehensive or definitive. All references herein to such documents are qualified in their entirety by reference to such documents.

For a detailed description of the outstanding debt of JEA as of September 30, 2024, see Note 8 to the JEA's 2024 Financial Statements attached hereto as APPENDIX A.

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Strategic Planning

JEA's strategic planning efforts are guided by its values:

1. Safety – Putting the physical and emotional wellbeing of people first, both at and away from work,
2. Respect – Treating others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone, and
3. Integrity – Placing the highest standard on ethics and personal responsibility, worthy of the trust its customers and colleagues place in it.

With these values in mind, JEA's strategic efforts are centered around three strategic focus areas:

1. Developing an Unbeatable Team – because knowing employees that are treated well will treat JEA customers well,
2. Delivering Business Excellence – because JEA and its employees are serious about serving as good stewards of the resources its customers rely on, and
3. Earning Customer Loyalty – because JEA's customers count on it to deliver affordable, reliable services.

To execute on the strategic focus areas, JEA has laid out its strategic objectives:

1. Fostering an Exceptional Work Culture
 - Employee engagement
 - Diversity, equity and inclusion
 - Employee development
2. Deepening Customer and Community Engagement
 - Reasonable rates
 - Sound business decisions
 - Economic development
 - Customer solutions
 - Stakeholder relationships
 - Environmental stewardship
3. Planning for the Future
 - Long-term workforce plan
 - New business opportunities
 - Enterprise planning
 - Resilient & reliable infrastructure
 - Grid modernization
4. Making Doing Business with JEA Easy
 - Technology, Tools & Data

- Governance & Policy

While JEA's mission, vision, and values generally do not change, the strategic objectives, particularly the objectives within each focus area, will continue to evolve as JEA works to serve northeast Florida. These strategic focus areas and objectives will guide the development and/or refinement of JEA's plans, programs, and targets to meet its mission of improving lives and building community to be the best utility in the nation.

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WATER AND SEWER SYSTEM

WATER AND SEWER SYSTEM FUNCTIONS

General

The Water and Sewer System consists of (a) facilities for the provision of potable water (hereinafter referred to as the “Water System”), (b) facilities for the collection and treatment of wastewater (hereinafter referred to as the “Sewer System”) and (c) facilities for the treatment and distribution of reclaimed water (herein referred to as the “Reclaimed Water System”). The Water and Sewer System provides water and sewer service within the urban and suburban areas of the City, other than certain excluded areas described below.

The Water and Sewer System’s service territory extends into St. Johns County, which is southeast of the City, and Nassau County, which is north of the City, and also serves a number of customers in Clay County, which is southwest of the City. It is JEA’s policy to serve any customer requesting service within its urban and suburban service area. Investor-owned utilities must file a petition with the Public Service Commission in order to provide water or wastewater service within the City, and JEA would object to any petition for expansion of investor-owned utility service areas unless it otherwise determines that it would be in JEA’s interest not to do so.

The Water System, which served an average of 399,307 customer accounts and 28,351 reuse water customers, respectively, in the Fiscal Year ended September 30, 2024, currently is composed of 39 water treatment plants and two repump facilities, 139 active water supply wells, approximately 5,194 miles of water distribution mains and water storage capacity of 84 million gallons (including the repump facilities). The overall peak capacity of the Water System is approximately 324 million gallons per day (“mgd”), and the Water System experienced an average daily flow of approximately 127 mgd and a maximum daily flow of approximately 181 mgd during the Fiscal Year ended September 30, 2024. Water supply is from the Floridan Aquifer, one of the most productive aquifers in the world, which provides high quality water. Total Water System sales revenues (including water capacity fees) during the Fiscal Year ended September 30, 2024 were approximately \$248,599,000 (see “WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Schedules of Debt Service Coverage” herein).

The Sewer System, which served an average of 319,114 customer accounts in the Fiscal Year ended September 30, 2024, currently is composed of 11 wastewater treatment plants that have a rated average daily treatment capacity of approximately 124 mgd and a maximum daily flow capacity of approximately 248 mgd, approximately 1,654 pumping stations, five vacuum stations, 750 low pressure sewer units and approximately 4,475 miles of gravity sewers and force mains. The Sewer System experienced an average daily flow of approximately 89 mgd and a non-coincident maximum daily flow of approximately 180 mgd during the Fiscal Year ended September 30, 2024. Total Sewer System sales revenues (including sewer capacity fees) during the Fiscal Year ended September 30, 2024 were approximately \$344,985,000 (see “WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Schedules of Debt Service Coverage” herein).

Since the transfer of the Water and Sewer System from the City to JEA in 1997, JEA has acquired the assets and customers of seven privately-owned water and sewer companies and one governmentally owned water and sewer utility. From time to time, JEA may explore other potential acquisition opportunities but presently has no plans to do so.

Interlocal Agreements

St. Johns County

In July 1999, JEA entered into an interlocal agreement (the “1999 Interlocal Agreement”) with St. Johns County in connection with JEA’s acquisition of JCP Utility Company, a standalone water and wastewater utility located wholly within St. Johns County. The effective term of the 1999 Interlocal Agreement is 30 years, subject to two successive five-year terms upon mutual consent of the parties. The 1999 Interlocal Agreement was subsequently amended in 2001 (the “First Addendum”), in 2003 (the “Second Addendum”), and in 2013 (the “Third Addendum”).

Pursuant to the First Addendum, the 1999 Interlocal Agreement was amended to include JEA’s acquisition of the entire utility system of United Water Florida, Inc., which included those portions of United Water Florida’s water and wastewater operations located within St. Johns County (the “2001 Amendment”). In connection with the First Addendum, JEA made an up-front payment in December 2001 to St. Johns County in the amount of the net present value of five percent of JEA’s projected gross revenues from the retail sale of water and wastewater (excluding reclaimed water) which JEA expected to realize in providing such services for the next 10 years in St. Johns County, calculated to be \$3,616,576.

Under the terms of the 1999 Interlocal Agreement, as amended, subsequent utilities were purchased and St. Johns County granted JEA the right to: (a) provide water and wastewater service to those customers in an acquired franchise area within St. Johns County, (b) provide water and wastewater service to additional areas in St. Johns County not currently served by either the St. Johns County Water and Sewer Department or other water and wastewater utilities and (c) acquire, in JEA’s sole discretion, other private utilities in northern St. Johns County.

In accordance with the 1999 Interlocal Agreement, as amended, at the end of each 10-year anniversary of this 30-year interlocal agreement with St. Johns County, JEA will calculate a “true-up” to adjust for the net present value of the actual retail revenues realized if the revenues exceed the projected revenues during the 10-year period. Additionally, after the 10-year and 20-year anniversaries of the 1999 Interlocal Agreement, as amended, JEA agrees to pay St. Johns County the net present value of five percent of the projected water and wastewater retail revenues that JEA expects to receive for the ensuing 10-year period. Based on this methodology, JEA paid St. Johns County \$12,176,152 on January 11, 2012, for both components related to the first 10-year anniversary. St. Johns County disputed JEA’s methodology for computing the true-up payment related to the first 10-year anniversary. The parties entered into mediation and settled the dispute by executing the Third Addendum, which provides that future payments will be made on an annual basis.

In accordance with the 1999 Interlocal Agreement, as amended, St. Johns County is granted a purchase option with regard to JEA facilities in St. Johns County. In September 2019, as part of

its since-canceled privatization initiative, JEA provided notice to St. Johns County of its intent to enter into negotiations for purchase of the St. Johns County facilities, as provided in the 1999 Interlocal Agreement, as amended. Following cancellation of the privatization initiative, JEA determined that St. Johns County's purchase option was not triggered. Accordingly, the 1999 Interlocal Agreement, as amended, remains in effect subject to the same terms and conditions prior to the September 2019 notice provided by JEA.

Nassau County

In December 2001, JEA entered into an interlocal agreement (the "2001 Interlocal Agreement") with Nassau County in connection with JEA's acquisition of the entire utility system of United Water Florida, Inc., including those portions of United Water Florida's water and wastewater facilities located within Nassau County. The effective term of the 2001 Interlocal Agreement is 30 years, subject to two successive five-year terms upon mutual consent of the parties. The 2001 Interlocal Agreement was subsequently amended in October 2022 (the "First Amendment").

In accordance with the 2001 Interlocal Agreement, JEA made an up-front payment in December 2001 to Nassau County in the amount of the net present value of five percent of JEA's projected gross revenues from the sale of water and wastewater (excluding reclaimed water) which JEA expected to realize in providing such services for the next 10 years in Nassau County, calculated to be \$720,000.

Under the terms of the 2001 Interlocal Agreement, Nassau County granted JEA the right to: (a) provide water and wastewater service to those customers in an acquired franchise area within Nassau County and (b) provide water and wastewater service to additional areas in Nassau County not currently served by either Nassau County or other water and wastewater utilities. The 2001 Interlocal Agreement further provided that, at the end of each 10-year anniversary of the 2001 Interlocal Agreement with Nassau County, JEA will calculate a "true-up" based on the actual revenues realized during the 10-year period. If the revenues exceed the projected amount, JEA will pay Nassau County the amount that would have been due based on actual revenues. Additionally, after the 10-year and 20-year anniversaries of the 2001 Interlocal Agreement, JEA agrees to pay Nassau County the net present value of five percent of the projected water and wastewater retail revenues that JEA expects to receive for the ensuing 10-year period. Based on this methodology, JEA paid Nassau County \$3,480,556 on January 11, 2012, for both components related to the first 10-year anniversary. On October 10, 2022, the parties executed the First Amendment, which provides that future payments will be made on an annual basis.

In accordance with the 2001 Interlocal Agreement, Nassau County is granted a purchase option with regard to JEA facilities in Nassau County. The 2001 Interlocal Agreement provides Nassau County 90 days from receipt of written notice from JEA within which to enter into negotiations for purchase of the Nassau County facilities. In September 2019, as part of its since-canceled privatization initiative, JEA provided notice to Nassau County of its intent to enter into negotiations for purchase of the Nassau facilities, as provided in the 2001 Interlocal Agreement. Following cancellation of the privatization initiative, JEA determined that the Nassau County purchase option was not triggered. Accordingly, the 2001 Interlocal Agreement, as amended,

remains in effect subject to the same terms and conditions prior to the September 2019 notice provided by JEA.

Area Served

Water System

The service territory of the Water System includes (a) virtually the entire City, other than the beach communities (Jacksonville Beach, Atlantic Beach and Neptune Beach), the Town of Baldwin, the active United States Navy facilities located within the City and those areas served by a community-owned water and wastewater utility that is not subject to jurisdiction of the Florida Public Service Commission (“PSC”) and one investor-owned water utility and one investor-owned sewer utility that provide service within certificated territories under jurisdiction of the PSC; (b) approximately 143 square miles in St. Johns County; and (c) approximately 620 square miles in Nassau County. In addition, the Water System serves a small number of customers in Clay County.

The Water System provides service in an area currently comprising approximately 497 square miles in Duval County, approximately 95 square miles in St. Johns County, approximately 77 square miles in Nassau County and approximately four-square miles in Clay County. In the remaining areas of the Water System’s service territory not currently served by the Water System, other cities, the Navy, the community-owned utility or investor-owned utility, water service is provided through privately owned and operated wells.

Customers of the Water System are charged for water service based upon customer classification (residential, commercial or multi-family). Charges within each classification vary based upon meter size and monthly consumption.

Sewer System

The service territory for the Sewer System is essentially the same as that for the Water System. However, only approximately 40 percent of the service territory is currently served. In the remaining areas of the Sewer System’s service territory not currently served by the Sewer System, other cities, the Navy, the community-owned utility or the investor-owned utility, wastewater service is provided through privately owned and operated septic tanks.

Customers of the Sewer System are charged for sewer service based upon customer classification (residential, commercial or multi-family). Charges within each classification vary and are based upon meter size and monthly flow. The Sewer System provides wholesale bulk sewer service to the investor-owned utility mentioned above.

Existing Facilities

Water System

The Water System consists of 28 major and 11 small water treatment plants and two repump facilities and is divided into two major distribution grids: the north grid and the south grid (one on each side of the St. Johns River), and includes four minor distribution grids: Ponte Vedra, Ponce de Leon, Mayport and Nassau County. The major distribution grids are fully interconnected, which

provides the Water System with a high degree of redundancy. The purpose of such interconnectivity is to provide sufficient water capacity at the least cost which meets JEA's desired level of customer service requirements and complies with water quality criteria while avoiding adverse impacts on the Floridan Aquifer. The Water System has 139 active wells supplying the various water plants. Each plant consists of wells, aerators, ground storage tanks, water quality treatment and pH monitoring and chlorination facilities. Control is by computer with regular operator oversight. The rated maximum daily treatment capacity of the Water System is approximately 305 mgd for the north and south grids together and 324 mgd for the total Water System, taking into consideration maintenance factors. Treatment at the water plants currently consists of aeration and detention to oxidize hydrogen sulfide. The addition of sodium hypochlorite provides disinfection and prevents biological growth in the water distribution system. JEA also uses packed tower forced draft aeration and ozone to treat hydrogen sulfide at several facilities.

The following table shows the daily average and maximum flow capacities for the Fiscal Years ended September 30, 2020 through 2024.

Fiscal Year Ended September 30,	Average Daily Flow (mgd)	Maximum Daily Flow (Non-Coincident) (mgd)
2020	118	170
2021	117	174
2022	124	171
2023	126	163
2024	127	181

The following table shows the rated maximum daily treatment capacity during the Fiscal Year ended September 30, 2024 for each distribution grid.

<u>Grid</u>	<u>Maximum Daily Treatment Capacity (mgd)</u>
North grid	116
South grid	194
Other	14
Total	324

The water distribution system consists of approximately 5,194 miles of water distribution mains ranging from two to 36 inches in diameter. The water distribution mains are made of various materials, including polyvinyl chloride ("PVC"), galvanized steel, ductile iron, cast iron and asbestos cement. The majority of the water distribution mains are made of PVC, with less than one percent of the water distribution system being composed of asbestos cement pipe. Water quality monitoring in the areas containing asbestos cement pipe has shown all areas to be within the United States Environmental Protection Agency (the "EPA") and the Florida Department of

Environmental Protection (“FDEP”) regulatory limits. The asbestos cement pipe has been in service for several decades, and JEA anticipates removal of this pipe from the Water System through routine replacement of aging water mains. Virtually all new water system distribution mains are constructed of PVC.

Total finished water storage capacity of the Water System is 84 million gallons. All water storage facilities are located at the various water treatment plants, including two repump facilities. The Water System does not utilize elevated storage tanks.

Water supply is from the Floridan Aquifer, one of the most productive aquifers in the world, with high quality water. The Floridan Aquifer covers most of Florida and parts of Georgia and South Carolina. The Floridan Aquifer should be capable of meeting JEA’s needs well into the future; provided that JEA continues its three-part program and well water quality program described under “Regulation - Public Water Supply System” below. Some capital expenditures are required to maintain this capacity, but these expenditures are expected to be equal to or less than those experienced by other Florida water systems of similar size and with similar water supply. As of the date of this Annual Disclosure Report, water quality monitoring of JEA well fields has not detected the presence of any man-made compounds at actionable levels, and water quality impacts are limited to selected wells on the south grid from localized upwelling of trapped water from deep fissures - not the result of lateral salt water intrusion. JEA is the largest single user of water from the Floridan Aquifer in Duval County. Other major users include the paper industry and investor-owned utilities. JEA currently operates the water systems and water plants under one potable Consumptive Use of Water Permit (“CUP”). JEA expects that current permitted withdrawal allocations (2011-2031) should be sufficient to satisfy customer demands through CUP expiration in 2031, assuming average weather conditions. JEA expects that customer demands through CUP expiration in 2031, assuming average weather conditions. JEA expects that customer demands will exceed current permitted withdrawal allocations (2011-2031) during the latter part of the 2021-2041 planning period. JEA is currently implementing conservation measures through the Demand Side Management program and developing alternative water supplies to offset the shortfall.

Sewer System

The Sewer System consists of approximately 4,475 miles of gravity sewers and force mains. The gravity sewers range from six to 84 inches in diameter and the force mains range from three to 54 inches in diameter. Approximately 72 percent of the gravity sewers and force mains are made of PVC, with the remaining sewers and mains consisting of various materials including, among others, concrete, vitrified clay, ductile iron, cast iron and polyethylene. Virtually all new sewer system gravity sewers and force mains are constructed of PVC, and the majority of sewer system rehabilitation (using pipe bursting technology) is constructed of high-density polyethylene.

The Sewer System has approximately 1,654 pumping stations, five vacuum stations, 750 low pressure sewer units and 11 treatment plants ranging in rated average daily treatment capacity from 0.2 to 52.5 mgd. Each of the treatment plants provides a minimum of secondary treatment with biological nutrient removal utilized at the major treatment plants. All sludge from the treatment plants is pumped or trucked to either permitted land application sites or a JEA-owned biosolids processing facility for anaerobic digestion, centrifuge dewatering and palletization in

preparation for beneficial use. Current sludge production averages approximately 42 dry tons per day (“dt/day”). The Residuals Management Facility (“RMF”) is permitted at an annual capacity of 20,290 dry tons per year (64.1 dry tons per day). The RMF produces a usable product (fertilizer) from the sludge. Design of a new biosolids processing facility is underway, which will include solids thickening, dewatering, and cake loadout facilities in a new building. JEA also plans to replace the dryer with new dryers in a new building in Fiscal Year 2028.

The following table shows the average and maximum daily wastewater treatment flows and the rated average and maximum daily wastewater treatment capacities during the Fiscal Year ended September 30, 2024 for each of JEA’s wastewater treatment plants.

Wastewater Treatment Plant	Average Daily Flow (mgd) Fiscal Year Ended September 30, 2024	Maximum Daily Flow (Non-Coincident) (mgd) Fiscal Year Ended September 30, 2024	Rated Average Daily Treatment Capacity (mgd)⁽¹⁾	Rated Maximum Daily Treatment Capacity (mgd)⁽¹⁾
Buckman	29.44	79.12	52.50	105.00
District 2	6.12	10.65	10.00	20.00
Southwest	13.09	27.07	14.00	28.00
Arlington East	20.69	34.86	25.00	50.00
Mandarin	8.01	11.74	8.75	17.50
Julington Creek Plantation	0.92	1.39	1.00	2.00
Blacks Ford	5.92	7.04	6.00	12.00
Nassau	1.88	2.84	2.00	4.00
Monterey	2.29	4.02	3.60	7.20
Ponte Vedra	0.77	1.32	0.80	1.60
Ponce De Leon	<u>0.08</u>	<u>0.11</u>	<u>0.24</u>	<u>0.48</u>
Total	<u>89.21</u>	<u>180.16</u>	<u>123.89</u>	<u>247.78</u>

- (1) Since the rated maximum daily treatment capacity of each wastewater treatment plant is approximately twice the rated average daily treatment capacity, the Sewer System is able to accept and handle surges that come with peak usage periods (morning and evening) and heavy rains. On-going system maintenance and improvements are aimed at continuing to decrease peak surges from heavy rains and infiltration into the collection system (*i.e.*, storm water and/or ground water that enters the sewer system through cracks or openings in the collection system) and inflow (*i.e.*, water that enters the sewer system through illegal or unpermitted piped connections to the collection system).

Five of the regional wastewater treatment plants (Buckman, District 2, Southwest, Arlington East and Mandarin) provide advanced secondary treatment and two of the regional wastewater treatment plants (Blacks Ford and Nassau) provide advanced waste treatment. The Buckman, District 2, Southwest, Arlington East, Mandarin and Blacks Ford wastewater treatment plants utilize ultraviolet light disinfection (irradiation of the water), and the Julington Creek Plantation plant utilizes chlorination for disinfection and SO₂ for dechlorination prior to discharge to the St. Johns River. Design is underway to expand treatment capacity at Blacks Ford to 12.0 mgd. Construction is underway to expand treatment capacity at Southwest and Nassau to 16.0 mgd and 3.5 mgd, respectively. Additionally, construction has been completed on the new Greenland wastewater treatment plant (4.0 mgd) located in the Southeast corner of Duval County.

On February 3, 2025, the facility began producing 1.1 million gallons per day (GPD) of reclaimed water for customers. Eventually, the facility will produce 4 million GPD of reclaimed water, benefiting approximately 22,800 customers.

Although effluent disposal currently is predominately surface water discharge, JEA initiated implementation of a reclaimed water reuse program in 1999 with its acquisition of the assets and customers of an investor-owned water and wastewater utility which had an existing program for reuse of reclaimed water by customers. JEA has established an expanding program to substantially increase water reclamation systems in Nassau, Duval and St. Johns Counties. JEA is actively developing additional reclaimed water capacity. Reclaimed water capacity (in mgd) as of September 30, 2024 is provided in the table below.

<u>Facility</u>	<u>Capacity (mgd)</u>
Arlington East (Public Access)	8.00
Mandarin (Public Access)	8.75
Blacks Ford (Public Access)	6.00
Julington Creek Plantation (Public Access)	1.00
Ponte Vedra (Public Access)	0.80
Nassau (Public Access)	2.00
Buckman (Non-Public Access)	7.70
District 2 (Non-Public Access)	6.00
Southwest (Non-Public Access)	0.80
Ponce De Leon (Non-Public Access)	0.24
Total	41.29

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Customers and Sales

Water System

During the Fiscal Year ended September 30, 2024, the Water System served an average of 399,307 customer accounts and 28,351 reuse water customers, respectively. Water System revenues, including revenues from environmental charges, sales of water, expressed in 1,000 gallons (“kgal”) and the average number of Water System customer accounts, all by customer classification, for the Fiscal Year ended September 30, 2020 through 2024 are shown in the following table:

	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
Water Revenues					
Residential	\$110,867	\$107,920	\$105,065	\$100,361	\$100,316
Commercial and Industrial	50,788	49,970	49,302	47,429	47,011
Irrigation	34,694	34,291	34,510	31,666	35,030
Subtotal	\$196,349	\$192,181	\$188,877	\$179,456	\$182,357
Reuse Water	27,949	26,150	25,260	20,644	21,097
TOTAL	\$224,298	\$218,331	\$214,137	\$200,100	\$203,454
Water Sales (kgals):					
Residential	19,941,731	19,632,070	19,168,978	18,448,336	18,839,990
Commercial and Industrial	14,437,002	14,423,321	14,321,083	13,675,041	13,540,631
Irrigation	5,646,107	5,678,470	5,718,816	5,057,191	5,891,176
Subtotal	40,024,840	39,733,861	39,208,877	37,180,568	38,271,797
Reuse Water	5,448,304	5,277,237	5,166,479	4,463,047	4,426,905
TOTAL	45,473,144	45,011,098	44,375,356	41,643,615	42,698,702
Average Number of Accounts:					
Residential	333,002	326,119	318,284	308,626	299,872
Commercial and Industrial	27,597	27,265	26,939	26,518	26,190
Irrigation	38,708	38,475	38,258	37,931	37,535
Subtotal	399,307	391,859	383,481	373,075	363,597
Reuse Water	28,351	25,764	22,634	19,704	17,031
TOTAL	427,658	417,623	406,115	392,779	380,628

Source: JEA.

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Sewer System

During the Fiscal Year ended September 30, 2024, the Sewer System served an average of 319,114 customer accounts. Sewer System revenues, including revenues from environmental charges, volume of wastewater treatment billed and the average number of Sewer System customer accounts, all by customer classification, for the Fiscal Years ended September 30, 2020 through 2024 are shown in the following table:

	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
Sewer Revenues (000's omitted):					
Residential	\$166,236	\$162,512	\$157,706	\$152,684	\$151,893
Commercial and Industrial	114,859	114,093	114,448	111,255	109,682
TOTAL	\$281,095	\$276,605	\$272,154	\$263,939	\$261,575
Volume (kgals):					
Residential	17,600,743	17,295,189	16,816,302	16,148,759	16,405,359
Commercial and Industrial	12,369,254	12,371,643	12,436,566	11,990,765	11,754,843
TOTAL	29,969,997	29,666,832	29,252,868	28,139,524	28,160,202
Average Number of Accounts:					
Residential	299,540	292,490	284,401	275,022	266,460
Commercial and Industrial	19,574	19,383	19,149	18,848	18,644
TOTAL	319,114	311,873	303,550	293,870	285,104

Source: JEA.

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Largest Customers

Water System

The 10 highest consumption customers served by the Water System composed 6.0 percent of total Water System consumption during the Fiscal Year ended September 30, 2024. The following table sets forth the 10 highest consumption customers, by kgal, during the Fiscal Year ended September 30, 2024.

<u>Customer Account</u>	<u>Annual Billed (kgal)</u>	<u>Percentage of Total</u>
St. Johns County Utility	734,403	1.6%
City of Jacksonville	437,098	1.0
Duval County Public Schools	300,537	0.7
Southern Baptist Hospital	249,857	0.5
Mayo Clinic Jacksonville	227,849	0.5
American Homes 4 Rent	182,470	0.4
The American Bottling Company	160,131	0.4
Gate Petroleum Company	154,105	0.3
Johnson & Johnson Vision Care	150,451	0.3
St. Vincent's Health System	<u>127,004</u>	<u>0.3</u>
Total	<u>2,723,905</u>	<u>6.0%</u>

Source: JEA.

Sewer System

The 10 customers with the highest usage level served by the Sewer System composed 5.7 percent of the total volume of wastewater treatment billed during the Fiscal Year ended September 30, 2024. The following table sets forth the 10 customers with the highest usage level, by volume of wastewater treatment billed, during the Fiscal Year ended September 30, 2024.

<u>Customer Accounts</u>	<u>Annual Billed (kgal)</u>	<u>Percentage of Total</u>
St. Johns County Utility	336,329	1.1%
City of Jacksonville	229,254	0.8
Duval County Public Schools	192,952	0.6
Mayo Clinic Jacksonville	170,360	0.6
American Homes 4 Rent	162,304	0.5
Johnson & Johnson Vision Care	142,891	0.5
Symrise Inc	138,801	0.5
Gate Petroleum Company	124,835	0.4
Southern Baptist Hospital	123,683	0.4
Metal Container Corp	<u>91,107</u>	<u>0.3</u>
Total	<u>1,712,516</u>	<u>5.7%</u>

Source: JEA.

Customer Billing Procedures

Customers are billed on a cycle basis approximately once per month. If the customer has not paid a bill within 42 days after the initial bill date, JEA may discontinue service to that customer. New commercial accounts are generally assessed a deposit. Residential customers who meet JEA's credit criteria are not assessed a deposit. Customers who do not meet JEA's credit criteria or do not maintain a good payment record may be assessed a deposit, which may vary with consumption. A late payment fee of 1.5 percent is assessed to customers for past due balances in excess of 27 days. The amount of uncollectible accounts is budgeted to be approximately 0.21 percent of estimated gross Water and Sewer System revenues for the Fiscal Year ending September 30, 2025. Actual uncollectible accounts were 0.18 percent of gross Water and Sewer System revenues for the Fiscal Year ended September 30, 2024.

Rates

General

Water and Sewer System revenues are derived from two basic types of charges: (a) monthly service charges and (b) connection charges (which include capacity charges). Additionally, environmental charges collected were reflected in Water and Sewer System Revenues prior to April 1, 2023 and were eliminated and rolled into the monthly service charges, specifically the unit charges for metered consumption (per kgal), thereafter. The JEA Board has sole discretion to set rate levels and revenue requirements for the Water and Sewer System. JEA sets its retail rates after a public hearing.

Generally, Water System customers are charged for monthly water service based upon metered consumption, and Sewer System customers are charged for monthly sewer service based upon water consumption during that same month, utilizing readings of the water meters. Approximately 15 percent of the customers of the Water System have separate meters for water used for irrigation purposes. In those cases, billings for monthly sewer service exclude the water used for irrigation purposes. In the case of Sewer System customers that obtain water service from a community- or investor-owned utility, monthly sewer charges are based upon readings of that utility's water meter. In the case of Sewer System customers that obtain water from privately owned wells, water meters meeting JEA's requirements are required to be installed, and monthly sewer charges are based upon readings of those meters. In addition, in some instances, non-residential customers have separate meters to measure wastewater flows, and JEA charges those customers for sewer service based upon readings of such separate meters. Further, certain non-residential Sewer System customers are subject to surcharges for wastewater discharges that exceed certain designated levels of chemical oxygen demand and suspended solids.

Prior to April 1, 2023, water users were charged a monthly service availability charge according to water meter size, plus a unit rate and an environmental charge. After April 1, 2023, water users are only charged monthly service availability and unit rate charges.

Rates for Monthly Service

The schedules shown in the following tables reflect rates for monthly water, sewer service and reclaimed service effective as of October 1, 2021, and April 1, 2023, as indicated.

Water Rates

Prior to April 1, 2023, water users were charged a monthly service availability charge according to water meter size, plus a unit rate and an environmental charge. Since April 1, 2023, water users have been only charged monthly service availability and unit rate charges. The following tables reflect rates for monthly water service effective as of October 1, 2021 and April 1, 2023, as indicated:

Water System Monthly Service Availability Charge					
Meter Size	Residential	Residential Irrigation	Commercial	Multi-Family	Multi-Family Irrigation; Commercial Irrigation
5/8"	\$ 12.60	\$ 12.60	\$ 12.60	\$ 18.41	\$ 12.60
3/4"	18.90	18.90	18.90	27.62	18.90
1"	31.50	31.50	31.50	46.03	31.50
1 1/2"	63.00	63.00	63.00	92.05	63.00
2"	100.80	100.80	100.80	147.28	100.80
3"	201.60	201.60	201.60	294.56	201.60
4"	-	-	315.00	460.25	315.00
6"	-	-	630.00	920.50	630.00
8"	-	-	1,008.00	1,472.80	1,008.00
10"	-	-	1,974.55	2,117.15	-
12"	-	-	3,691.55	3,958.15	-
20"	-	-	7,726.50	8,284.50	-

Water System Unit Charge (per kgal)*								
Non-Irrigation					Irrigation			
Residential Tiers (kgal)			Commercial Tier	Multi-Family Tier	Residential Tiers (kgal)		Multi-Family; Commercial Tiers (kgal)	
1-6	7-20	>20	All kgal	All kgal	1-14	>14	1-14	>14
\$0.93	\$2.60	\$5.60	\$1.49	\$1.00	\$2.60	\$5.60	\$3.44	\$3.96

*Unit Charge rates in effect prior to April 1, 2023.

**Water System
Environmental Charge (per
kgal)***

Water	\$0.37
Irrigation	0.37

*Environmental Charge rates in effect prior to April 1, 2023.

Effective April 1, 2023, environmental charges were eliminated and rolled into the unit charge according to the following schedule.

Water System								
<u>Unit Charge (per kgal) Effective April 1, 2023</u>								
<u>Non-Irrigation</u>					<u>Irrigation</u>			
<u>Residential</u>			<u>Commercial</u>	<u>Multi-Family</u>	<u>Residential</u>		<u>Multi-Family; Commercial</u>	
<u>Tiers (kgal)</u>			<u>Tier</u>	<u>Tier</u>	<u>Tiers (kgal)</u>		<u>Tiers (kgal)</u>	
<u>1-6</u>	<u>7-20</u>	<u>>20</u>	<u>All kgal</u>	<u>All kgal</u>	<u>1-14</u>	<u>>14</u>	<u>1-14</u>	<u>>14</u>
\$1.30	\$2.97	\$5.97	\$1.86	\$1.37	\$2.97	\$5.97	\$3.81	\$4.33

Sewer Rates

Prior to April 1, 2023, users of the Sewer System were charged a monthly service availability charge according to water meter size, plus a unit rate based on water consumption from JEA, community- or investor-owned utilities or private wells, as applicable and an environmental charge. Since April 1, 2023, Sewer System users have only been charged monthly service availability and unit rate charges. The following tables reflect rates for monthly water service effective as of October 1, 2021 and April 1, 2023, as indicated:

Sewer System			
<u>Monthly Service Availability Charge</u>			
<u>Meter Size</u>	<u>Residential</u>	<u>Multi-Family</u>	<u>Commercial</u>
5/8"	\$ 14.10	\$ 24.68	\$ 21.15
3/4"	21.15	37.01	31.73
1"	35.25	61.69	52.88
1 1/2"	70.50	123.38	105.75
2"	112.80	197.40	169.20
3"	225.60	394.80	338.40
4"	-	616.88	528.75
6"	-	1,233.75	1,057.50
8"	-	1,974.00	1,692.00
10"	-	2,837.63	2,432.25
12"	-	5,305.13	4,547.25
20"	-	11,103.75	9,517.50

Sewer System		
<u>Unit Charge (per kgal)*</u>		
<u>Tiers (kgal)</u>	<u>Residential</u>	<u>Multi-Family; Commercial</u>
1-6	\$4.94	-
7-20	6.02	-
All	-	\$6.02

* Unit charge rates in effect prior to April 1, 2023.

Sewer System	
<u>Environmental Charge (per kgal)*</u>	
Residential: 1-20 kgal	\$0.37
Commercial;	
Multi-Family;	0.37
Limited Service: All kgal	

*Environmental Charge rates in effect prior to April 1, 2023.

Effective April 1, 2023, environmental charges were eliminated and rolled into the unit charge according to the following schedule.

Sewer System		
<u>Unit Charge (per kgal) Effective April 1, 2023</u>		
<u>Tiers (kgal)</u>	<u>Residential</u>	<u>Multi-Family; Commercial</u>
1-6	\$5.31	-
7-20	6.39	-
All	-	\$6.39

Reclaimed Water Rates

Prior to April 1, 2023, reclaimed (reuse) water users were charged a monthly service availability charge according to water meter size, plus a unit rate and an environmental charge. After April 1, 2023, reclaimed water users have only been charged monthly service availability and unit rate charges. The following tables reflect rates for monthly reclaimed water service effective as of October 1, 2021 and April 1, 2023, as indicated:

Reclaimed System		
<u>Monthly Service Availability Charge</u>		
<u>Meter Size</u>	<u>Residential⁽¹⁾</u>	<u>Multi-Family⁽¹⁾; Commercial⁽¹⁾</u>
5/8"	\$ 12.60	\$ 12.60
3/4"	18.90	18.90
1"	31.50	31.50
1 1/2"	63.00	63.00
2"	100.80	100.80
3"	201.60	201.60
4"	-	315.00
6"	-	630.00
8"	-	1,008.00

⁽¹⁾ Non-bulk reclaimed customers will be charged an additional \$6.00 regardless of meter size to cover costs due to regulatory requirements.

Reclaimed System Unit Charge (per kgal)		
<u>Tiers (kgal)</u>	<u>Residential</u>	<u>Multi-Family; Commercial</u>
1-14	\$2.60	\$3.44
> 14	5.60	3.96

**Reclaimed System
Environmental Charge (per kgal)***
\$0.37

*Environmental Charge rates in effect prior to April 1, 2023.
Note: Environmental Charge not applicable to bulk reclaimed usage.

Effective April 1, 2023, environmental charges were eliminated and rolled into the unit charge according to the following schedule.

Reclaimed System Unit Charge (per kgal) Effective April 1, 2023		
<u>Tiers (kgal)</u>	<u>Residential</u>	<u>Multi-Family; Commercial</u>
1-14	\$2.97	\$3.81
> 14	5.97	4.33

Connection and Capacity Charges

In addition to the monthly charges for water and wastewater service described above, JEA assesses connection and capacity charges for new Water and Sewer System customers, which charges are designed to cover some of the capital costs of providing service to new customers.

Capacity charges are included within the revenues pledged for payment of the Water and Sewer System Bonds. However, under applicable Florida law and in accordance with the provisions of the Water and Sewer System Resolution, such capacity charges may be used and applied only for the purpose of paying costs of expansion of the Water and Sewer System or paying or providing for the payment of debt service on Water and Sewer System Bonds, Subordinated Indebtedness or other indebtedness of JEA relating to the Water and Sewer System issued for such purpose.

On September 17, 2021, the JEA Board approved a new rate structure for plant capacity and line extension charges to better reflect the actual expenditures for providing water with and without irrigation. These rates were effective October 1, 2021 and are scheduled to adjust through 2023. On October 15, 2021, the JEA Board Finance & Audit Committee approved deferring implementation of phase-in until the April 1, 2022 scheduled increases.

New Water System customers are assessed a one-time plant capacity charge for new connections. The minimum charge for a new water connection shall be the greater of the charge

per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below, plus the line extension growth capacity charge.

Water Plant Capacity Fees for Residential and Commercial Service ⁽¹⁾

<u>Effective Date/ Meter Size</u>	<u>October 1, 2022</u>	<u>April 1, 2023</u>	<u>October 1, 2023</u>	<u>April 1, 2024</u>
<u>Charge per Gallon</u>				
\$/gallon	\$3.76	\$4.68	\$4.68	\$4.68
<u>Water (without irrigation)</u>				
3/4"	\$ 940.00	\$1,170.00	\$1,170.00	\$1,170.00
1"	1,128.00	1,404.00	1,404.00	1,404.00
1 1/2"	1,692.00	2,106.00	2,106.00	2,106.00
<u>Water (with irrigation)</u>				
3/4"	\$ 752.00	\$ 936.00	\$ 936.00	\$ 936.00
1"	940.00	1,170.00	1,170.00	1,170.00
1 1/2"	1,128.00	1,404.00	1,404.00	1,404.00
<u>Irrigation</u>				
3/4"	\$ 846.00	\$1,053.00	\$1,053.00	\$1,053.00
1"	1,222.00	1,521.00	1,521.00	1,521.00
1 1/2"	1,981.00	3,276.00	3,276.00	3,276.00

⁽¹⁾ Services greater than 1 1/2" and those that have more fixture units than allowed by meter size will be charged based on the estimated average daily flow.

The average daily flow is determined by reference to industry standards, subject to review and approval by the JEA Board. In addition, all new Water and Sewer System connections are assessed a one-time "line extension growth" capacity charge that is a minimum of \$1,695.00.

The following table presents the line extension growth capacity charges for new residential and commercial Water System customers. Services that have more fixture units than allowed by meter size will be charged based on the estimated average daily flow.

Water Line Extension Growth Capacity Charge for Residential and Commercial Service		
<u>Meter Size</u>	<u>Residential</u>	<u>Commercial</u>
5/8"	N/A	N/A
3/4"	\$1,695	\$ 1,695
1"	2,000	2,500
1 1/2"	2,175	2,500
2"	2,350	2,500
3"	N/A	5,000
4"	N/A	5,000
6"	N/A	5,000
8"	N/A	5,000
10"	N/A	10,000
12"	N/A	10,000
20"	N/A	20,000

The following table presents the connection charges for new residential and commercial Water System customers.

Water System Connection Charges for Residential and Commercial Service⁽¹⁾		
<u>Meter Size</u>	<u>Tap Fee</u>	<u>Set Fee</u>
3/4"	\$1,360.00	\$ 300.00
1"	1,360.00	320.00
1 1/2"	1,770.00	1,010.00
2"	1,770.00 ⁽²⁾	1,150.00 ⁽²⁾

⁽¹⁾ Includes potable, irrigation, and reclaimed water.

⁽²⁾ Or actual installation cost, whichever is greater, for service connections larger than 2".

Sewer System Connection Charges

The following table presents the connection charges for new Sewer System customers:

Sewer System Connection Charges	
<u>Connection Size</u>	<u>Charge</u>
Up to 6"	\$8,330.00
Greater than 6"	Actual Cost

Source: JEA.

New residential and commercial Sewer System customers also are assessed a one-time capacity charge for new connections. The minimum charge for a new sewer connection shall be the greater of the charge per gallon of average daily sewer as estimated and approved by JEA or

the applicable plant capacity fee stated below. For existing sewer connections, there will be a charge per gallon of additional average daily sewer capacity as estimated and approved as stated below.

Sewer Plant Capacity Fees for Residential and Commercial Service

<u>Meter Size</u>	<u>Effective Date</u>			
	<u>October 1, 2022</u>	<u>April 1, 2023</u>	<u>October 1, 2023</u>	<u>April 1, 2024</u>
	<u>Charge per Gallon</u>			
\$/gallon	\$ 20.08	\$ 25.57	\$ 25.57	\$ 25.57
	<u>Sewer</u>			
3/4"	\$4,016.00	\$5,114.00	\$5,114.00	\$5,114.00
1"	5,020.00	6,392.50	6,392.50	6,392.50
1 1/2"	6,024.00	7,671.00	7,671.00	7,671.00

Reclaimed Water System Connection Charges

Effective on October 1, 2007, the retail reclaimed (reuse) water rate was modified to reflect (a) a separate rate for commercial customers in DRIs equal to potable, non-DRI, commercial irrigation rates and (b) a new rate class for commercial bulk reclaimed (reuse) water service.

Regulation

Water and Sewer System

The future financial condition of the Water and Sewer System could be adversely affected by, among other things, legislation, environmental and other regulatory actions promulgated by applicable federal, state and local governmental agencies. Future changes to new and existing regulations may substantially increase the cost of water and sewer service by requiring changes in the design or operation of existing or new facilities. JEA cannot predict future policies such agencies may adopt.

Several upcoming rules could impact the potable water system:

1. America's Water Infrastructure Act of 2018 ("AWIA"). AWIA requires biannual distribution of JEA's Water Quality Report; as well as a Risk and Resilience assessment (the "RRA") that was due on March 31, 2020, and must be reviewed every five years to determine if it needs to be revised. It also requires JEA to prepare an emergency response plan that incorporates the findings from the RRA and it needed to be submitted by September 30, 2020. Both items have been completed and submitted. The upcoming RRA submittal date is based on population size for populations over 100,000 and the due date is March 31, 2025. This impacts the major grid assessment which is currently under review and being updated for submittal by the deadline. Smaller systems (Lofton Oaks and Ponte Vedra) are not due until June 30, 2026.

2. Revised Lead and Copper Rule (the “LCR”). The LCR requires: (a) lead service line replacement by the utility of the utility-owned section when a customer changes the portion they own, (b) a new trigger level from 15 ppb to 10 ppb for the 90th percentile sample for optimizing corrosion control treatment (“CCT”) or completing a CCT study if not currently treating, (c) increased sampling reliability by imbedding current guidance in the LCR and revising sampling pool requirements, (d) public notification with 24 hours of an action level exceedance, (e) utilities to test for lead in schools and child care facilities, and (f) a lead service line inventory and replacement plan. The final rule was published January 15, 2021, with an effective date of December 16, 2021. The first compliance deadlines commenced on October 16, 2024. The initial service line inventory was submitted on October 15, 2024. JEA has completed approximately 90 percent of JEA's and customer's service lines and to date has not found any lead ones. The EPA recently finalized the Lead and Copper Rule Improvements, which requires a complete inventory of all service lines including the customer side of the meter; testing of all schools (K-5) and daycares in the service territory; enhanced notification of any action level exceedance; and 5th liter sampling for lead (versus first draw). Sampling begins in October 2027. As described above, the LCR will require additional sampling and reporting; the overall financial impacts are currently estimated in the approximate amount of \$2.5-3.0 million.

3. Regulation of Per- and Polyfluoroalkyl substances. Per- and Polyfluoroalkyl substances (“PFAS”) are a group of synthetic compounds widely used in consumer and commercial products, including perfluorooctanoic acid (“PFOA”) and perfluorooctanesulfonic acid (“PFOS”). The EPA announced the final National Primary Drinking Water Regulation (“NPDWR”) on April 10, 2024, which set maximum contaminant levels (“MCLs”) for six PFAs in drinking water: PFOA (4.0 ppt), PFOS (4.0 ppt), perfluorononanoic acid (“PFNA”) (10.0 ppt), perfluorohexanesulfonic acid (“PFHxS”) (10.0 ppt), and GenX Chemicals (10.0 ppt). The NPDWR also established an MCL for any mixture of two or more of the following PFAS: PFNA, PFHxS, PFBS, and GenX Chemicals of a Hazard Index of 1 (unitless). Initial monitoring must be completed within three years (by 2027) and compliance within five years (by 2029).

4. EPA'S Disinfection By Product Rule. Microbial and Disinfection Byproducts Rule Revisions (“MDBPs”) are a series of interrelated regulations that address risks from microbial pathogens and disinfectants/disinfection byproducts. EPA is currently conducting analyses to further evaluate the eight National Primary Drinking Water Rules (NPDWRs) for potential regulatory revisions. Additionally, with a consideration of risk/risk tradeoff among different disinfection byproducts (DBPs), EPA is also evaluating information on unregulated DBPs, including chlorate and nitrosamines.

On June 15, 2020, the court accepted a settlement between EPA and the Waterkeeper Alliance. EPA agreed to propose revisions to the current primary standards for chlorite, *Cryptosporidium*, *Giardia lamblia*, haloacetic acids (HAA), heterotrophic bacteria, *Legionella*, total trihalomethanes (TTHM) and viruses

The proposed rule is expected sometime around July 2025, with the final rule in 2028 and compliance by 2030. If the TTHM standard is lowered from the current

level of 80 ppb to 60 ppb, it could require additional treatment at 8 water plants at an estimated total cost of \$111 million.

Public Water Supply System

The St. Johns River Water Management District (“SJRWMD”) regulates groundwater withdrawals and issues permits for the same. JEA was issued a 20-year CUP in May 2011 from the SJRWMD. As of the date of this Annual Disclosure Report, modeling efforts have indicated that a sustainable groundwater supply can continue to be met for the 20-year planning period out to 2031 with a three-part program that is the basis of JEA’s water capital improvement plan: (a) continued expansion of the reuse system, (b) aggressive water conservation program and (c) 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. JEA has also implemented a groundwater quality management program to mitigate the effects of (non-lateral) saltwater intrusion into specific wells on the systems south grid that includes routine well monitoring, back plugging of specific wells, and reducing or replacing wells that show continued increases in chlorides. In 2021, the permitted CUP allocation reached 142.26 million gallons per day which will remain the limit through 2031. Actual 2024 calendar year withdrawals averaged 127.9 million gallons per day.

JEA’s groundwater withdrawals are subject to a CUP issued by the St. Johns River Water Management District. Pursuant to its CUP, JEA is required to address its share of impact to water bodies with set minimum flows and levels, which are regulatory water levels intended to prevent significant harm.

Rulemaking to set Minimum Flows and Levels (“MFLs”) is currently underway for several water bodies in north Florida. The SJRWMD set higher MFLs for Lakes Brooklyn and Geneva on May 11, 2021, prompting JEA and other utilities to participate in an agreement with the SJRWMD to partially fund a project to pipe water from Black Creek to the lakes, with JEA’s contribution estimated to be approximately \$7 million. A similar scenario may arise with the Suwannee River Water Management District (the “SRWMD”) in connection with the Ichetucknee and Lower Santa Fe Rivers, where JEA may need to fund projects or reduce groundwater withdrawals based on their determined impact. FDEP is reviewing the previously adopted MFLs for the Lower Santa Fe and Ichetucknee Rivers and anticipates adoption of new MFLs and associated recovery and prevention strategies in 2024-2025. Based on preliminary information, one or more of the MFLs for these water bodies may be in violation upon completion of rulemaking.

The rising costs of groundwater are linked to CUPs, which limit water withdrawals, necessitating alternative sources like the new 1.0 mgd Purified Water Demonstration Facility for aquifer recharge to meet demand. JEA’s costs associated with its use of groundwater could be increased or JEA may be required to implement more costly sources of water.

In addition, the SJRWMD and SRWMD have drafted a new North Florida Regional Water Supply Plan, which was approved in December 2023. The plan concludes that future water demands through 2045 can be met with water conservation measures and water supply options included in the plan.

Wastewater Treatment System

The Sewer System is regulated by the EPA under provisions of the Federal Clean Water Act and the Federal Water Pollution Control Act. The EPA has delegated the wastewater regulatory program to the FDEP. Except as described below, the Sewer System is in substantial compliance with all federal and state wastewater regulations.

In 2013, the EPA and FDEP reached an agreement on the adoption of numeric nutrient criteria (“NNC”) for the State. As part of the NNC adoption process, the EPA re-approved the Lower St. Johns River nutrient Total Maximum Daily Load (“TMDL”). The EPA re-approval means the TMDL will remain the legally enforceable nutrient standard for the Lower St. Johns River. JEA has completed all the treatment plant improvements required of the utility by the TMDL and its facilities are in compliance with its nutrient allocation.

Because JEA has reduced nitrogen well below its own permitted nitrogen reduction goals, it can generate Water Quality Credits. JEA has previously recorded a reduction in its NPDES permit to generate and transfer 74.69 metric tons of Total Nitrogen Water Quality Credits (“Initial Credits”) to the City in 2024 and is positioned to remain in compliance with its Aggregate Nitrogen permit. JEA has agreed to provide 45.34 metric tons per year to the City for no compensation from 2025 through December 31, 2031 as long as the Initial Credits are authorized and approved by the appropriate regulatory agency. JEA’s current aggregate nitrogen limit for all wastewater plants discharging to the St. Johns River is 624.37 tons per year. During the Fiscal Year ended September 30, 2024, JEA facilities discharged 558.4 tons to the river.

As the regulatory reduction of Total Nitrogen in the Lower St. Johns River is an ongoing annualized requirement that both the City and JEA will be required to meet beyond December 31, 2031, the City and JEA have agreed to engage in discussions to work on a plan for meeting the future needs of both parties beyond December 31, 2031.

On December 11, 2006, JEA and the FDEP executed a long-term sanitary sewer overflows (“SSO”) consent order. The long-term SSO consent order is the mechanism under which periodic, unforeseeable JEA SSOs are reviewed and adjudicated. The SSOs for each Fiscal Year are typically adjudicated on an annual to bi-annual basis. In connection with the SSOs for the Fiscal Year ended September 30, 2023, JEA was assessed an estimated penalty of \$146,500 by FDEP. JEA is expecting an estimated \$266,000 in penalties for the Fiscal Year ended September 30, 2024, but this total has yet to be finalized by FDEP. JEA continues its extreme weather resiliency program to evaluate and implement processes or physical projects to reduce the potential for and mitigate impacts from SSOs during extreme weather events or due to effects of climate change.

Reclaimed Water System

April 21, 2021, the Florida Legislature passed Senate Bill 64, titled “Reclaimed Water” (the “Reclaimed Water Bill”), which was signed into law by the Governor on June 29, 2021. The Reclaimed Water Bill calls for the state-wide elimination of non-beneficial surface water discharges of effluent, reclaimed water or reuse water. With a few exceptions, wastewater utilities with discharges to surface water were required to submit a plan by November 1, 2021, to the FDEP outlining how they will comply with the elimination or curtailment of the discharges with full

implementation by January 1, 2032. In conjunction with JEA's integrated water resource planning process, JEA submitted a plan to FDEP designed to meet the conditions required under the Reclaimed Water Bill. The plan has been approved by FDEP, and currently estimated costs of compliance are approximately \$2 billion.

Regulation of PFAS in Wastewater

JEA cannot determine how the regulation of PFAS in wastewater will impact the Sewer System until permit levels are known. In very limited testing, PFAS chemicals have been detected at very low levels in the Sewer System. The Buckman facility has been included in a list of facilities that will participate in the upcoming testing relating to the EPA's Information Collection Rule, which is subject to approval by the Office of Management and Budget. Such testing will include facilities as well as industrial users. In addition, the Information Collection Rule could require additional treatment to meet new limits which could also impact the reuse system.

Capital Program

The Water and Sewer System's capital program for the four-year period through September 30, 2028 is centered on renewal and replacement and to enable the Water and Sewer System to remain in compliance with all applicable regulatory requirements, as well as to lower operating and maintenance expenses. Major projects include the Buckman Water Reclamation Facility Biosolids Conversion, the Blacks Ford Water Reclamation Facility expansion from 6.0 to 12.0 mgd, the Arlington East WRF reclaimed water and disinfection system upgrades, in addition to upgrades to the Arlington East aeration basin, blowers, and influent structure, the expansion of the Southwest Water Reclamation Facility ("WRF") to 16.0 mgd, construction of a new 1.0 mgd Purified Water Demonstration Facility, and surface water discharge reduction projects at several water reclamation facility locations to comply with Florida Senate Bill 64. This program contains funding targeted to improve water and sewer treatment plants, in addition to meeting the three-part program described in "Regulation - Public Water Supply System" above to maintain sustainable water supply for JEA's customers. The projected total amount of the capital program for the four-year period ending September 30, 2028 is shown in the following table.

Water and Sewer System Capital Program (000s omitted)

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2025	\$567,000
2026	568,000
2027	541,000
2028	600,000
Total	<u>\$2,276,000</u>

Approximately \$1.45 billion and \$822 million of the capital program for the four-year period is expected to be funded with bond proceeds and revenues (including capacity charges) and

available funds of the Water and Sewer System, respectively. The projected total amount of the capital program may be affected by future environmental legislation and regulation. See “Regulation” above.

Certain Factors Affecting the Water and Sewer Utility Industry

Legislation

From time to time, additional federal or state legislation or regulations affecting the water and sewer utility industry may be enacted. Such legislation can radically change the regulatory context in which JEA operates and can require increased capital or operating expenditures, or reduced operations, at existing and/or new facilities. Any such legislative changes are inherently impossible to predict with any certainty, particularly in the way they might apply to specific organizations or facilities, such as JEA. JEA, through its consultants and participation in state and national advocacy groups, maintains awareness of legislative issues that may impact operations, participating in advocacy roles as warranted.

Compliance with state legislation on Elimination of Surface Water Discharge could require JEA, at significant cost, to undertake capital projects to develop alternatives to surface water discharge to the St. John’s River. The estimation of costs of compliance with legislation on Elimination of Surface Water Discharge is approximately \$2 billion. Also, any future EPA requirements for testing and removal of PFAS from wastewater could require JEA, at significant cost, to purchase equipment, modify wastewater treatment plants, and conduct site cleanup to curtail or remove PFAS contaminants. The estimation of costs of compliance with the EPA final ruling on PFAS is subject to uncertainties based on codification deemed hazardous, timing of the implementation of rules, the maturation and availability of PFAS removal technology, additional associated regulations, and JEA’s selected compliance alternatives.

Any new state or federal legislation or changes to existing legislation or regulations could affect JEA’s operations. JEA cannot predict whether any additional legislation or regulations will be enacted which will affect JEA’s operations and if such laws are enacted, what the costs to JEA might be in the future.

FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM

Debt Relating to Water and Sewer System

Water and Sewer System Bonds

As of September 30, 2024, \$1,300,850,000 in aggregate principal amount of bonds (the “Water and Sewer System Bonds”) issued pursuant to the resolution of JEA adopted on February 18, 1997 and referred to therein as the “Water and Sewer System Revenue Bond Resolution” (as amended, restated and supplemented, the “Water and Sewer System Resolution”) was outstanding. As of the date of this Annual Disclosure Report, there is \$1,709,650,000 in aggregate principal amount of Water and Sewer System Bonds outstanding under the Water and Sewer System Resolution, consisting of (a) \$51,820,000 in aggregate principal amount of variable

rate Water and Sewer System Bonds and (b) \$1,657,830,000 aggregate principal amount of fixed rate Water and Sewer System Bonds.

Water and Sewer System Bonds may be issued for the purposes of (a) paying or providing for the payment of Costs (as defined in the Water and Sewer System Resolution) of the Water and Sewer System and (b) refunding any Water and Sewer System Bonds. See “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION - *Additional Water and Sewer System Bonds*” in APPENDIX B attached hereto.

Pursuant to the Water and Sewer System Resolution and the laws of the State, the amount of Water and Sewer System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Water and Sewer System Resolution.

On September 26, 2023, JEA’s governing board (the “JEA Board”) approved a resolution changing JEA’s historical approach to seeking incremental debt authorization from the Council. The resolution established a not-to-exceed debt outstanding amount of \$2.5 billion for the Water and Sewer System. The not-to-exceed amount is for the purposes of providing funds for both new money and the refunding of existing debt. The Council approved this new approach pursuant to Ordinance 2023-724-E enacted on November 14, 2023. This new methodology for debt authorization replaces the previous incremental approach. JEA will submit a summary, as part of its annual budget submission to the City, showing outstanding and anticipated borrowings against the not-to-exceed authorization amount. In the event additional authorization is needed in the future, it will be requested from the Board and the Council.

A summary of certain provisions of the Water and Sewer System Resolution, including a description of the recent amendments thereto described below, is attached to this Annual Disclosure Report as APPENDIX B.

On February 7, 2024, JEA closed on the issuance of \$503.8 million in aggregate principal amount of its Water and Sewer System Revenue Bonds, 2024 Series A (the “2024 Series A Bonds”). Of this amount, \$353 million was new money issuance, and \$150.8 million was refunding of existing senior and subordinate debt. The proceeds of the 2024 Series A Bonds, together with any additional funds made available by JEA, will be used for, among other things, the purpose of contributing approximately \$173.5 million for the refunding of existing senior and subordinate debt, in addition to providing funds to pay for expansion and improvements to the Water and Sewer System by contributing approximately \$205.9 million to the construction fund and repaying the outstanding balance of \$177 million under the revolving credit facility.

On January 30, 2025, JEA closed on the issuance of \$532.8 million in aggregate principal amount of its Water and Sewer System Revenue Bonds, 2025 Series A (the “2025 Series A Bonds”). Of this amount, \$462 million was new money and \$70.8 million was refunding of existing senior debt. The proceeds of the 2025 Series A bonds, together with any additional funds made available by JEA, will be used for the purpose of contributing approximately \$77 million for the refunding of existing senior debt, approximately \$283.5 million for costs of the water and sewer system, approximately \$38.6 million to the debt service reserve fund, approximately \$2.2

million for payment of the refunded bonds swap termination costs, and \$170 million for the purpose of repaying the outstanding balance under the revolving credit facility.

Liquidity support in connection with tenders for purchase of the Variable Rate Water and Sewer System Revenue Bonds, 2008 Series B (the “SBPA Supported Variable Rate Water and Sewer Bond”) currently is provided by a bank pursuant to a standby bond purchase agreement between JEA and such bank. On January 30, 2025, these bonds were refunded by the 2025 Series A Bonds.

Credit and liquidity support for JEA’s Variable Rate Water and Sewer System Revenue Bonds, 2008 Series A-2 (the “LOC Supported Variable Rate Water and Sewer System Bond” and, together with the SBPA Supported Variable Rate Water and Sewer System Bond, the “Senior Liquidity Supported Water and Sewer Bonds”) currently is provided by a direct-pay letter of credit issued by a different bank. Any Senior Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its (a) standby bond purchase agreement between JEA and such bank or (b) letter of credit issued in connection with the reimbursement agreement between JEA and such bank, as applicable, and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Senior Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement or letter of credit reimbursement agreement, as applicable, will constitute an “Option Bond” within the meaning of the Water and Sewer System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” on the part of JEA under such standby bond purchase agreement or letter of credit reimbursement agreement, as applicable. Upon any such tender or deemed tender for purchase, the Senior Liquidity Supported Water and Sewer Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreement and such reimbursement agreement, see “OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes” herein.

As of the date of this Annual Disclosure Report, no Senior Liquidity Supported Water and Sewer Bonds are held by the banks providing such standby bond purchase agreement or such letter of credit. The standby bond purchase agreement and letter of credit are subject to periodic renewal at the discretion of the respective bank. The current expiration date for the letter of credit is September 27, 2028.

Subordinated Water and Sewer System Bonds

As of September 30, 2024, \$166,380,000 in aggregate principal amount of bonds (the “Subordinated Water and Sewer System Bonds”) issued pursuant to the resolution of JEA adopted on May 15, 2003 and referred to therein as the “Water and Sewer System Subordinated Revenue Bond Resolution” (as supplemented, the “Subordinated Water and Sewer System Resolution”) was outstanding. As of the date of this Annual Disclosure Report, there is \$158,175,000 in aggregate principal amount of Subordinated Water and Sewer System Bonds outstanding under the Subordinated Water and Sewer System Resolution, consisting of (a) \$92,385,000 in aggregate principal amount of variable rate Subordinated Water and Sewer System Bonds and

(b) \$65,790,000 aggregate principal amount of fixed rate Subordinated Water and Sewer System Bonds.

The Subordinated Water and Sewer System Bonds may be issued (a) for any lawful purpose of JEA relating to the Water and Sewer System or (b) to refund any of the Water and Sewer System Bonds or the Subordinated Water and Sewer System Bonds.

Pursuant to the Subordinated Water and Sewer System Resolution and the laws of the State, and in accordance with the Water and Sewer System Resolution, the amount of Subordinated Water and Sewer System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Subordinated Water and Sewer System Resolution. For a discussion of the Council authorization currently in effect for the issuance of Water and Sewer System Bonds and/or Subordinated Water and Sewer System Bonds, see subsection “Water and Sewer System Bonds” above in this section.

A summary of certain provisions of the Subordinated Water and Sewer System Resolution is attached to this Annual Disclosure Report as APPENDIX C.

Liquidity support in connection with tenders for purchase of the Variable Rate Water and Sewer System Subordinated Revenue Bonds, 2008 Series A-1, 2008 Series A-2 and 2008 Series B-1 (the “Subordinated Liquidity Supported Water and Sewer Bonds”) currently is provided by certain banks pursuant to standby bond purchase agreements between JEA and each such bank. Any Subordinated Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Subordinated Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement will constitute an “Option Subordinated Bond” within the meaning of the Subordinated Water and Sewer System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” on the part of JEA under the standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Subordinated Liquidity Supported Water and Sewer Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreements, see “OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes” herein.

As of the date of this Annual Disclosure Report, no Subordinated Liquidity Supported Water and Sewer Bonds are held by the banks providing such standby bond purchase agreements. Such standby bond purchase agreements are subject to periodic renewal at the discretion of the respective bank. The current expiration dates for the standby bond purchase agreements are September 8, 2026, May 7, 2027, and June 25, 2027.

Water and Sewer System Contract Debts

“Contract Debts,” a component of the Water and Sewer System’s Operation and Maintenance Expenses, is defined by the Water and Sewer System Resolution to mean any obligations of JEA under any contract, lease, installment sale agreement, bulk purchase agreement

or otherwise to make payments out of the Revenues of the Water and Sewer System for property, services or commodities whether or not the same are made available, furnished or received. JEA has not incurred any obligations constituting Contract Debts under the Water and Sewer System Resolution, but it may do so in the future. All Contract Debts will be payable from the Revenues of the Water and Sewer System prior to any payments from such Revenues for indebtedness not constituting Contract Debt issued for the Water and Sewer System, including the Water and Sewer System Bonds and Subordinated Indebtedness (including the Subordinated Water and Sewer System Bonds).

Water and Sewer System Support of the District Energy System Bonds

Effective as of October 1, 2004, JEA established the District Energy System, a separate system to provide chilled water services and other local district energy functions. JEA transferred its assets relating to chilled water production and distribution from the Electric System to the District Energy System. The Electric System received approximately \$30,000,000 from the District Energy System for the transferred assets. The District Energy System is operated as a separate system for accounting and financing purposes. See JEA's 2024 Financial Statements attached hereto as APPENDIX A.

As of the date of this Annual Disclosure Report, there is \$66,025,000 in aggregate principal amount of District Energy System Bonds outstanding under the District Energy System Resolution.

Pursuant to Resolution No. 2013-2, adopted by JEA on March 19, 2013, revenues of the Water and Sewer System shall be deposited into a special subaccount in the Debt Service Reserve Account (the "2013 Series A Bonds Subaccount") established for the District Energy System Refunding Revenue Bonds, 2013 Series A (the "DES 2013 Series A Bonds") and pledged to pay debt service on the DES 2013 Series A Bonds in the event that revenues of the District Energy System are insufficient to pay debt service on such DES 2013 Series A Bonds.

Schedules of Debt Service Coverage

The following table sets forth Schedules of the Debt Service Coverage for the Water and Sewer System for the Fiscal Years ended September 30, 2024 and September 30, 2023 and has been prepared in accordance with the requirements of the Resolution. Such information should be read in conjunction with JEA's 2024 Financial Statements attached hereto as APPENDIX A.

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**Water and Sewer System Schedules of Debt Service Coverage
(In Thousands)**

	Fiscal Year Ended September 30,	
	2024	2023
Revenues		
Water	\$223,823	\$217,572
Water Capacity Charges	24,776	18,845
Sewer	280,500	275,642
Sewer Capacity Charges	64,485	45,690
Investment income	3,187	6,338
Other ⁽¹⁾	25,672	18,999
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	-	48,387
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	-	(22,292)
Total Revenues	\$622,443	\$609,181
Operation and Maintenance Expenses ⁽²⁾		
Maintenance and other operating expenses	\$265,577	\$231,632
State utility and franchise taxes	11,483	11,319
Total Operation and Maintenance Expenses	\$277,060	\$242,951
Net Revenues	\$345,383	\$366,230
Aggregate Debt service on Water and Sewer System Bonds (prior to reduction of Build America Bonds subsidy)	\$102,228	\$ 86,676
Less: Build America Bonds subsidy	(2,432)	(2,435)
Aggregate Debt service on Water and Sewer System Bonds	\$ 99,796	\$ 84,241
Aggregate Debt service coverage on Water and Sewer System Bonds ⁽³⁾	3.46x	4.35x
Aggregate Debt service on Water and Sewer System Bonds (from above)	\$ 99,796	\$ 84,241
Plus: Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	14,954	16,899
Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	\$114,750	\$ 101,140
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds excluding Capacity Charges ⁽⁴⁾	2.23x	2.98x
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds including Capacity Charges ⁽⁴⁾	3.01x	3.62x

⁽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).

Management's Discussion and Analysis of Water and Sewer System Schedules of Debt Service Coverage

Revenues

Total Revenues increased \$13.3 million, or 2.2 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, primarily related to higher sales volumes, increases in customer accounts, and increases in Capacity Charges, offset in part by reductions in amounts paid from the Rate Stabilization Fund into the Revenue Fund and amounts paid from the Revenue Fund into the Rate Stabilization Fund.

Water revenues (including reuse) increased \$6.3 million, or 2.9 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, primarily related to a 1.0 percent increase in water sales volume and a 2.4 percent increase in water accounts. Water sales volume, measured in thousands of gallons (kgals), increased 462,046 kgals to 45,473,144 kgals for the Fiscal Year ended September 30, 2024, from 45,011,098 kgals for the Fiscal Year ended September 30, 2023. Residential water sales volume increased 2.3 percent, commercial and industrial water sales volume increased 1.1 percent and irrigation decreased 4.1 percent.

Sewer revenues increased \$4.9 million, or 1.8 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, primarily related to a 1.0 percent increase in sewer sales volume and a 2.3 percent increase in sewer accounts. Sewer sales volume increased 303,165 kgals to 29,969,997 kgals for the Fiscal Year ended September 30, 2024, from 29,666,832 kgals for the Fiscal Year ended September 30, 2023. Residential sewer sales volume increased 1.8 percent and commercial and industrial sewer sales volume remained unchanged.

Water Capacity Charges increased \$5.9 million, or 31.5 percent, and Sewer Capacity Charges increased \$18.8 million, or 41.1 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, primarily related to the new rate structure for water and sewer capacity charges approved by the JEA Board on September 17, 2021 and executed on April 1, 2022, October 1, 2022, and April 1, 2023.

Investment income decreased \$3.2 million, or 49.7 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, related to lower investable balances and losses incurred as a result of reallocating the investment portfolio, offset in part by higher investment yields.

Amounts paid from the Rate Stabilization Fund into the Revenue Fund decreased \$48.4 million, or 100.0 percent, while amounts paid from the Revenue Fund into the Rate Stabilization Fund decreased \$22.3 million, or 100.0 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, both related to the discontinuation of the environmental fee.

Operation and Maintenance Expenses

Total Operation and Maintenance Expenses increased \$34.1 million, or 14.0 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, primarily related to higher maintenance and other operating expenses, as the result of a \$16.9 million increase in compensation and benefits, a \$13.2 million increase in maintenance expenses, and \$4.0 million increase in interlocal payments.

Net Revenues

Net Revenues available for debt service decreased \$20.8 million, or 5.7 percent, to \$345.4 million for the Fiscal Year ended September 30, 2024, from \$366.2 million for the Fiscal Year ended September 30, 2023.

Aggregate Debt Service on Water and Sewer System Bonds

Aggregate Debt Service on Water and Sewer System Bonds for the Fiscal Year ended September 30, 2024, increased \$15.6 million, or 18.5 percent, as compared to the Fiscal Year ended September 30, 2023, primarily related to a \$4.7 million increase in scheduled principal amortization and a \$10.5 million increase in scheduled fixed interest debt service.

JEA did not issue any Water and Sewer System Bonds during the Fiscal Year ended September 30, 2023. During the Fiscal Year ended September 30, 2024, JEA issued Water and Sewer System Bonds as summarized in the following table:

Series	Purpose	Month Issued	Par Amount Issued	Par Amount Refunded
2024 Series A	New Money	February 2024	\$353,000,000	-
2024 Series A	Refunding ⁽¹⁾	February 2024	150,835,000	\$171,295,000

(1) Senior fixed rate bonds issued to refund \$162,865,000 senior fixed rate bonds and \$8,430,000 subordinated fixed rate bonds.

Debt Service Coverage on Water and Sewer System Bonds

Debt service coverage on Water and Sewer System Bonds decreased to 3.46 times for the Fiscal Year ended September 30, 2024, as compared to the debt service coverage of 4.35 times for the Fiscal Year ended September 30, 2023, as a result of the 5.7 percent decrease in Net Revenues available for debt service and the 18.5 percent increase in Aggregate Debt Service on Water and Sewer System Bonds between such periods.

Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds

Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds decreased \$1.9 million, or 11.5 percent, for the Fiscal Year ended September 30, 2024, as compared to the Fiscal Year ended September 30, 2023, primarily related to a \$1.7 million increase in scheduled principal amortization.

JEA did not issue any Subordinated Water and Sewer System Bonds during the Fiscal Years ended September 30, 2024 and 2023.

Debt Service Coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds including Capacity Charges

Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds decreased to 3.01 times for the Fiscal Year ended September 30, 2024, as compared to the debt service coverage of 3.62 times for the Fiscal Year ended September 30, 2023, as a result of the 5.7 percent decrease in Net Revenues available for debt service and the 13.5 percent increase in Aggregate Debt Service on Water and Sewer System Bonds between such periods.

Liquidity Resources

The Days of Cash on Hand for the Water and Sewer System on September 30, 2024 was 55 days, and the Days of Liquidity was 140 days. The Days of Cash on Hand for the Water and Sewer System on September 30, 2023 was 23 days, and the Days of Liquidity was 109 days. In recent years, liquidity metrics had been historically high and well above internal targets. The elevated amounts were in anticipation of being able to fund a portion of increasing capital improvement needs in the Water and Sewer System. The lower liquidity metrics are representative of JEA's transition to a period of higher capital investment in the Water and Sewer System, resulting in more efficient use of liquidity while keeping within established liquidity targets. JEA anticipates moderate increases in liquidity metrics in upcoming years but does not expect the metrics to increase to prior levels that had built up in anticipation of recent elevated capital expenditures. The Days of Cash on Hand computation is as follows:

(Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2024 Financial Statements attached hereto as APPENDIX A) / ((Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)

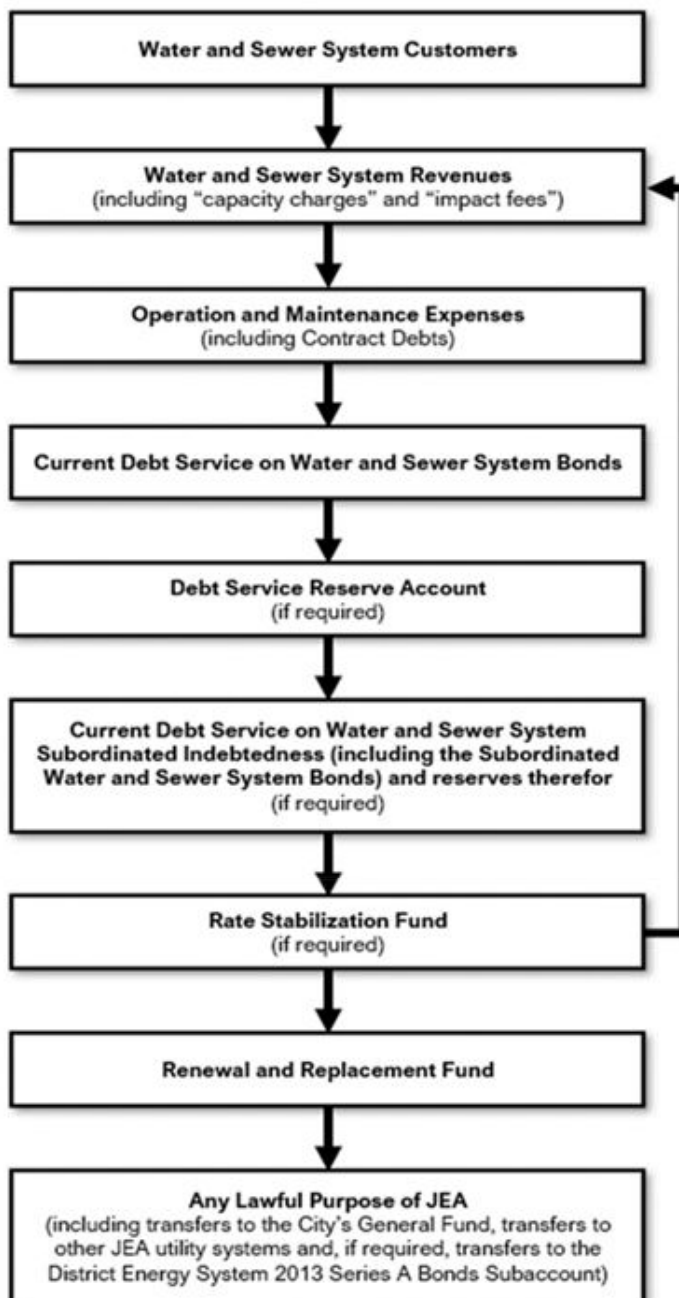
The Days of Liquidity computation is as follows:

(Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2024 Financial Statements attached hereto as APPENDIX A + allocated share of available Revolving Credit Facility*) / ((Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)

* Allocated share of available Revolving Credit Facility on September 30, 2024 was approximately \$70.5 million and approximately \$66.6 million on September 30, 2023; however, the total balance available to the Water and Sewer System of \$353 million could have been drawn as of September 30, 2024.

APPLICATION OF WATER AND SEWER SYSTEM REVENUES

The following chart shows a summary of the major components of the application of revenues under the Water and Sewer System Resolution.



DISTRICT ENERGY SYSTEM

DISTRICT ENERGY SYSTEM FUNCTIONS

General

The District Energy System provides chilled water to customers for air-conditioning and, in some cases, cooling equipment. The facilities for the chilled water business consist of chilled water plants to generate chilled water and underground piping to distribute the chilled water to buildings located within the respective districts served by the plants and certain ancillary equipment. JEA's first chilled water facility became fully operational in March 2003.

The establishment of the District Energy System was approved by the Council in September 2004. Effective as of October 1, 2004, the District Energy System was established as a separate utility system for its local district energy facilities, including the chilled water activities, and any local district heating facilities JEA may develop in the future. Since its commencement of operations, JEA subsequently added three other chilled water facilities, one of which was sold on September 30, 2020. As of January 1, 2025, the District Energy System has 16,121 tons of cooling demand under contract and in full service, an additional 2,100 tons of cooling demand under contract and expected to be in full service on December 1, 2025, and 4,000 tons of cooling demand in contract negotiation for a projected service start date in 2028.

Chilled Water Facilities

Chilled water systems air condition buildings by circulating cold water in a continuous flow to the building. A central chilled water plant provides chilled water to buildings through an underground loop, rather than the customer installing and operating its own chiller equipment. JEA has entered into agreements with the City to provide chilled water systems to the VyStar Ballpark, the Veterans Memorial Arena, the Duval County Courthouse, the Main Library and other government buildings. JEA also has contracts with the University of Florida for chilled water services to UF Health medical facilities in the Springfield neighborhood, and with other private entities to serve their facilities.

JEA's first chilled water facility, the Hogan's Creek Plant, located on East Church Street in downtown Jacksonville, became fully operational in March 2003. At this time, the plant is serving the Baseball Grounds of Jacksonville (310-ton contract demand), the Miller Electric Center, also known as the Jaguars Sports Performance Facility (500-ton contract demand), and the Jacksonville Veteran's Memorial Arena (2,350-ton contract demand). While not currently in full service, the Shipyards Hotel and Shipyards Offices are currently under contract for future load delivery. The facility includes three 2,000-ton chillers, two 1,700-ton cooling towers and a one-million-gallon chilled water storage tank for peak demand capacity. The temporary service date for the Shipyards Hotel commenced on December 1, 2024 with a contract demand of 500 tons, which will increase to 1,600 tons on the full service date of December 1, 2025. The temporary service date for the Shipyard Offices commences on April 1, 2025 with a contract demand of 350 tons, which will increase to 500 tons on the full service date of December 1, 2025. The Hogans Creek Plant includes three 2,000-ton chillers, a 3,400-ton cooling tower, and a one-million-gallon chilled water storage tank for peak demand capacity.

A second chilled water facility located on Duval Street serves five City buildings including the Court House, State Attorney's Office, Main Library, City Hall Annex and a City garage for a total contract demand of 5,170 tons. The plant also serves the prior JEA downtown complex with a demand of 700 tons and in April 2022 started serving the new JEA headquarters facilities with a demand load of 400 tons. The JEA downtown complex is billed for 700 tons even if the actual demand is less than 700 tons. To the extent that JEA sells the prior downtown complex, the purchaser may or may not elect to enter into a contract with JEA for chilled water services. The newest customer to the Downtown Plant, Ryan Companies, was added in May 2024 with an initial cooling load of 144 tons which is expected to ramp up to 1,043 tons over the next 10 years. The Downtown Plant includes three 2,400-ton chillers and a 7,200-ton cooling tower.

JEA's third chilled water facility is located at 2103 Boulevard Avenue in the Springfield neighborhood. The Springfield facility currently serves eight locations on the UF Health Jacksonville complex. The total contracted demand for the facility is 6,547 tons. The facility includes three 1,600-ton chillers, three 1,450-ton chillers, a 9,176-ton cooling tower and a 2,948-ton cooling tower.

Customers and Sales

The District Energy System had contracts to provide 19 locations with chilled water, with two additional locations contracted for initial service in calendar year 2025, and total District Energy System sales revenues were approximately \$12,882,000 for the Fiscal Year ended September 30, 2024.

Customer Billing Procedures

Customers are billed on a cycle basis approximately once per month. If the customer has not paid a bill within 42 days after the initial bill date, JEA may discontinue service to that customer. Customers who meet JEA's credit criteria are not assessed a deposit. Customers who do not meet JEA's credit criteria, or do not maintain a good payment record, are assessed a deposit which may vary with consumption. A late payment fee of 1.5 percent is assessed to customers for past due balances in excess of 27 days.

Rates

Prior to October 1, 2022, District Energy System ("DES") revenues were derived from two basic types of charges: (a) a demand charge based upon the customer's estimated expected yearly cooling load requirements and (b) a consumption charge based upon the actual amount of chilled water consumed by the customer.

Standard rates for chilled water services were based on the customer's demand and consumption of chilled water and a standard 2,400 Equivalent Full Load Hour ("EFLH") profile. EFLH is defined as the annual ton-hours of chilled water required divided by the chiller's design capacity in tons.

Between December 2021 and September 2022, the consumption rates for chilled water were adjusted monthly to reflect recovery of costs due to changes in the electric rate charged to DES. The following schedule reflects the rates and rate structure in effect during the adjustment period where consumption rates moved to a monthly setting for chilled water service.

<u>Contract Size</u>	<u>Charge</u>	<u>Rate Effective on January 1, 2022</u>	<u>Rate Effective on December 1, 2021</u>	<u>Rate Effective on October 1, 2021</u>
> 200 tons	Demand Charge	\$20.00/ ton	\$20.00/ ton	\$20.00/ ton
@ ≤ 2,400 EFLH	Consumption Charge	\$0.11828/ ton-hour	\$0.11132/ ton-hour	\$0.10553/ ton-hour
> 200 tons	Demand Charge	\$20.00/ ton	\$20.00/ ton	\$20.00/ ton
@ > 2,400 EFLH	Consumption Charge	\$0.10128/ ton-hour	\$0.09432/ ton-hour	\$0.08853/ ton-hour
< 200 tons	Demand Charge	NONE	NONE	NONE
@ ≤ 2,400 EFLH	Consumption Charge	\$0.20828/ ton-hour	\$0.20132/ ton-hour	\$0.19553/ ton-hour
< 200 tons	Demand Charge	NONE	NONE	NONE
@ > 2,400 EFLH	Consumption Charge	\$0.10128/ ton-hour	\$0.09432/ ton-hour	\$0.08853/ ton-hour

Effective October 1, 2022, the Board approved a new rate structure for the District Energy System, which has three components.

- Commodity charge – based on ton-hour sales, which is set monthly for full recovery of the electric and water expenses.
- Consumption charge (ton-hours) – based on ton-hour sales, which is set annually for full recovery of operating and maintenance expenses. Adjustments are made by multiplying current rate by CPI-U (All Urban Consumers All Items in U.S. City Average). The first annual CPI-U adjustment is scheduled to be applied to the April 1, 2024 consumption charge.
- Demand charge (tons) – based on tons of billable demand, which is set as needed for full recovery of costs for debt service, capital renewal and replacement of equipment for each plant.

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The DES rate structure no longer contains pricing differences between 200 tons and 2,400 EFLH thresholds. The following schedule reflects the new rates, rate structure and effective dates. Commodity (ton-hours) charges change monthly and only select periods are shown below. Consumption (ton-hours) charge adjusted April 1, 2024 by the preceding year's CPI-U factor.

Charge	Plant	Rate Effective on October 1, 2022	Rate Effective on November 1, 2022	Rate Effective on December 1, 2022	Rate Effective on January 1, 2023	Rate Effective on September 1, 2023	Rate Effective on April 1, 2024
Commodity (Ton-hours)	All	\$0.11220	\$0.08476	\$0.06592	\$0.09785	\$0.09083	\$0.07915
Consumption (Ton-hours)	All	\$0.04814	\$0.04814	\$0.04814	\$0.04814	\$0.04814	\$0.04977
Demand	Hogan's Creek	\$38.90/Ton	\$38.90/Ton	\$38.90/Ton	\$38.90/Ton	\$38.90/Ton	\$38.90/Ton
Demand	Downtown	\$35.40/Ton	\$35.40/Ton	\$35.40/Ton	\$35.40/Ton	\$35.40/Ton	\$35.40/Ton
Demand	Springfield	\$33.30/Ton	\$33.30/Ton	\$33.30/Ton	\$33.30/Ton	\$33.30/Ton	\$33.30/Ton

Permits, Licenses and Approvals

All permits, licenses and approvals required for the operation of all District Energy System facilities have been obtained, and all of the facilities are operating in compliance with such permits, licenses and approvals.

Capital Program

The District Energy System's capital program consists of capital requirements for renewal and replacement and improvements to existing facilities and expansion of the system. The District Energy System's projected capital program for the four-year period ending September 30, 2028 is summarized below.

District Energy System Capital Program (000s omitted)

Fiscal Year Ending September 30,	Amount
2025	\$18,000
2026	20,476
2027	3,083
2028	4,766
Total	\$46,325

The total amount of the capital program for the four-year period is estimated to be approximately \$46.3 million, which includes approximately \$24.3 million for chilled water

projects at Hogans Creek, \$8.2 million for the downtown chilled water plant expansion and upgrades, \$4.9 million for stadium line extensions, \$5.6 million for renewal, \$2.8 million for downtown chilled water line extension, and \$0.5 million for security related projects. JEA expects the total amount required for the capital program will be derived from revenues, other available funds of the District Energy System and borrowings from the debt issuance as well as from the revolving credit facility. See “OTHER FINANCIAL INFORMATION - Revolving Credit Facility” herein for additional information.

FINANCIAL INFORMATION RELATING TO DISTRICT ENERGY SYSTEM

Debt Relating to the District Energy System

District Energy System Bonds

As of September 30, 2024, \$25,955,000 in aggregate principal amount of bonds (the “District Energy System Bonds”) issued pursuant to the resolution of JEA adopted on June 15, 2004, as amended and supplemented (the “District Energy System Resolution”) was outstanding. As of the date of this Annual Disclosure Report, there is \$66,025,000 in aggregate principal amount of District Energy System Bonds outstanding under the District Energy System Resolution.

District Energy System Bonds may be issued to finance any lawful purpose of JEA relating to the District Energy System. See “SUMMARY OF CERTAIN PROVISIONS OF THE DISTRICT ENERGY SYSTEM RESOLUTION - Additional Bonds” in APPENDIX D attached hereto.

Pursuant to the District Energy System Resolution and the laws of the State, the amount of District Energy System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the District Energy System Resolution.

On September 26, 2023, the JEA Board approved a resolution changing JEA’s historical approach to seeking incremental debt authorization from the Council. The resolution established a not-to-exceed debt outstanding amount of \$150 million for the District Energy System. The not-to-exceed amount is for the purposes of providing funds for both new money and the refunding of existing debt. The Council approved this new approach pursuant to Ordinance 2023-724-E enacted on November 14, 2023. This new methodology for debt authorization replaces the previous incremental approach. JEA will submit a summary, as part of its annual budget submission to the City, showing outstanding and anticipated borrowings against the not-to-exceed authorization amount. In the event additional authorization is needed in the future, it will be requested from the Board and the Council.

A summary of certain provisions of the District Energy System Resolution is attached to this Annual Disclosure Report as APPENDIX D.

On February 20, 2025, JEA closed on the issuance of \$42,000,000 in aggregate principal amount of its District Energy System Revenue Bonds, 2025 Series A (Federally Taxable) (the “2025 DES Bonds”). The 2025 DES Bonds were issued for new money purposes. The proceeds of

the 2025 DES Bonds will be used to pay a portion of the costs of additions, extensions, and improvements to the District Energy System by contributing approximately \$14.5 million to the construction fund and approximately \$27,000,000 for repayment of the outstanding balance under the revolving credit facility.

District Energy System Contract Debts

Contract Debts, a component of the District Energy System's Operation and Maintenance Expenses, is defined by the District Energy System Resolution to mean any obligations of JEA under a contract, lease, installment sale agreement, bulk purchase agreement or otherwise to make payments out of Revenues for property, services or commodities whether or not the same are made available, furnished or received. JEA has not incurred any obligations constituting Contract Debts under the District Energy System Resolution, but it may do so in the future. All Contract Debts will be payable from the Revenues of the District Energy System prior to any payments from such Revenues for indebtedness not constituting Contract Debt issued for the District Energy System, including the District Energy System Bonds.

Schedules of Debt Service Coverage

The following table sets forth Schedules of the Debt Service Coverage for the District Energy System for the years ended September 30, 2024 and September 30, 2023, respectively. Such Schedules of Debt Service Coverage were derived from supplemental information included with JEA's 2024 Financial Statements and certain other information available to JEA. Such Schedules of Debt Service Coverage should be read in conjunction with such financial statements and the notes thereto.

JEA did not issue any District Energy System Bonds during the Fiscal Year ended September 30, 2024.

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**District Energy System Schedules of Debt Service Coverage
(In Thousands)**

	Fiscal Year Ended September 30,	
	2024	2023
Revenues		
Services revenues	\$12,882	\$12,761
Investment income	214	100
Other income	2	-
Total Revenues	<u>\$13,098</u>	<u>\$12,861</u>
Operation and Maintenance Expenses ⁽¹⁾		
Maintenance and other operating expenses	<u>5,732</u>	<u>6,064</u>
Total Operation and Maintenance Expenses	<u>5,732</u>	<u>6,064</u>
Net Revenues	<u>\$7,366</u>	<u>\$6,797</u>
 Aggregate Debt Service ⁽²⁾	 <u>\$3,021</u>	 <u>\$3,022</u>
Debt service coverage on District Energy System Bonds ⁽³⁾	<u>2.44x</u>	<u>2.25x</u>

⁽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 Revenues an amount equal to the Aggregate DES 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. As of September 30, 2024, there have never been any deficiencies requiring JEA to make deposits into the 2013 Series A Bonds Subaccount from Available Water and Sewer Revenues.

⁽³⁾ Net Revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

Management's Discussion and Analysis of District Energy System Schedules of Debt Service Coverage

Revenues

Total Revenues increased \$0.2 million, or 1.8 percent, for the Fiscal Year ended September 30, 2024 as compared to the Fiscal Year ended September 30, 2023, as the result of higher revenues and higher investment income.

Operation and Maintenance Expenses

Total Operation and Maintenance Expenses decreased \$0.3 million, or 5.5 percent, for the Fiscal Year ended September 30, 2024 as compared to the Fiscal Year ended September 30, 2023, primarily related to a decrease in electric utility charges and lower maintenance expenses, offset in part by higher operating costs.

Net Revenues

Net Revenues available for debt service increased \$0.6 million, or 8.4 percent, to \$7.4 million for the Fiscal Year ended September 30, 2024 from \$6.8 million for the Fiscal Year ended September 30, 2023.

Aggregate Debt Service on District Energy System Bonds

Aggregate Debt Service on District Energy System Bonds for the Fiscal Year ended September 30, 2024 remained relatively flat as compared to the Fiscal Year ended September 30, 2023.

JEA did not issue any District Energy System Bonds during the Fiscal Years ended September 30, 2024 or September 30, 2023.

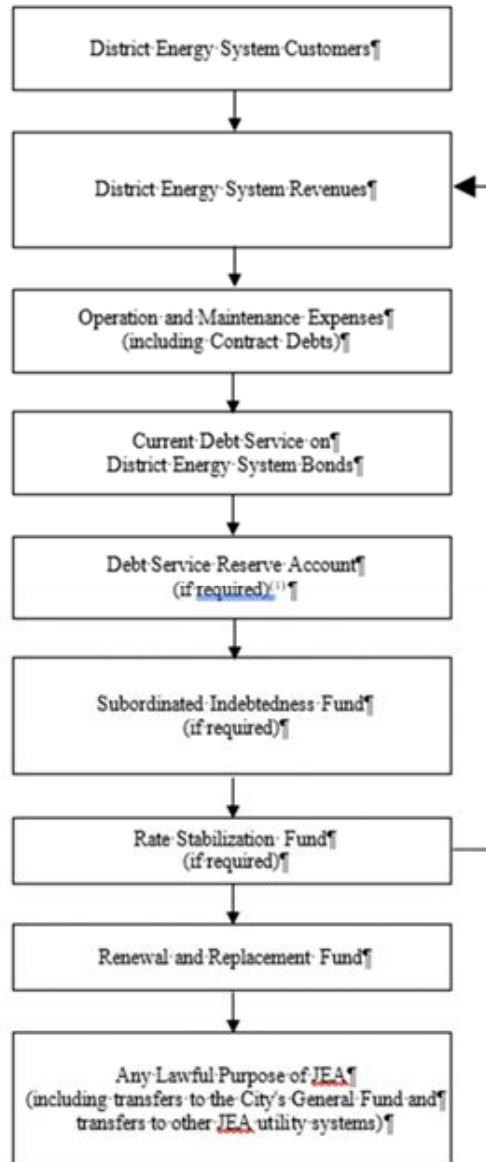
Debt Service Coverage on District Energy System Bonds

Debt service coverage on District Energy System Bonds increased to 2.44 times for the Fiscal Year ended September 30, 2024 as compared to the debt service coverage of 2.25 times for the Fiscal Year ended September 30, 2023, as a result of the 8.4 percent increase in Net Revenues available for debt service.

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APPLICATION OF DISTRICT ENERGY SYSTEM REVENUES

The following chart shows a summary of the major components of the application of revenues under the District Energy System Resolution.



⁽¹⁾ Available Water and Sewer System Revenues shall be: (a) deposited into separate subaccounts in the Debt Service Reserve Account established for each series of the District Energy System Bonds, and (b) pledged to pay debt service on each such series of District Energy System Bonds.

OTHER FINANCIAL INFORMATION

General

JEA maintains separate accounting records for the Water and Sewer System and the District Energy System. For purposes of financial reporting, however, JEA prepares combined financial statements that include the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park⁽¹⁾, the Water and Sewer System and the District Energy System. Attached hereto as APPENDIX A are (a) the financial statements of JEA for its Fiscal Year ended September 30, 2024 (which consist of the statements of net position of JEA as of September 30, 2024 and September 30, 2023 and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended and the notes thereto; such financial statements are hereinafter referred to as "JEA's 2024 Financial Statements"), together with the report of Ernst & Young LLP, independent auditors, on such financial statements, (b) certain supplemental data as of September 30, 2024 and September 30, 2023 and for the years then ended (which consist of the combining statements of net position, the combining statements of revenues, expenses, and changes in net position and the combining statements of cash flows) and (c) certain statements of bond compliance information (which consist of schedules of debt service coverage for the years ended September 30, 2024 and September 30, 2023 for the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park, the Water and Sewer System and the District Energy System), together with the report of Ernst & Young LLP, independent auditors, on such schedules. All such statements, information, data and schedules should be read in conjunction with the notes to JEA's 2024 Financial Statements, which are an integral part of the financial statements.

The assets reflected in the statement of net position included in JEA's 2024 Financial Statements include all of the assets of the Water and Sewer System, Electric System, the Bulk Power Supply System, JEA's interest in the Power Park and the District Energy System, and the liabilities reflected in such statement of net position include, among other things, the Water and Sewer System Bonds, the Subordinated Water and Sewer System Bonds, the Electric System Bonds, the Subordinated Electric System Bonds, the Power Park Issue Three Bonds, the Additional Bulk Power Supply System Bonds and the District Energy System Bonds. The statement of revenues, expenses, and changes in net assets includes all expenses (*e.g.*, interest charges, operating and maintenance expenses, fuel expenses) of the Water and Sewer System, the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park and the District Energy System.

Except as described under the caption "INTRODUCTION - General" herein, for financing purposes, the debt of JEA relating to the Electric Utilities Functions, the debt of JEA relating to its Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources (*i.e.*, (a) the debt of JEA relating to its Electric Utility Functions is payable from and secured by the revenues derived by the Electric System from the sale of electricity and related services; (b) the debt of JEA relating to the Water and Sewer System is payable from and secured by the revenues derived by the Water and Sewer System from the sale

¹⁾ The Power Park ceased operations on January 5, 2018.

of water and the provision of wastewater treatment and related services; and (c) except as described under the caption “WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*” herein, the debt of JEA relating to the District Energy System is payable from and secured by the revenues derived by the District Energy System from the sale of chilled water and related services). Accordingly, potential purchasers of the Water and Sewer System and District Energy System Bonds are advised that the information in JEA’s 2024 Financial Statements relating to JEA’s Electric System is not relevant to a decision to purchase the Water and Sewer System and District Energy System Bonds.

Transfers to the City

The Charter currently provides that, as consideration for the unique relationship between the City and JEA, there shall be assessed upon JEA in each Fiscal Year, for the uses and purposes of the City, from the revenues of the Electric System and Water and Sewer System operated by JEA available after the payment of all costs and expenses incurred by JEA in connection with the operation of the Electric System and the Water and Sewer System (including, without limitation, all costs of operation and maintenance, debt service on all obligations issued by JEA in connection with the Electric System and the Water and Sewer System and required reserves therefor and the annual deposit to the depreciation and reserve account required pursuant to terms of the Charter), an amount that is periodically negotiated by JEA and the City. The City’s annual assessment of JEA does not include assessments pertaining to the District Energy System. See “APPLICATION OF WATER AND SEWER SYSTEM REVENUES” herein.

The Charter provides that the Council may reconsider the assessment calculations every five years; however, pursuant to the Charter, the Council may also revise the assessments at any time by amending the Charter with a two-thirds vote of the Council. From time to time, proposals have been made, and may be made in the future, to increase the amount of the City’s annual assessment on JEA.

Effective October 1, 2008, JEA is required to pay to the City a combined assessment for the Electric System and the Water and Sewer System and this combined assessment has been set forth in the Charter.

JEA and the City reached agreement on amendments to the Charter which affect the amount of the combined assessment that JEA is required to pay to the City. The combined assessment for the Electric System and the Water and Sewer System will be equal, but not exceed the greater of (A) the sum of (i) the amount calculated by multiplying 7.468 mills (a “mill” is one one-thousandth of a U.S. Dollar) by the gross kilowatt hours delivered by JEA to retail users of electricity in JEA’s service area and to wholesale customers under firm contracts having an original term of more than one year (other than sales of energy to FPL from JEA’s St. Johns River Power Park System) during the 12-month period ending on April 30 of the Fiscal Year immediately preceding the Fiscal Year for which such assessment is applicable, plus (ii) the amount calculated by multiplying 389.20 mills by the number of thousands of gallons (“kgals”) potable water and sewer service, excluding reclaimed water service, provided to consumers during the 12-month period ending on April 30 of the Fiscal Year immediately preceding the Fiscal Year for which such assessment is applicable or (B) a minimum calculated amount which increases by 1% per year using the fiscal year 2015-16

combined assessment of \$114,187,538 as the base year. The amounts applicable to clause (B) above for fiscal year 2024-2025 is \$137,424,496. As provided in the Charter, the Council may change the assessment calculation by ordinance within the provisions of the relevant section of the Charter. In the event the Council does not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas specified in the Charter, including a minimum calculated amount in clause (B) therein, which increases by one percent per year for each fiscal year computed as provided in the Charter.

The portion of the budgeted aggregate assessment calculated with respect to the Water and Sewer System has increased from approximately \$28,439,210 for the Fiscal Year ended September 30, 2024 to \$39,715,679 for the Fiscal Year ending September 30, 2025. While the Charter requires JEA to pay the JEA assessment to the City at such times as the City requests, but not in advance of collection, the Ordinance Code of the City requires JEA to pay the JEA assessment on a monthly basis. Pursuant to Section 21.07(f) of the Charter, although the calculation of the amounts assessed upon JEA pursuant to the Charter and the annual transfer of available revenues from JEA to the City pursuant to the Charter are based on formulas that are applied specifically to the respective utility systems operated by JEA, JEA may, in its discretion, determine how to allocate the aggregate assessment between the Electric System and the Water and Sewer System, and the aggregate assessment may be paid from any available revenues of JEA.

In addition, the Charter provides that the Council shall have the power to appropriate annually a portion of the available revenues of each utility system operated by JEA (other than electric, water and sewer systems) for the uses and purposes of the City in an amount to be based on a formula to be agreed upon by JEA and the Council.

The Charter imposes a monthly Franchise Fee which JEA was required to pay to the City commencing June 1, 2008 for revenues derived effective April 1, 2008 in an amount initially equal to three percent (and not to exceed six percent, with increases requiring a request by the Mayor of the City and a two-thirds supermajority vote by the Council) of the revenues of the Electric System derived within Duval County other than the beach communities and the Town of Baldwin and subject to a per customer maximum. The Charter authorizes JEA to pass through the amount of the Franchise Fee to the customers of JEA, which JEA does. As a result, the Franchise Fee has no effect on JEA's net revenues.

Effect of JEA Credit Rating Changes

General

JEA has entered into certain agreements that contain provisions giving counterparties certain rights and options in the event of a downgrade in JEA's credit ratings below specified levels, which provisions commonly are referred to as "ratings triggers."

The table below sets forth the current ratings and outlooks for JEA's Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds, without giving effect to any third-party credit enhancement. Given JEA's current levels of ratings, JEA's management does not believe that the ratings triggers contained in any of its existing agreements will have a material adverse effect on its results of operations or financial condition. However, JEA's ratings reflect

the views of the rating agencies and not of JEA, and therefore JEA cannot give any assurance that its ratings will be maintained at current levels for any period of time.

	<u>Fitch Ratings</u>	<u>Moody's</u>	<u>S&P</u>
Outstanding Water and Sewer System Bonds	AA+ (stable)	Aa1 (stable)	AA+ (negative)
Outstanding Subordinated Water and Sewer System Bonds	AA+ (stable)	Aa1(stable)	AA (negative)

Liquidity Support for JEA's Variable Rate Bonds

In particular, JEA has entered into a credit agreement, standby bond purchase agreements and letter of credit reimbursement agreement with certain commercial banks in order to provide liquidity support in connection with tenders for purchase of the Senior Liquidity Supported Water and Sewer Bonds and the Subordinated Liquidity Supported Water and Sewer Bonds (collectively the "Liquidity Supported Bonds"). As of the date of this Annual Disclosure Report, there is \$51,820,000 in aggregate principal amount of Senior Liquidity Supported Water and Sewer Bonds outstanding and \$92,385,000 in aggregate principal amount of Subordinated Liquidity Supported Water and Sewer Bonds outstanding. The standby bond purchase agreements and reimbursement agreements, as applicable, relating to the Liquidity Supported Bonds provide that any of such Liquidity Supported Bonds that are purchased by the applicable bank pursuant to its standby bond purchase agreement or letter of credit, as applicable, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" with respect to JEA under such standby bond purchase agreement or such reimbursement agreement, as applicable. Upon any such tender or deemed tender for purchase, such Liquidity Supported Bonds so tendered or deemed tendered will be due and payable immediately.

In general, the credit agreement and each standby bond purchase agreement and reimbursement agreement, as applicable, provides that it is an event of default on the part of JEA thereunder if the long-term ratings on the Liquidity Supported Bonds to which the credit agreement or such standby bond purchase agreement or such reimbursement agreement, as applicable, relates, without giving effect to any third-party credit enhancement, fall below "BBB-" by Fitch Ratings Inc. ("Fitch"), "Baa3" by Moody's Investors Service ("Moody's") and / or "BBB-" by S&P Global Ratings, a division of S&P Global Inc. ("S&P"), or are suspended or withdrawn (generally for credit-related reasons).

Interest Rate Swap Transactions

From time to time, JEA enters into interest rate swap transactions pursuant to both its debt management policy (see "Debt Management Policy" below) and its investment policies (see "Investment Policies" below), which interest rate swap transactions may be for the account of the Water and Sewer System. As of September 30, 2024, JEA had one interest rate swap transaction outstanding under an interest rate swap master agreement in a notional amount of \$81,255,000 relating to the account of the Water and Sewer System. This interest rate swap transaction was terminated by JEA on January 30, 2025. For additional information concerning this interest rate swap transaction, see (a) "Debt Management Policy" below, (b) "Investment Policies" below and (c) Notes 1(k) and 8 to JEA's 2024 Financial Statements attached hereto as APPENDIX A.

Under the master agreement, the interest rate swap transaction entered into pursuant to that master agreement is subject to early termination upon the occurrence and continuance of certain “events of default” and upon the occurrence of certain “termination events.” One of such “termination events” with respect to JEA is a suspension or withdrawal of certain credit ratings with respect to JEA or a downgrade of such ratings to below the levels set forth in the master agreement or in the confirmation related to an interest rate swap transaction. Upon any such early termination of an interest rate swap transaction, JEA may owe to the counterparty a termination payment, the amount of which could be substantial. The amount of any such potential termination payment would be determined in the manner provided in the master agreement and would be based primarily upon market interest rate levels and the remaining term of the interest rate swap transaction at the time of termination. In general, the ratings triggers on the part of JEA contained in the master agreement range from (x) below “BBB” by S&P and below “Baa2” by Moody’s to (y) below “A-” by S&P and below “A3” by Moody’s.

Additionally, the master agreement between JEA and Merrill Lynch Derivative Products AG (“MLDP”) for the account of the Water and Sewer System contains an automatic transfer provision triggered by a certain rating downgrade or downgrades, as applicable, of JEA or MLDP. Under certain circumstances if the rating on JEA’s senior lien Water and Sewer System Bonds or the long-term, unsecured, unsubordinated debt rating or financial program rating of MLDP were to fall below the double-A category, all rights and obligations of MLDP under the master agreement and all transactions under the master agreement would be automatically assigned and delegated to Merrill Lynch Capital Services, Inc. (“MLCS”). MLCS has entered into an agreement with JEA to cause a guarantee from Merrill Lynch & Co. to be delivered to JEA after the assignment occurs (the “Merrill Lynch Guarantee”) and such guarantee will guarantee the payments of MLCS under the master agreement to JEA. S&P downgraded MLDP to “A+” on August 5, 2013, triggering the assignment to MLCS and the Merrill Lynch & Co. guarantee described above.

As of September 30, 2024, JEA’s estimated aggregate exposure under all of its then outstanding interest rate swap transactions (i.e., the net amount of the termination payments that JEA would owe to its counterparties if all of the interest rate swap transactions were terminated) was approximately \$44,085,000, of which approximately \$8,028,000 was attributable to interest rate swap transactions entered into for the account of the Water and Sewer System.

The following table presents a summary of the floating-to-fixed rate interest rate swap transactions entered into for the account of the Water and Sewer System.

<u>Related Bonds</u>	<u>Counterparty</u>	<u>Initial Notional Amount</u>	<u>Notional Amount as of September 30, 2024</u>	<u>Fixed Rate of Interest</u>	<u>Variable Rate Index⁽¹⁾</u>	<u>Termination Date⁽²⁾</u>
<i>Variable Rate Water and Sewer System Revenue Bonds, 2008 Series B</i>	Merrill Lynch Capital Services, Inc.	\$85,290,000	\$81,255,000	3.895%	BMA Municipal Swap Index	10/1/2041

⁽¹⁾ The BMA Municipal Swap Index is now known as the SIFMA Municipal Swap Index.

⁽²⁾ Unless earlier terminated.

Debt Management Policy

JEA's debt management policy applies to all current and future debt and related hedging instruments issued by JEA. The policy is designed to provide both broad policy guidance and facilitate management, control and oversight of JEA's debt function, thus fostering ongoing access to the capital markets in order to fund future capital projects of JEA.

The counterparties with whom JEA may deal must meet the requirements for counterparties described under the caption "Investment Policies" below. The policy requires JEA staff to submit to the JEA Board an annual plan of finance, which will address, at a minimum, the amount of debt projected to be issued during the next Fiscal Year, whether such debt is senior or subordinated, whether such debt is fixed or variable, and whether any hedging instruments may be utilized. Under the policy, JEA's net variable rate debt will not exceed 30 percent of total debt and JEA's net variable rate debt plus net fixed-to-floating interest rate swaps will not exceed 55 percent of total debt. "Net variable rate debt" is actual variable rate debt minus net variable rate assets. "Net variable rate assets" is actual variable rate assets minus the notional amount of investment/asset-matched interest rate swaps. "Net fixed-to-floating interest rate swaps" is the aggregate notional amount of fixed-to-floating swaps maturing in 10 years or less minus the aggregate notional amount of floating-to-fixed swaps maturing in 10 years or less outstanding on the last day of each month. "Total debt" equals fixed rate debt plus variable rate debt. "Variable rate debt" equals hedged and unhedged variable rate debt. "Variable rate assets" are investments maturing in less than one year. "Unhedged variable rate debt" is actual variable rate debt outstanding less variable rate debt that is associated with a floating-to-fixed rate swap where the term of the swap matches the term of the variable rate debt. The percentages are to be computed periodically.

JEA's fixed rate debt, variable rate debt and debt-related hedging instruments are to be managed in conjunction with investment assets and investment-related hedging instruments to incorporate the natural occurrence of hedging impacts in those balance sheet categories. The purpose is to use each side of the balance sheet to mitigate or hedge cash flow risks posed by the other side of the balance sheet.

The policy establishes a framework for JEA's utilization of hedging instruments including interest rate swaps and caps and collars. The utilization of hedging instruments offers JEA a cost-effective alternative to traditional debt financing choices. JEA is authorized to enter into floating-to-fixed rate swaps, fixed-rate-to-floating rate swaps and basis swaps (*i.e.*, swaps which seek to manage the risk associated with the mismatch between two benchmarks used to set the indices utilized in an interest rate swap transaction). The percentage of variable rate exposure (the notional amount of net fixed-to-floating interest rate swaps and net variable rate debt outstanding) to total debt outstanding may not exceed 55 percent. The notional amount of interest rate swaps, caps, collars and related hedging instruments is limited to the amount approved by the JEA Board from time to time.

Interest rate caps and related hedging instruments are to be utilized to help JEA manage interest rate risk in its debt management program. Generally, a fixed-to-floating interest rate swap will have an associated interest rate cap for the same notional amount at a level no greater than 200 basis points above the interest rate swap fixed rate. It is also contemplated that an interest rate cap will not always have the same maturity as the interest swap with which it is associated. The

average life of the aggregate of outstanding caps will not be less than 75 percent of the average life of the associated aggregate swaps.

The policy sets out various decision rules which govern the decision to execute various hedging instruments. Valuations are performed on a quarterly basis and adjustments to fair value are included in JEA's financial statements.

The policy calls for no more than \$500,000,000 of net interest rate swap and cap or other hedging instruments to be outstanding in the aggregate with any one provider or affiliate thereof. The aggregate amount of all "long dated" (greater than 10 years) transactions executed with financial institutions and all affiliates thereof, shall be limited to an amount based on the credit rating of the financial institution at the time of the entry into the long-dated hedging transaction as shown below:

<u>Rating Level</u>	<u>Notional Amount</u>
AAA/Aaa by one or more rating agencies	\$400,000,000
AA-/Aa3 or better by at least two rating agencies	300,000,000
A/A2 or better by at least two rating agencies	200,000,000
Below A/A2 by at least two rating agencies	0

The ratings criteria shown above apply either to the counterparty to the long-dated transaction or, if the payment obligation of such counterparty under the relevant swap agreement shall be guaranteed by an affiliate thereof, such affiliate. The overall maximum by definition of the above limits cannot exceed \$400,000,000 for long dated transactions.

These diversification requirements include all interest rate swap, cap and other hedging instruments JEA may utilize to manage interest rate risks. Interest rate swap and cap transactions are to be competitively bid (unless otherwise determined by the Managing Director and Chief Executive Officer) by at least three providers that have executed interest rate swap agreements with JEA.

Under the policy, an annual budgeted reserve contribution is to be made to a reserve fund. The contributions to the reserve fund will be funded in three equal installments of 1 percent of the notional amount beginning in the month the swap is executed. Once funded, the reserve fund shall at all times be not less than three percent of the notional amount of fixed-to-floating rate debt interest rate swaps outstanding but can be used for any lawful purpose as approved by JEA's Managing Director and Chief Executive Officer.

The aggregate notional amount of all hedging instrument transactions entered into for the account of the Water and Sewer System outstanding at any one time, net of offsetting transactions, under all swap agreements is established at not to exceed (a) \$600,000,000 in the case of interest rate swaps, (b) \$250,000,000 in the case of basis swaps and (c) \$400,000,000 in the case of caps and collars. A transaction that reverses an original transaction in every respect thereby offsetting the cash flows perfectly is referred to herein as an "offsetting transaction." Generally, in the past JEA has elected to receive or pay an upfront cash payment to reverse the original swap transaction. The phrase "net of offsetting transactions" would relate to reversals that remain on JEA's books if JEA elected not to take/make an upfront cash payment.

Investment Policies

The goals of JEA's investment policy are to (a) provide safety of capital, (b) provide sufficient liquidity to meet anticipated cash flow requirements, and (c) maximize investment yields while complying with the first two goals. Sound investment management practices help maintain JEA's competitive position since investment income reduces utility rates. JEA's funds are invested only in securities of the type and maturity permitted by its bond resolutions, Florida statutes, its internal investment policy and federal income tax limitations. JEA does not speculate on the future movement of interest rates and is not permitted to utilize debt leverage in its investment portfolio. Debt leverage is the practice of borrowing funds solely for the purpose of reinvesting the proceeds in an attempt to earn more income than the cost of the debt.

JEA invests its funds pursuant to Section 218.415, Florida Statutes, its various bond resolutions and its JEA Board-approved investment policy. As of September 30, 2024, 36.3 percent of JEA's total investment portfolio (including funds held under the Water and Sewer System Resolution, the Subordinated Water and Sewer System Resolution, the District Energy System Resolution, the Bulk Power Supply System Resolution, the Electric System Resolution, the Subordinated Electric System Resolution, and the Second Power Park Resolution) was invested in securities issued by the United States Government, federal agencies or state and local government entities and has a weighted average maturity of approximately 3.5 years. As of September 30, 2024, the remaining 63.7 percent of such investment portfolio was invested in commercial paper rated at least "A-1" and "P-1" by S&P and Moody's, respectively, having a weighted average maturity of 111 days, and in money market mutual funds and in demand deposit bank accounts. JEA's funds that are invested in commercial paper, in money market mutual funds and in bank accounts are used primarily for operating expenses.

The JEA Board has established limits on the notional amount of JEA's interest rate swap transactions and standards for the qualification of financial institutions with whom JEA may enter into interest rate swap transactions. The counterparties with whom JEA may deal must be rated (a) "AAA"/ "Aaa" by one or more nationally recognized rating agencies at the time of execution, (b) "A"/ "A2" or better by at least two of such credit rating agencies at the time of execution, or (c) 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, swap agreements generally will require the counterparty to enter into a collateral agreement to provide collateral when (a) the ratings of such counterparty (or its guarantor) fall below "AA-"/ "Aa3" by two rating agencies and (b) a termination payment would be owed to JEA.

JEA's payment obligations under the interest rate swap transactions consist of periodic payments based upon fluctuations in interest rates and, in the event of a termination of a transaction prior to the stated term thereof, potential termination payments. The amounts of such potential termination payments are based primarily upon market interest rate levels and the remaining term of the transaction at the time of termination. JEA is authorized to enter into both (a) interest rate swap agreements the obligations of JEA under which are payable from available funds of the Electric System ("Electric System Swap Agreements") and (b) interest rate swap agreements the

obligations of JEA under which are payable from available funds of the Water and Sewer System (“Water and Sewer System Swap Agreements”).

In the case of interest rate swap transactions entered into pursuant to Water and Sewer System Swap Agreements, JEA’s payment obligations thereunder are payable following the payment of the operation and maintenance expenses of the Water and Sewer System, including any Contract Debts of the Water and Sewer System, debt service on Water and Sewer System Bonds, debt service on any Subordinated Indebtedness of the Water and Sewer System (including Subordinated Water and Sewer System Bonds) and the deposits to the Renewal and Replacement Fund established by the Water and Sewer System Resolution.

Interest rate swap transactions for the account of the Water and Sewer System may be entered into pursuant to either Water and Sewer System Swap Agreements or Electric System Swap Agreements. In the case of interest rate swap transactions for the account of the Water and Sewer System that are entered into pursuant to Electric System Swap Agreements, JEA has established procedures pursuant to which (a) all amounts received by JEA pursuant to such interest rate swap transactions are transferred to the Revenue Fund established pursuant to the Water and Sewer System Resolution and (b) all payments required to be made by JEA pursuant to such interest rate swap transactions are paid for from Revenues of the Water and Sewer System; provided, however, that no such payments may be made from Revenues of the Water and Sewer System until payment (or provision for payment) has been made of the operation and maintenance expenses of the Water and Sewer System, including any Contract Debts of the Water and Sewer System, debt service for the Water and Sewer System Bonds, debt service for any Subordinated Indebtedness of the Water and Sewer System (including the Subordinated Water and Sewer System Bonds) and the deposits to the Renewal and Replacement Fund established by the Water and Sewer System Resolution.

For further information regarding this interest rate swap program, see Notes 1(k) and 8 to JEA’s 2024 Financial Statements attached hereto as APPENDIX A.

Revolving Credit Facility

Effective December 17, 2015, JEA entered into a revolving credit agreement (the “Revolving Credit Facility”) with JPMorgan Chase Bank, National Association (“JPMorgan”) for a \$300,000,000 commitment. Effective November 1, 2018, the parties amended the Revolving Credit Facility to increase the maximum principal amount of the credit facility available for Electric System loans by \$200,000,000, for a total commitment equal to \$500,000,000. Effective May 24, 2021, the parties further amended the Revolving Credit Facility to increase the maximum principal amount of the credit facility available for the Water and Sewer System loans by \$200,000,000, for a total commitment equal to \$500,000,000. Effective July 31, 2023, the parties amended the Revolving Credit Facility to extend the facility maturity date from May 24, 2024 to May 24, 2027. Subject to meeting various conditions, the Revolving Credit Facility is available to JEA to provide working capital and short-term and interim financing for capital projects in connection with any of its systems. Payment obligations allocable to each of JEA’s systems under the Revolving Credit Facility are payable from the respective revenues of the applicable system. More particularly, payment obligations allocable to the Water and Sewer System under the Revolving Credit Facility are payable from the revenues of the Water and Sewer System but are

subordinate to the payment of JEA's Water and Sewer System Bonds and the Subordinated Water and Sewer System Bonds.

As of September 30, 2024, JEA had \$147,000,000 in borrowings outstanding under the Revolving Credit Facility, of which \$120,000,000 were for the account of the Water and Sewer System and \$27,000,000 were for the account of the District Energy System. On December 5, 2024, the Revolving Credit Facility was drawn upon by the Water and Sewer System for an additional \$50,000,000 leaving \$303,000,000 available to be drawn. On January 23, 2025, the Revolving Credit Facility was drawn upon by the Electric System for \$50,000,000. On January 30, 2025, JEA repaid \$170,000,000 of borrowings on the account of the Water and Sewer System from funds available to that system and on February 20, 2025, JEA repaid \$27,000,000 of borrowings on the account of the District Energy System from funds available to that system. As of the date of this Annual Disclosure Report, JEA has \$50,000,000 in borrowings outstanding under the Revolving Credit Facility, all of which are for the account of the Electric System. As of the date of this Annual Disclosure Report, \$450,000,000 is available to be drawn.

Loans Among Utility Systems

Pursuant to the Charter, JEA has the authority to lend money from one of its utility systems to another of its utility systems under terms and conditions as determined by JEA. As of the date of this Annual Disclosure Report, no loans among the systems are outstanding.

No Default Certificates

Section 714.2 of the Water and Sewer System Resolution and Section 7.07 of the Subordinated Water and Sewer Resolution require that JEA annually obtain a certificate of its independent firm of certified public accountants stating whether or not, to the knowledge of the signer, JEA is in default with respect to any of the covenants, agreements or conditions on its part contained in the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution, respectively, and if so, the nature of such default. Section 713.2 of the District Energy System Resolution requires that JEA annually obtain a certificate of its independent firm of certified public accountants stating whether or not, to the knowledge of the signer, JEA is in default with respect to any of the covenants, agreements or conditions on its part contained in the District Energy System Resolution, and if so, the nature of such default. The actual certificates provided by such accountants' state that nothing has come to such accountants' attention that caused such accountants to believe that JEA failed to comply with the terms, covenants, provisions or conditions of the applicable section(s) of the relevant resolutions, insofar as they relate to accounting matters (emphasis supplied). The accountants have advised JEA that the italicized qualifying language is required to be included by their professional standards (specifically, Statement on Auditing Standards No. 62). JEA does not believe that any other nationally recognized accounting firm will provide certificates that strictly meet the requirements of the applicable section(s) of the relevant resolutions and that differ materially from the certificates provided by JEA's accountants.

Notwithstanding the failure of the accountants' certificates to strictly meet the requirements of the respective resolutions as described above, as of the date of this Annual Disclosure Report, JEA is not in default in the performance of any of the covenants, agreements or conditions

contained in the Water and Sewer System Resolution, Subordinated Water and Sewer Resolution and the District Energy System Resolution.

LITIGATION AND OTHER MATTERS

General

In the opinion of the Office of General Counsel of the City (the “OGC”), there is no pending litigation, proceedings or other matters that may result in any material adverse change in the financial condition of JEA relating to the Water and Sewer System or the District Energy System other than as set forth in JEA’s 2024 Financial Statements attached hereto as APPENDIX A and other than the matters set forth in this Annual Disclosure Report.

JEA, like other similar bodies, is subject to a variety of lawsuits and proceedings arising in the ordinary conduct of its affairs. After reviewing the status of all current and pending litigation, the OGC, believes that, while the outcome of litigation cannot be predicted, the final dissolution of all lawsuits which have been filed and of any actions or claims pending or, to the knowledge of JEA, threatened against JEA or its officials in such capacity are adequately covered by insurance, or the City’s Risk Management fund, or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Water and Sewer System.

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AUTHORIZATION

The dissemination and use of this Annual Disclosure Report have been duly authorized by the JEA Board.

JEA

By: /s/ Gen. Joseph P. DiSalvo
Chair

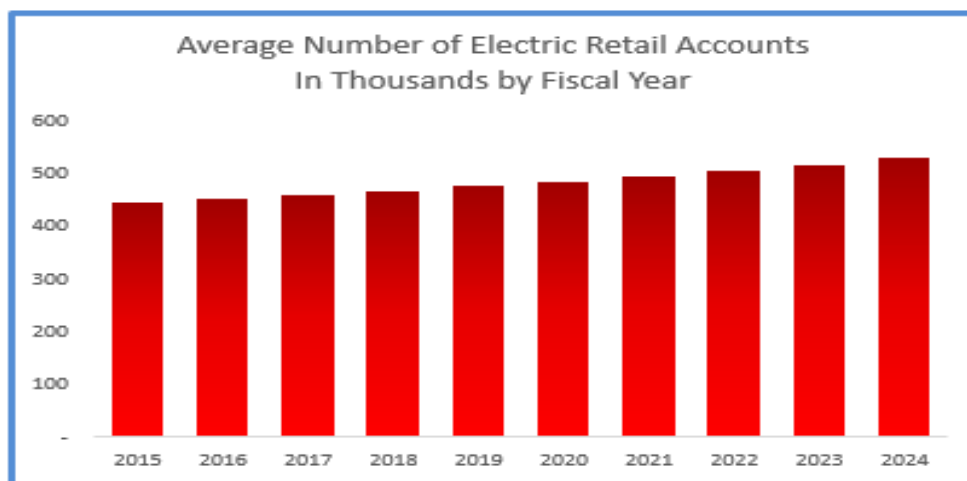
By: /s/ Vickie P. Cavey
Managing Director and Chief Executive
Officer

SCHEDULE 1

OPERATING HIGHLIGHTS

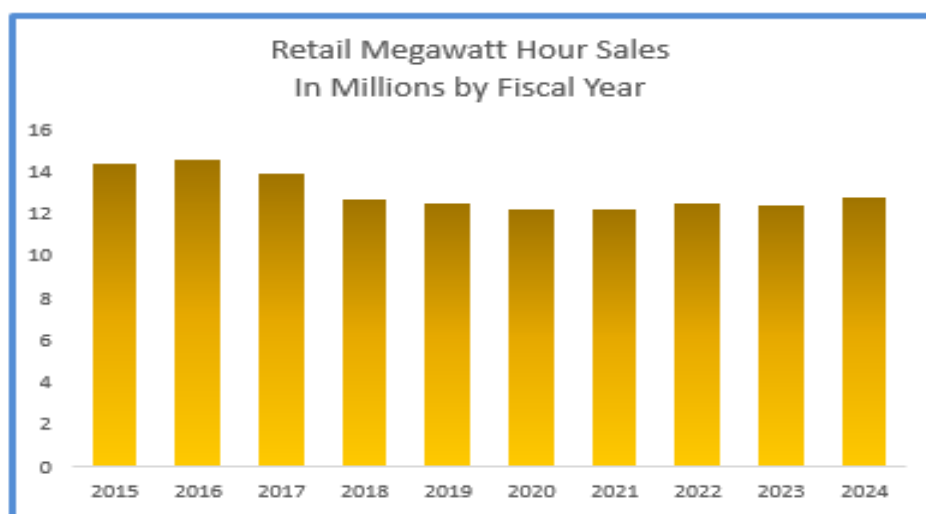
Electric Financial and Operating Highlights (unaudited)
Last 10 Fiscal Years, ending September 30th

	2015	2016	2017	2018	2019
FINANCIAL HIGHLIGHTS					
Total operating revenues (thousands)	\$ 1,370,212	\$ 1,364,242	\$ 1,428,329	\$ 1,366,111	\$ 1,300,208
Fuel and purchased power expenses (thousands)	\$ 517,239	\$ 485,874	\$ 536,250	\$ 530,246	\$ 465,573
Total operating expenses (thousands)	\$ 1,061,853	\$ 1,032,774	\$ 1,088,386	\$ 1,102,133	\$ 1,019,589
Debt service coverage:					
Senior and subordinated - Electric	5.80 x	6.59 x	7.53 x	2.30 x	2.81 x
Senior - Electric	2.63 x	2.89 x	2.53 x	6.55 x	6.51 x
Bulk Power Supply System	1.24 x	1.81 x	1.75 x	3.47 x	2.19 x
St. Johns River Power Park 2nd Resolution	1.16 x	1.17 x	1.18 x	1.60 x	1.19 x
OPERATING HIGHLIGHTS					
Sales (megawatt hours)	14,379,697	14,586,486	13,893,852	12,732,236	12,465,958
Peak demand - megawatts (60 minute net)	2,863	2,674	2,682	3,080	2,644
Total accounts - average number	443,705	451,788	458,953	466,409	475,786
Sales per residential account (kilowatt hours)	13,468	13,433	12,672	13,205	13,172
Average residential revenue per kilowatt hour	\$ 11.82	\$ 11.24	\$ 11.44	\$ 11.42	\$ 11.41
Power supply:					
Natural gas	32%	32%	39%	48%	49%
Purchases	50%	42%	43%	18%	26%
Coal	8%	11%	12%	22%	16%
Petroleum coke	10%	15%	6%	12%	9%



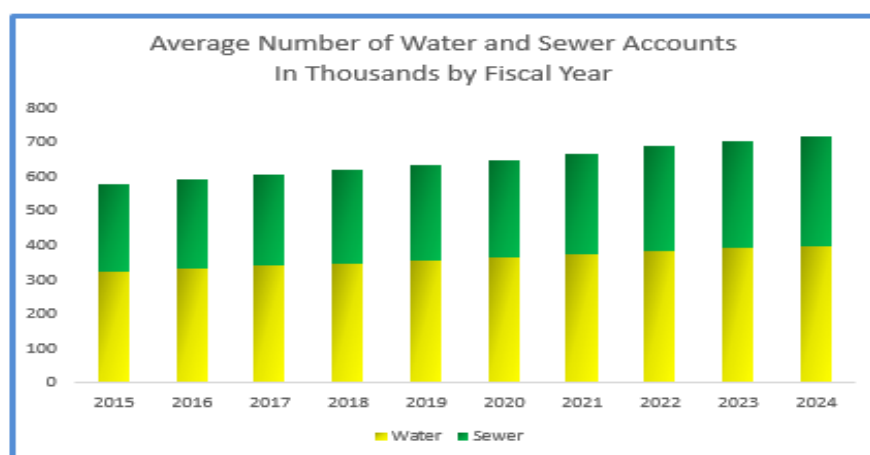
JEA in Jacksonville, FL
Electric Financial and Operating Highlights (unaudited) (continued)
Last 10 Fiscal Years, ending September 30th

	2020	2021	2022	2023	2024
FINANCIAL HIGHLIGHTS					
Total operating revenues (thousands)	\$ 1,241,506	\$ 1,308,982	\$ 1,534,816	\$ 1,324,028	\$ 1,421,162
Fuel and purchased power expenses (thousands)	\$ 376,011	\$ 475,461	\$ 771,954	\$ 711,072	\$ 693,708
Total operating expenses (thousands)	\$ 921,912	\$ 1,010,636	\$ 1,470,109	\$ 1,351,113	\$ 1,337,345
Debt service coverage:					
Senior and subordinated - Electric	4.79 x	5.17 x	5.55 x	3.72 x	4.20 x
Senior - Electric	10.68 x	11.80 x	10.03 x	6.50 x	6.79 x
Bulk Power Supply System	1.96 x	1.27 x	9.36 x	2.15 x	2.10 x
St. Johns River Power Park 2nd Resolution	1.15 x	1.15 x	2.31 x	1.15 x	1.15 x
OPERATING HIGHLIGHTS					
Sales (megawatt hours)	12,202,973	12,239,149	12,488,252	12,366,462	12,769,116
Peak demand - megawatts (60 minute net)	2,658	2,582	2,816	2,816	2,765
Total accounts - average number	485,000	494,656	503,934	515,514	528,050
Sales per residential account (kilowatt hours)	13,026	12,932	12,907	12,401	12,615
Average residential revenue per kilowatt hour	\$ 11.21	\$ 11.42	\$ 13.69	\$ 13.46	\$ 12.49
Power supply:					
Natural gas	63%	62%	58%	58%	61%
Purchases	13%	15%	29%	30%	32%
Coal	12%	15%	6%	3%	1%
Petroleum coke	12%	8%	7%	9%	6%



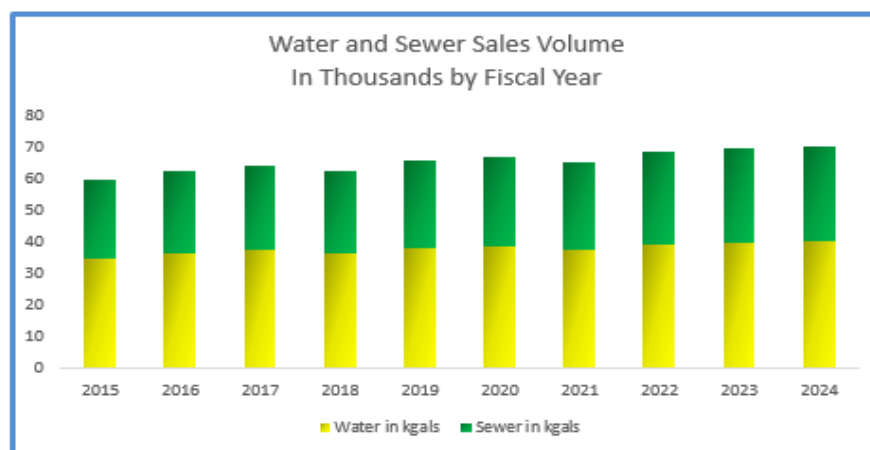
JEA in Jacksonville, FL
Water and Sewer Financial and Operating Highlights (unaudited)
Last 10 Fiscal Years, ending September 30th

	2015	2016	2017	2018	2019
FINANCIAL HIGHLIGHTS					
Total operating revenues (thousands)	\$ 389,733	\$ 427,750	\$ 457,908	\$ 435,682	\$ 463,817
Operating expenses (thousands)	\$ 269,509	\$ 297,325	\$ 305,131	\$ 310,435	\$ 334,177
Debt service coverage:					
Senior and subordinated	3.13 x	3.78 x	2.99 x	2.79 x	3.02 x
Senior	2.75 x	3.28 x	3.54 x	3.33 x	3.59 x
OPERATING HIGHLIGHTS					
WATER					
Total sales (kgals)	34,558,284	36,357,919	37,245,188	36,186,559	37,696,072
Total accounts - average number	325,352	333,139	341,016	348,159	355,635
Average sales per residential account (kgals)	61.32	62.78	63.21	59.33	61.28
Average residential revenue per kgal	\$ 5.30	\$ 5.26	\$ 5.48	\$ 5.43	\$ 5.40
SEWER					
Total sales (kgals)	24,922,141	25,817,658	26,712,770	26,340,622	27,726,796
Total accounts - average number	250,974	257,719	264,336	270,871	277,815
Average sales per residential account (kgals)	59.75	60.96	61.84	57.91	60.61
Average residential revenue per kgal	\$ 9.33	\$ 9.26	\$ 9.46	\$ 9.52	\$ 9.30
REUSE					
Total sales (kgals)	1,783,730	2,644,046	3,290,311	3,119,739	3,884,210
Total accounts - average number	5,891	7,498	9,391	11,498	14,267



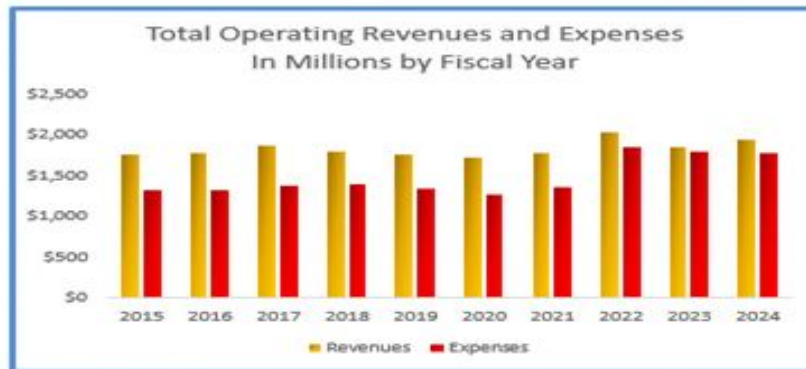
JEA in Jacksonville, FL
Water and Sewer Financial and Operating Highlights (unaudited) (continued)
Last 10 Fiscal Years, ending September 30th

	2020	2021	2022	2023	2024
FINANCIAL HIGHLIGHTS					
Total operating revenues (thousands)	\$ 483,859	\$ 471,430	\$ 509,862	\$ 538,308	\$ 529,995
Operating expenses (thousands)	\$ 352,973	\$ 358,288	\$ 396,512	\$ 458,489	\$ 459,813
Debt service coverage:					
Senior and subordinated	4.96 x	6.33 x	6.65 x	3.62 x	3.01 x
Senior	5.58 x	7.24 x	7.71 x	4.35 x	3.46 x
OPERATING HIGHLIGHTS					
WATER					
Total sales (kgals)	38,271,797	37,180,568	39,208,877	39,733,861	40,024,840
Total accounts - average number	363,597	373,075	383,481	391,859	399,307
Average sales per residential account (kgals)	62.83	59.78	60.23	60.20	59.88
Average residential revenue per kgal	\$5.32	\$5.44	\$5.48	\$5.50	\$5.56
SEWER					
Total sales (kgals)	28,160,202	28,139,524	29,252,868	29,666,832	29,969,997
Total accounts - average number	285,104	293,870	303,550	311,873	319,114
Average sales per residential account (kgals)	61.57	58.72	59.13	59.13	58.76
Average residential revenue per kgal	\$9.26	\$9.45	\$9.38	\$9.40	\$9.44
REUSE					
Total sales (kgals)	4,426,905	4,463,047	5,166,479	5,277,237	5,448,304
Total accounts - average number	17,031	19,704	22,634	25,764	28,351



JEA in Jacksonville, FL
Consolidated Financial Summary (in thousands) (unaudited)
Last 10 Fiscal Years, ending September 30th

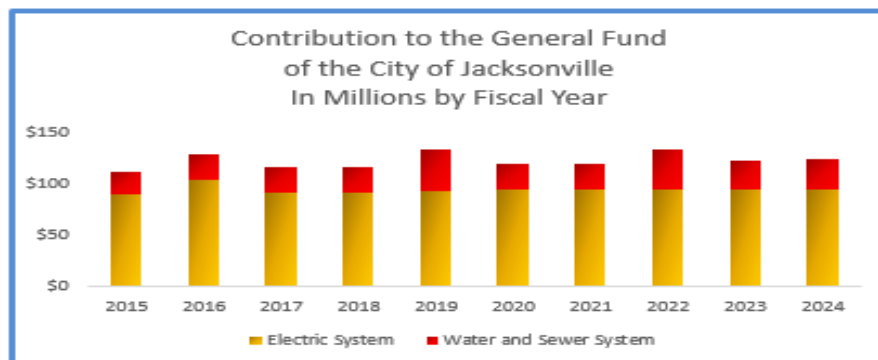
	2015	2016	2017	2018	2019
Operating revenues:					
Electric	\$1,324,883	\$1,321,713	\$1,382,206	\$1,267,202	\$1,259,815
Water and sewer	379,789	417,404	448,057	423,480	450,116
District energy system	8,778	8,337	8,185	8,348	8,504
Other	35,930	34,298	36,729	90,952	33,526
Total operating revenues	1,749,380	1,781,752	1,875,177	1,789,982	1,751,961
Operating expenses:					
Maintenance and other operating expenses	374,166	380,219	392,142	431,269	395,692
Fuel and purchased power	517,239	485,874	536,250	530,246	465,573
Depreciation	366,486	382,432	386,699	360,609	362,313
State utility and franchise taxes	72,510	71,244	69,683	70,027	71,569
Recognition of deferred costs and revenues, net	(11,168)	(1,527)	(4,075)	6,856	44,792
Total operating expenses	1,319,233	1,318,242	1,380,699	1,399,007	1,339,939
Operating income	430,147	463,510	494,478	390,975	412,022
Nonoperating revenues (expenses):					
Interest on debt	(198,199)	(184,457)	(182,992)	(166,508)	(175,046)
Earnings from The Energy Authority	1,461	6,136	6,335	4,074	2,412
Allowance for funds used during construction	5,723	9,407	11,774	11,764	14,099
Other nonoperating income, net	11,634	8,765	5,918	9,857	9,082
Investment income (loss)	12,904	14,225	10,576	11,826	39,745
Other interest, net	(68)	(403)	(451)	(1,825)	(1,626)
Total nonoperating expenses, net	(166,545)	(146,327)	(148,840)	(130,812)	(111,334)
Income before contributions and special item	263,602	317,183	345,638	260,163	300,688
Contributions (to) from:					
General fund, City of Jacksonville	(111,688)	(129,187)	(115,823)	(116,620)	(132,802)
Capital contributions:					
Developers and other	52,709	53,652	66,875	82,157	97,726
Reduction of plant cost through contributions	-	(31,632)	(42,069)	(54,114)	(68,188)
Water & Sewer Expansion Authority	(33,105)	-	-	-	-
Total contributions, net	(92,084)	(107,167)	(91,017)	(88,577)	(103,264)
Special item	151,490	-	-	(45,099)	-
Change in net position	323,008	210,016	254,621	126,487	197,424
Net position - beginning of year, originally reported	1,843,901	2,166,909	2,376,925	2,628,822	2,755,309
Effect of change in accounting	-	-	(2,724)	-	-
Net position - beginning of year, as restated	1,843,901	2,166,909	2,374,201	2,628,822	2,755,309
Net position - end of year	\$2,166,909	\$2,376,925	\$2,628,822	\$2,755,309	\$2,952,733



JEA in Jacksonville, FL

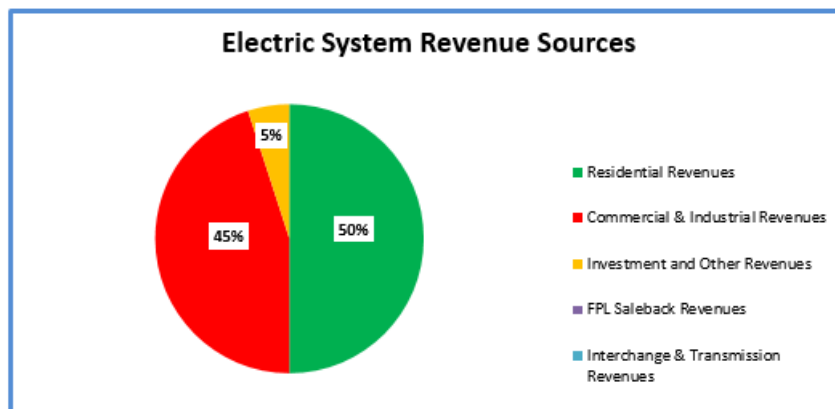
Consolidated Financial Summary (in thousands) (unaudited) (continued)
Last 10 Fiscal Years, ending September 30th

	2020	2021	2022	2023	2024
Operating revenues:					
Electric	\$1,203,688	\$1,267,212	\$1,491,097	\$1,276,715	\$1,373,911
Water and sewer	469,914	457,076	489,814	518,767	503,610
District energy system	8,235	7,704	8,516	11,934	12,118
Other	32,621	37,269	40,435	37,533	41,656
Total operating revenues	1,714,458	1,769,261	2,029,862	1,844,949	1,931,295
Operating expenses:					
Maintenance and other operating expenses	422,925	387,916	402,290	521,676	560,685
Fuel and purchased power	376,011	475,461	771,954	711,072	693,708
Depreciation	365,146	391,715	500,257	432,147	413,121
State utility and franchise taxes	69,769	70,966	83,892	83,809	78,644
Recognition of deferred costs and revenues, net	28,619	30,718	92,261	39,718	27,112
Total operating expenses	1,262,470	1,356,776	1,850,654	1,788,422	1,773,270
Operating income	451,988	412,485	179,208	56,527	158,025
Nonoperating revenues (expenses):					
Interest on debt	(141,213)	(120,911)	(114,707)	(109,275)	(120,359)
Earnings from The Energy Authority	2,848	15,378	29,731	23,603	13,286
Allowance for funds used during construction	19,713	9,305	13,866	25,853	41,667
Other nonoperating income, net	7,370	4,796	6,853	6,600	6,473
Investment income (loss)	15,721	2,165	(9,668)	27,787	35,772
Other interest, net	666	(23)	(1,343)	(7,744)	(6,859)
Total nonoperating expenses, net	(94,895)	(89,290)	(75,268)	(33,176)	(30,020)
Income before contributions and special item	357,093	323,195	103,940	23,351	128,005
Contributions (to) from:					
General fund, City of Jacksonville	(118,824)	(120,012)	(133,713)	(122,424)	(123,648)
Capital contributions:					
Developers and other	109,546	94,580	121,227	176,771	219,666
Reduction of plant cost through contributions	(76,558)	(54,299)	(74,016)	(112,236)	(130,405)
Water & Sewer Expansion Authority	-	-	-	-	-
Total contributions, net	(85,836)	(79,731)	(86,502)	(57,889)	(34,387)
Special item	-	-	100,000	11,135	-
Change in net position	271,257	243,464	117,438	(23,403)	93,618
Net position - beginning of year, originally reported	2,952,733	3,223,990	3,467,454	3,584,892	3,561,489
Effect of change in accounting	-	-	-	-	-
Net position - beginning of year, as restated	2,952,733	3,223,990	3,467,454	3,584,892	3,561,489
Net position - end of year	\$3,223,990	\$3,467,454	\$3,584,892	\$3,561,489	\$3,655,107



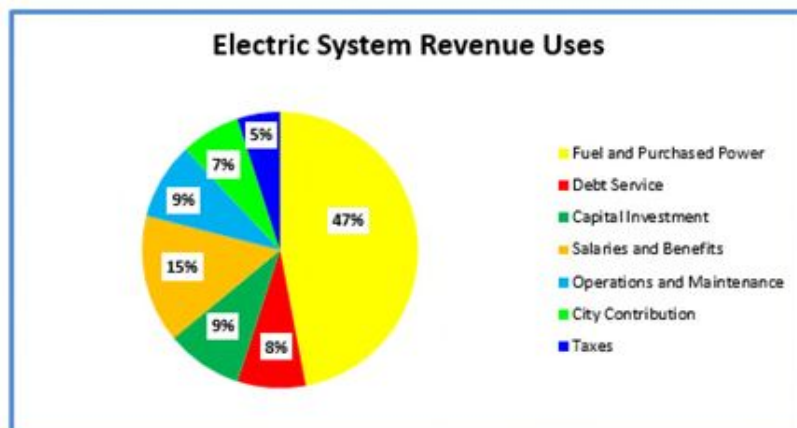
Revenue Statistics – Electric Services (unaudited)
Last 10 Fiscal Years, ending September 30th

	2015	2016	2017	2018	2019
Electric revenues (000s omitted):					
Residential	\$ 619,897.0	\$ 599,009.0	\$ 584,663.0	\$ 618,171.0	\$ 629,355.0
Commercial and industrial	627,547	597,796	587,972	594,395	590,473
Public street lighting	11,982	13,488	13,069	12,873	13,176
Sales for resale	32,424	31,210	21,813	5,474	3,914
Florida Power & Light saleback	128,475	130,053	128,737	30,767	1,664
Total	\$ 1,420,325	\$ 1,371,556	\$ 1,336,254	\$ 1,261,680	\$ 1,238,582
Sales (megawatt hours):					
Residential	5,243,002	5,328,245	5,108,945	5,414,721	5,515,428
Commercial and industrial	6,767,836	6,847,583	6,725,201	6,851,803	6,793,557
Public street lighting	89,376	80,108	65,721	59,176	57,410
Sales for resale	417,361	474,352	300,903	74,069	99,563
Florida Power & Light saleback	1,862,122	1,856,198	1,693,082	332,467	-
Total	14,379,697	14,586,486	13,893,852	12,732,236	12,465,958
Average number of accounts:					
Residential	389,287	396,664	403,164	410,060	418,728
Commercial and industrial	50,867	51,472	52,060	52,573	53,204
Public street lighting	3,549	3,649	3,727	3,776	3,854
Total	443,703	451,785	458,951	466,409	475,786
System installed capacity - MW					
	3,759	3,722	3,722	3,084	3,114
Peak demand - MW (60 minute net)					
	2,863	2,674	2,682	3,080	2,644
System load factor - %					
	51%	56%	53%	48%	56%
Residential averages - annual:					
Revenue per account - \$	1,592.39	1,510.12	1,450.19	1,507.51	1,503.02
kWh per account	13,468	13,433	12,672	13,205	13,172
Revenue per kWh - ¢	11.82	11.24	11.44	11.42	11.41
All other retail - annual:					
Revenue per account - \$	11,752.59	11,089.86	10,773.85	10,776.91	10,579.57
kWh per account	126,015	125,682	121,729	122,646	120,070
Revenue per kWh - ¢	9.33	8.82	8.85	8.79	8.81
Heating-cooling degree days					
	4,159	4,117	3,737	4,256	4,294



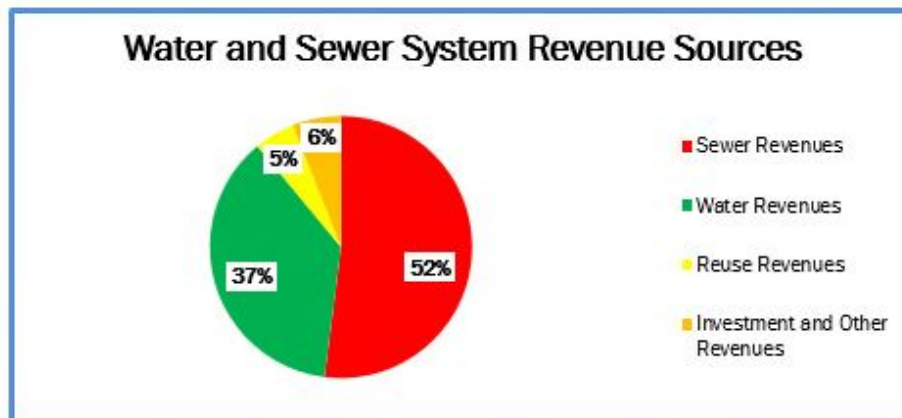
JEA in Jacksonville, FL
Revenue Statistics – Electric Services (unaudited) (concluded)
Last 10 Fiscal Years, ending September 30th

	2020	2021	2022	2023	2024
Electric revenues (000s omitted):					
Residential	\$ 624,078.0	\$ 644,639.0	\$ 785,986.0	\$ 760,374.0	\$ 736,195.0
Commercial and industrial	556,722	566,942	714,288	708,529	638,805
Public street lighting	13,410	13,821	15,039	15,423	14,813
Sales for resale	2,128	2,137	1,341	2,254	2,800
Florida Power & Light saleback	(1)	1	-	-	-
Total	\$ 1,196,337	\$ 1,227,540	\$ 1,516,654	\$ 1,486,580	\$ 1,392,613
Sales (megawatt hours):					
Residential	5,566,222	5,642,412	5,741,350	5,650,016	5,894,674
Commercial and industrial	6,562,365	6,518,435	6,674,205	6,608,722	6,744,599
Public street lighting	55,974	55,487	54,939	54,822	55,802
Sales for resale	18,412	22,815	17,758	52,902	74,041
Florida Power & Light saleback	-	-	-	-	-
Total	12,202,973	12,239,149	12,488,252	12,366,462	12,769,116
Average number of accounts:					
Residential	427,321	436,299	444,840	455,609	467,268
Commercial and industrial	53,750	54,381	55,105	55,895	56,727
Public street lighting	3,929	3,976	3,989	4,010	4,055
Total	485,000	494,656	503,934	515,514	528,050
System installed capacity - MW					
	3,113	3,129	2,931	2,931	2,931
Peak demand - MW (60 minute net)					
	2,658	2,582	2,816	2,816	2,765
System load factor - %					
	54%	56%	52%	52%	54%
Residential averages - annual:					
Revenue per account - \$	1,460.44	1,477.52	1,766.90	1,668.92	1,575.53
kWh per account	13,026	12,932	12,907	12,401	12,615
Revenue per kWh - ¢	11.21	11.42	13.69	13.46	12.49
All other retail - annual:					
Revenue per account - \$	9,884.57	9,951.90	12,341.81	12,085.00	10,753.48
kWh per account	114,744	112,650	113,872	111,235	111,882
Revenue per kWh - ¢	8.61	8.83	10.84	10.86	9.61
Heating-cooling degree days					
	4,015	4,012	3,937	4,004	4,164



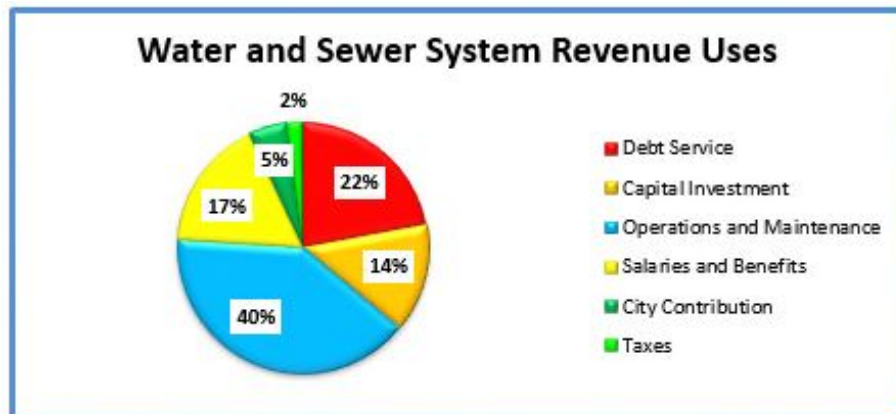
JEA in Jacksonville, FL
Revenue Statistics – Water, Sewer, and Reuse Services (unaudited)
Last 10 Fiscal Years, ending September 30th

		2015	2016	2017	2018	2019
WATER	Water revenues (000s omitted):					
	Residential	\$ 86,215	\$ 89,946	\$ 96,615	\$ 91,954	\$ 96,699
	Commercial and industrial	45,078	46,212	47,969	47,494	47,619
	Irrigation	32,681	34,846	36,836	32,004	34,800
	Total	\$ 163,974	\$ 171,004	\$ 181,420	\$ 171,452	\$ 179,118
	Water sales (kgals):					
	Residential	16,271,698	17,086,586	17,624,952	16,932,812	17,921,588
	Commercial and industrial	12,870,984	13,343,376	13,402,094	14,023,130	13,958,000
	Irrigation	5,415,602	5,927,957	6,218,142	5,230,617	5,816,484
	Total	34,558,284	36,357,919	37,245,188	36,186,559	37,696,072
	Average number of accounts:					
	Residential	265,373	272,157	278,838	285,404	292,460
	Commercial and industrial	23,951	24,698	25,423	25,702	25,963
	Irrigation	36,028	36,284	36,755	37,053	37,212
	Total	325,352	333,139	341,016	348,159	355,635
	Residential averages - annual:					
	Revenue per account - \$	324.88	330.49	346.49	322.19	330.64
	kgals per account	61.32	62.78	63.21	59.33	61.28
	Revenue per kgal - \$	5.30	5.26	5.48	5.43	5.40
SEWER	Sewer revenues (000s omitted):					
	Residential	\$ 129,976	\$ 135,288	\$ 143,967	\$ 139,174	\$ 146,186
	Commercial and industrial	101,910	103,731	107,446	108,126	110,724
	Total	\$ 231,886	\$ 239,019	\$ 251,413	\$ 247,300	\$ 256,910
	Volume (kgals):					
	Residential	13,934,981	14,614,026	15,225,124	14,623,682	15,717,129
	Commercial and industrial	10,987,160	11,203,632	11,487,646	11,716,940	12,009,667
	Total	24,922,141	25,817,658	26,712,770	26,340,622	27,726,796
	Average number of accounts:					
	Residential	233,203	239,738	246,187	252,531	259,308
	Commercial and industrial	17,771	17,981	18,149	18,340	18,507
	Total	250,974	257,719	264,336	270,871	277,815
	Residential averages - annual:					
	Revenue per account - \$	557.35	564.32	584.79	551.12	563.75
	kgals per account	59.75	60.96	61.84	57.91	60.61
	Revenue per kgal - \$	9.33	9.26	9.46	9.52	9.30
REUSE	Reuse revenues (000s omitted):	\$ 7,378	\$ 10,267	\$ 13,216	\$ 13,659	\$ 17,909
	Reuse sales (kgals):	1,783,730	2,644,046	3,290,311	3,119,739	3,884,210
	Average number of accounts:	5,891	7,498	9,391	11,498	14,267
RAINFALL	Inches	49.43	31.38	72.89	57.41	45.95
	Days	114.00	98	98	120	123



JEA in Jacksonville, FL
Revenue Statistics – Water, Sewer, and Reuse Services (unaudited) (concluded)
Last 10 Fiscal Years, ending September 30th

		2020	2021	2022	2023	2024
WATER	Water revenues (000s omitted):					
	Residential	\$ 100,316	\$ 100,361	\$ 105,065	\$ 107,920	\$ 110,867
	Commercial and industrial	47,011	47,429	49,302	49,970	50,788
	Irrigation	35,030	31,666	34,510	34,291	34,694
	Total	\$ 182,357	\$ 179,456	\$ 188,877	\$ 192,181	\$ 196,349
	Water sales (kgals):					
	Residential	18,839,990	18,448,336	19,168,978	19,632,070	19,941,731
	Commercial and industrial	13,540,631	13,675,041	14,321,083	14,423,321	14,437,002
	Irrigation	5,891,176	5,057,191	5,718,816	5,678,470	5,646,107
	Total	38,271,797	37,180,568	39,208,877	39,733,861	40,024,840
	Average number of accounts:					
	Residential	299,872	308,626	318,284	326,119	333,002
	Commercial and industrial	26,190	26,518	26,939	27,265	27,597
	Irrigation	37,535	37,931	38,258	38,475	38,708
	Total	363,597	373,075	383,481	391,859	399,307
	Residential averages - annual:					
	Revenue per account - \$	334.53	325.19	330.10	330.92	332.93
	kgals per account	62.83	59.78	60.23	60.20	59.88
	Revenue per kgal - \$	5.32	5.44	5.48	5.50	5.56
SEWER	Sewer revenues (000s omitted):					
	Residential	\$ 151,893	\$ 152,684	\$ 157,706	\$ 162,512	\$ 166,236
	Commercial and industrial	109,682	111,255	114,448	114,093	114,859
	Total	\$ 261,575	\$ 263,939	\$ 272,154	\$ 276,605	\$ 281,095
	Volume (kgals):					
	Residential	16,405,359	16,148,759	16,816,302	17,295,189	17,600,743
	Commercial and industrial	11,754,843	11,990,765	12,436,566	12,371,643	12,369,254
	Total	28,160,202	28,139,524	29,252,868	29,666,832	29,969,997
	Average number of accounts:					
	Residential	266,460	275,022	284,401	292,490	299,540
	Commercial and industrial	18,644	18,848	19,149	19,383	19,574
	Total	285,104	293,870	303,550	311,873	319,114
	Residential averages - annual:					
	Revenue per account - \$	570.04	555.17	554.52	555.62	554.97
	kgals per account	61.57	58.72	59.13	59.13	58.76
	Revenue per kgal - \$	9.26	9.45	9.38	9.40	9.44
REUSE	Reuse revenues (000s omitted):	\$ 21,097	\$ 20,644	\$ 25,260	\$ 26,150	\$ 27,949
	Reuse sales (kgals):	4,426,905	4,463,047	5,166,479	5,277,237	5,448,304
	Average number of accounts:	17,031	19,704	22,634	25,764	28,351
RAINFALL	Inches	60.97	56.40	59.32	50.07	71.85
	Days	122	135	109	104	132



APPENDIX A

JEA FINANCIAL INFORMATION

FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION,
AND BOND COMPLIANCE INFORMATION

JEA

Years Ended September 30, 2024 and 2023
With Report of Independent Auditors

Ernst & Young LLP



JEA

Financial Statements, Supplementary Information, and Bond Compliance Information

Years Ended September 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.



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 13, 2024, 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 13, 2024

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, 2024 and 2023. 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, 2024 and 2023. 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 2024 and 2023 fiscal years:

Condensed Statements of Net Position

	2024	2023	2022
	<i>(In millions)</i>		
Assets and deferred outflows of resources			
Current assets	\$ 897	\$ 844	\$ 734
Other noncurrent assets	1,437	1,384	1,725
Net capital assets	6,230	5,889	5,464
Deferred outflows of resources	365	455	306
Total assets and deferred outflows of resources	<u>\$ 8,929</u>	<u>\$ 8,572</u>	<u>\$ 8,229</u>
Liabilities and deferred inflows of resources			
Current liabilities	\$ 244	\$ 244	\$ 267
Current liabilities payable from restricted assets	286	280	218
Net pension liability	966	959	646
Other noncurrent liabilities	221	222	96
Long-term debt	3,166	2,873	2,870
Deferred inflows of resources	391	433	547
Net position			
Net investment in capital assets	3,153	3,043	2,831
Restricted	166	229	424
Unrestricted	336	289	330
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,929</u>	<u>\$ 8,572</u>	<u>\$ 8,229</u>

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
	<i>(In millions)</i>		
Operating revenue	\$ 1,931	\$ 1,845	\$ 2,030
Operating expense	(1,773)	(1,789)	(1,851)
Operating income	158	56	179
Nonoperating expense, net	(30)	(33)	(75)
Contributions	(34)	(58)	(86)
Special Item	—	11	100
Change in net position	94	(24)	118
Net position – beginning of the year	3,561	3,585	3,467
Net position – end of the year	<u>\$ 3,655</u>	<u>\$ 3,561</u>	<u>\$ 3,585</u>

Management's Discussion and Analysis (continued)

Financial Analysis of JEA for fiscal years 2024 and 2023

2024 Compared to 2023

*Electric Enterprise**Operating Revenues*

Total operating revenues increased approximately \$97 million (7.3%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating revenues	\$	1,324
Stabilization funds		190
Territorial sales		(95)
Other		2
September 2024 operating revenues	\$	1,421

Stabilization fund revenues increased \$190 million due to decreases in contributions to the purchased power stabilization fund. Territorial sales revenues decreased \$95 million, due primarily to a \$144 million decrease in fuel revenues resulting from a decrease in fuel costs.

Operating Expenses

Total operating expenses decreased approximately \$14 million (-1.0%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating expenses	\$	1,351
Fuel		(83)
State utility and franchise taxes		(6)
Recognition of deferred costs and revenues, net		(1)
Depreciation		2
Maintenance and other operating expense		8
Purchased power		66
September 2024 operating expenses	\$	1,337

Fuel expense decreased \$83 million (19.0%) primarily due to decreased fuel generation costs.

State utility and franchise taxes decreased \$6 million (-7.4%), as a result of lower taxable revenues.

Recognition of deferred costs and revenues, net decreased \$1 million (-4.4%) driven by a decrease in regulatory environmental costs.

Depreciation expense increased \$2 million (1.0%) due to an increase in depreciable assets.

Management's Discussion and Analysis (continued)

Maintenance and other operating expenses increased \$8 million (2.5%) as a result of \$19 million in higher maintenance costs, primarily due to SJRPP decommissioning expenses and a change in estimate for environmental liability; \$9 million due to company-wide pay band adjustments; and \$1 million in higher legal and other professional services; offset by \$21 million decreased overhead due to the cancellation of the C2M conversion project in 2023.

Purchased power expense increased \$66 million (24.2%) driven by a \$137 million increase in debt service associated with MEAG power purchase agreement. Plant Vogtle, Units 3 and 4, went into service July 31, 2023 and April 29, 2024, respectively (see footnote 10, fuel and purchase power commitments for additional details). This increase was offset by decreases of \$34 million in unit cost and \$28 million in volume for solar, wind, and landfill purchased power.

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.

	<u>2024</u>	<u>2023</u>
Natural gas	61%	58%
Purchased power	32%	30%
Petroleum coke	6%	9%
Coal	1%	3%
Total	<u>100%</u>	<u>100%</u>

Water and Sewer Enterprise

Operating Revenues

Total operating revenues decreased approximately \$8 million (-1.5%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating revenues	\$ 538
Stabilization funds	(26)
Reuse	2
Water	4
Sewer	5
Other	7
September 2024 operating revenues	<u>\$ 530</u>

Stabilization fund revenues decreased \$26 million primarily due to the environmental stabilization fund being depleted as of September 30, 2023. Reuse revenues increased \$2 million due to an increase in kGal consumption and cost per kGal of 3.2% and 3.5%, respectively. Water revenues increased \$4 million driven by higher cost per kGal of 1.4%. Sewer revenues increased \$5 million driven by higher consumption as a result of a 2.3% increase in customers. Other operating revenues increased \$7 million primarily due to increases of \$3 million each for intercompany inventory carrying charges and miscellaneous service revenues.

Management's Discussion and Analysis (continued)

Operating Expenses

Operating expenses increased approximately \$2 million (0.3%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating expenses	\$ 458
Maintenance and other operating expenses	34
Depreciation	(21)
Recognition of deferred costs and revenues, net	(11)
September 2024 operating expenses	\$ 460

Maintenance and other operating expenses increased \$34 million (14.7%) due to increases of \$17 million in compensation and benefits, \$13 million in maintenance expenses, \$4 million in interlocal payments. Depreciation expense decreased \$21 million (-10.5%) due to a lower depreciable base. Recognition of deferred costs and revenues, net decreased \$11 million (-96.4%) due to lower capital expenses recovered through the rate stabilization fund due to the discontinuation of the environmental fee.

District Energy System

Operating revenues and expenses remained flat at \$13 million and \$9 million, respectively.

Nonoperating Revenues and Expenses

Total nonoperating expenses, net increased approximately \$3 million (9.5%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 nonoperating revenues and expenses, net	\$ (33)
Increase in allowance for funds used during construction	16
Increase in investment fair market value	6
Increase in realized investment income	2
Decrease in other interest, net	1
Increase in interest on debt	(11)
Decrease in The Energy Authority earnings	(11)
September 2024 nonoperating revenues and expenses, net	\$ (30)

Management's Discussion and Analysis (continued)

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).

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.

Management's Discussion and Analysis (continued)

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.

	<u>2023</u>	<u>2022</u>
Natural gas	58%	58%
Purchased power	30%	29%
Coal	3%	6%
Petroleum coke	9%	7%
Total	<u>100%</u>	<u>100%</u>

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	<u>\$ 538</u>

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	<u>\$ 458</u>

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.

Management's Discussion and Analysis (continued)

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	<u>\$ (33)</u>

Capital Assets and Debt Administration for Fiscal Years 2024 and 2023

Capital Assets

JEA's total investment in capital assets and capital expenditures are detailed below.

<i>(Dollars in millions)</i>	Total Investment		Additions	
	September 30, 2024	September 30, 2023	FY 2024	FY 2023
Electric Enterprise	\$ 2,619	\$ 2,593	\$ 255	\$ 245
Water and Sewer Enterprise	3,561	3,253	493	484
District Energy System	50	43	10	9
Total	<u>\$ 6,230</u>	<u>\$ 5,889</u>	<u>\$ 758</u>	<u>\$ 738</u>

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 2024, \$5 million of contributed capital related to the Electric System and \$125 million related to Water and Sewer System was recorded 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.

Management's Discussion and Analysis (continued)

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 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, 2024 was \$3,047 million, an increase of approximately \$252 million from the prior fiscal year. This increase was due to the issuance of \$504 million in new debt and \$186 million in revolving credit agreement advances less \$177 million in revolving credit agreement repayments, defeasance of principal of \$171 million, and scheduled principal payments of \$90 million.

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.

JEA's debt ratings on its long-term debt per Standard & Poor's, Moody's, and Fitch remained unchanged from fiscal year 2023. JEA's outlooks on its long-term debt per Standard & Poor's and Fitch remained unchanged from fiscal year 2023. On January 5, 2024, Moody's revised JEA's Water and Sewer Enterprise outlook to positive from stable.

All ratings and outlooks as of September 30, 2024 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	positive	AA+	stable	AA+	stable
Subordinated	Aa2	positive	AA	stable	AA+	stable
DES	Aa3	stable	AA	stable	AA+	stable

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

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 March 2024 meeting, the Board approved the following Base Rate changes, effective April 1, 2024:

- Modification of the Electric Tariff Documentation:
 - to increase basic monthly (customer) charge for electric customers,
 - to increase the energy rate for electric customers,
 - to include demand credits for certain electric customers, and
 - to close and remove Load Density Improvement Rider and update other administrative items

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 2024 and 2023

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.

	2024	2023	2022
	<i>(in thousands)</i>		
<i>Condensed Statement of Fiduciary Net Position</i>			
Total assets	\$ 180,852	\$ 160,730	\$ 156,148
Total liabilities	63	124	505
Fiduciary net position available for benefits	<u>\$ 180,789</u>	<u>\$ 160,606</u>	<u>\$ 155,643</u>
<i>Condensed Statement of Changes in Fiduciary Net Position</i>			
Total contributions	\$ 16	\$ 14	\$ 6,912
Net investment earnings (losses)	33,182	17,835	(27,684)
Total additions (losses) to fiduciary net position	<u>33,198</u>	<u>17,849</u>	<u>(20,772)</u>
Total deductions from fiduciary net position	13,015	12,886	13,679
Net change in fiduciary net position	<u>\$ 20,183</u>	<u>\$ 4,963</u>	<u>\$ (34,451)</u>

Management's Discussion and Analysis (continued)

2024 compared to 2023

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.

A net investment gain during fiscal year 2024 was due to the improvement in market performance as compared to the prior year.

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.

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	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 255,838	\$ 278,483
Investments	143,442	106,701
Customer accounts receivable, net of allowance (\$2,848 for 2024 and \$2,242 for 2023)	248,069	252,861
Inventories:		
Materials and supplies	143,307	103,057
Fuel	56,329	56,131
Prepaid assets	33,843	23,847
Other current assets	16,395	22,476
Total current assets	<u>897,223</u>	<u>843,556</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	180,404	100,129
Investments	161,853	288,132
Other restricted assets	927	991
Total restricted assets	<u>343,184</u>	<u>389,252</u>
Costs to be recovered from future revenues	991,923	865,083
Hedging derivative instruments	53,512	93,219
Other assets	48,045	36,070
Total noncurrent assets	<u>1,436,664</u>	<u>1,383,624</u>
Net capital assets	6,230,235	5,888,960
Total assets	<u>8,564,122</u>	<u>8,116,140</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	192,172	290,610
Unamortized deferred losses on refundings	62,266	73,433
Unrealized asset retirement obligation	31,501	36,276
Accumulated decrease in fair value of hedging derivatives	64,783	39,157
Unrealized OPEB contributions and losses	13,746	15,943
Total deferred outflows of resources	<u>364,468</u>	<u>455,419</u>
Total assets and deferred outflows of resources	<u>\$ 8,928,590</u>	<u>\$ 8,571,559</u>

See accompanying notes to financial statements.

JEA

Statements of Net Position (continued)
(In Thousands)

	September	
	2024	2023
Liabilities		
Current liabilities:		
Accounts and accrued expense payable	\$95,856	\$ 100,645
Customer deposits and prepayments	94,245	85,651
Billings on behalf of state and local governments	27,841	28,535
Compensation and benefits payable	12,570	16,237
City of Jacksonville payable	10,437	10,366
Asset retirement obligation	2,817	2,623
Total current liabilities	243,766	244,057
Current liabilities payable from restricted assets:		
Debt due within one year	106,305	89,375
Interest payable	55,501	48,304
Construction contracts and accounts payable	117,524	137,793
Renewal and replacement reserve	6,983	4,581
Total current liabilities payable from restricted assets	286,313	280,053
Noncurrent liabilities:		
Long-term debt		
Debt payable, less current portion	2,940,745	2,705,510
Unamortized premium, net	181,583	149,503
Fair value of debt management strategy instruments	44,085	18,368
Total long-term debt	3,166,413	2,873,381
Net pension liability	965,649	958,534
Lease liability	87,300	89,463
Asset retirement obligations	28,684	33,653
Compensation and benefits payable	44,980	40,142
Net OPEB liability	557	7,971
Other liabilities	59,860	50,409
Total noncurrent liabilities	4,353,443	4,053,553
Total liabilities	4,883,522	4,577,663
Deferred inflows of resources		
Revenues to be used for future costs	293,983	300,455
Accumulated increase in fair value of hedging derivatives	53,512	93,218
Unrealized OPEB gains	19,712	16,343
Unrealized pension gains	22,754	22,391
Total deferred inflows of resources	389,961	432,407
Net position		
Net investment in capital assets	3,153,611	3,042,666
Restricted for:		
Capital projects	57,481	138,245
Debt service	106,624	90,582
Other purposes	1,232	594
Unrestricted	336,159	289,402
Total net position	3,655,107	3,561,489
Total liabilities, deferred inflows of resources, and net position	\$ 8,928,590	\$ 8,571,559

See accompanying notes to financial statements.

JEA

Statements of Revenues, Expenses, and Changes in Net Position
(In Thousands)

	September	
	2024	2023
Operating revenue		
Electric	\$1,373,911	\$ 1,276,715
Water and sewer	503,610	518,767
District energy system	12,118	11,934
Other operating revenue	41,656	37,533
Total operating revenue	<u>1,931,295</u>	<u>1,844,949</u>
Operating expense		
Operations and maintenance:		
Maintenance and other operating expense	560,685	521,676
Fuel	354,743	438,132
Purchased power	338,965	272,940
Depreciation and amortization	413,121	432,147
State utility and franchise taxes	78,644	83,809
Recognition of deferred costs and revenues, net	27,112	39,718
Total operating expense	<u>1,773,270</u>	<u>1,788,422</u>
Operating income	<u>158,025</u>	<u>56,527</u>
Nonoperating revenue (expense)		
Interest on debt	(120,359)	(109,275)
Earnings from The Energy Authority	13,286	23,603
Allowance for funds used during construction	41,667	25,853
Other nonoperating income, net	6,473	6,600
Investment income, net	35,772	27,787
Other interest, net	(6,859)	(7,744)
Total nonoperating expense, net	<u>(30,020)</u>	<u>(33,176)</u>
Income before contributions	<u>128,005</u>	<u>23,351</u>
Contributions (to) from		
General Fund, City of Jacksonville, Florida	(123,648)	(122,424)
Developers and other	219,666	176,771
Reduction of plant cost through contributions	(130,405)	(112,236)
Total contributions, net	<u>(34,387)</u>	<u>(57,889)</u>
Special item	<u>-</u>	<u>11,135</u>
Change in net position	93,618	(23,403)
Net position, beginning of year	3,561,489	3,584,892
Net position, end of year	<u>\$ 3,655,107</u>	<u>\$ 3,561,489</u>

See accompanying notes to financial statements.

JEA

Statements of Cash Flows

(In Thousands)

	September	
	2024	2023
Operating activities		
Receipts from customers	\$ 1,889,828	\$ 2,018,257
Payments to suppliers	(1,040,847)	(1,041,801)
Payments for salaries and benefits	(331,814)	(295,240)
Other operating activities	47,969	41,802
Net cash provided by operating activities	565,136	723,018
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(123,547)	(122,323)
Net cash used in noncapital and related financing activities	(123,547)	(122,323)
Capital and related financing activities		
Acquisition and construction of capital assets	(790,009)	(702,805)
Defeasance of debt	(171,295)	-
Proceeds received from debt	503,835	-
Interest paid on debt	(128,403)	(124,539)
Repayment of debt principal	(89,375)	(74,070)
Capital contributions	89,261	64,536
Revolving credit agreement withdrawals (repayments)	9,000	135,000
Other capital financing activities	59,952	(369)
Net cash used in capital and related financing activities	(517,034)	(702,247)
Investing activities		
Proceeds from sale and maturity of investments	471,138	482,732
Purchase of investments	(374,052)	(568,910)
Distributions from The Energy Authority	8,045	20,731
Investment income	27,944	24,921
Net cash provided by (used in) investing activities	133,075	(40,526)
Net change in cash and cash equivalents	57,630	(142,078)
Cash and cash equivalents at beginning of year	378,612	520,690
Cash and cash equivalents at end of year	\$ 436,242	\$ 378,612
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 158,025	\$ 56,527
Adjustments:		
Depreciation and amortization	413,121	432,147
Recognition of deferred costs and revenues, net	27,112	39,718
Other nonoperating income, net	(3,204)	6,817
Changes in noncash assets and noncash liabilities:		
Accounts receivable	4,793	61,501
Inventories	(40,448)	(39,642)
Other assets	(14,715)	14,121
Accounts and accrued expense payable	(843)	(25,835)
Current liabilities payable from restricted assets	2,891	(999)
Other noncurrent liabilities and deferred inflows	18,404	178,663
Net cash provided by operating activities	\$ 565,136	\$ 723,018
Non-cash activity		
Contribution of capital assets from developers	\$ 130,405	\$ 112,236
Unrealized investment fair market value changes, net	\$ 7,548	\$ 1,729

See accompanying notes to financial statements.

JEA

Statements of Fiduciary Net Position
 SJRPP Pension Trust Fund
(In Thousands)

	September	
	2024	2023
Assets		
Cash and cash equivalents	\$ 1,672	\$ 4,869
Receivables:		
Interest and dividends	625	634
Sale of investments	64	142
Employer	-	13
Total receivables	689	789
Investments at fair value:		
Bonds and notes	78,584	69,041
Common stock	49,028	46,172
Mutual funds	50,879	39,859
Total investments	178,491	155,072
Total assets	\$ 180,852	\$ 160,730
Liabilities		
Accounts payable and other liabilities	\$ 63	\$ 124
Net position		
Restricted for pensions	180,789	160,606
Total liabilities and net position	\$ 180,852	\$ 160,730

See accompanying notes to financial statements.

JEA

Statements of Changes in Fiduciary Net Position
 SJRPP Pension Trust Fund
(In Thousands)

	September	
	2024	2023
Additions		
Contributions:		
Members	\$ 16	\$ 14
Total contributions	<u>16</u>	<u>14</u>
Investment earnings:		
Net gains	29,881	14,957
Interest, dividends, and other	<u>3,882</u>	<u>3,455</u>
Total investment earnings	33,763	18,412
Less investment activity costs	<u>(581)</u>	<u>(577)</u>
Net investment earnings	<u>33,182</u>	<u>17,835</u>
Total additions	<u>33,198</u>	<u>17,849</u>
Deductions		
Benefits paid to participants or beneficiaries	12,872	12,819
Administrative expense	<u>143</u>	<u>67</u>
Total deductions	<u>13,015</u>	<u>12,886</u>
Net change in fiduciary net position	20,183	4,963
Net position, beginning of year	<u>160,606</u>	<u>155,643</u>
Net position, end of year	<u><u>\$ 180,789</u></u>	<u><u>\$ 160,606</u></u>

See accompanying notes to financial statements.

JEA

Notes to Financial Statements

(Dollars in Thousands)

Years Ended September 30, 2024 and 2023

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; St. Johns River Power Park System (SJRPP); and 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). 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, 2024 and 2023:

	2024	2023
Inventories	\$ 2,453	\$ 2,292
Other current assets	760	770
Costs to be recovered from future revenues	17,331	19,911
Net capital assets	1,115	1,115
Unrealized asset retirement obligations	31,501	36,276
Current portion of asset retirement obligations	2,817	2,623
Debt due within one year	2,580	2,495
Interest payable	645	711
Long-term portion of asset retirement obligations	28,684	33,653
Long-term debt	19,690	22,270

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 and amortization of its capital assets used in operations. The operation of Scherer is subject to a joint ownership agreement and the rates for SJRPP and Scherer are established on a cost-of-service basis, including operating and maintenance expenses and debt service. See note 1(t), Setting of rates.

(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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

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.

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 \$26,965 in fiscal year 2024 and \$31,892 in 2023. JEA withdrew the net amount of \$7,550 in fiscal year 2024 and contributed \$155,941 to stabilization funds in fiscal year 2023. 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 \$83,158 in fiscal year 2024 and \$77,801 in 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

(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.

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 (%)	2024	2023
Electric Enterprise Fund	4.6%	4.6%
Water and Sewer Fund	4.5%	4.5%
District Energy System	5.1%	4.5%

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 \$120,359 for fiscal year 2024 and \$109,275 for 2023, of which \$41,667 and \$25,853 was capitalized as a regulatory asset in fiscal year 2024 and 2023, respectively. Investment income on bond proceeds was \$2,019 in fiscal year 2024 and \$73 in 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(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 2024 and the rates for that study are effective in fiscal year 2025. The effective rate of depreciation based upon the average depreciable plant in service balance was 3.11% and 3.36% for fiscal years 2024 and 2023, 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)	2024	2023
Electric Enterprise Fund	23.8	23.6
Water and Sewer Fund	26.6	26.9
District Energy System	24.0	24.0

(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.

(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).

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)***(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 2024 and 2023, 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.

(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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(m) Energy Market Risk Management Program**

The energy market risk management program is intended to help manage JEA's exposure to the volatility in electric energy and fuel prices, uncertainty in load and resource availability, the creditworthiness of counterparties, and risks associated with transacting in wholesale energy markets. Under this policy, 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 statements 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 \$130,405 and \$112,236 were recorded in fiscal years 2024 and 2023 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. 101, *Compensated Absences* (GASB 101), 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 101.

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, 2024, is \$50,367. Of this amount, \$5,387 is included in compensation and benefits payable under current liabilities on the accompanying statements of net position. The remaining balance of \$44,980 is included in compensation and benefits payable in noncurrent liabilities on the accompanying statements of net position. During fiscal year 2024, the net change in compensated absence liability was \$5,457. The compensated absence liability as of September 30, 2023, was \$44,910. Of this amount, \$4,768 was included in compensation and benefits payable under current liabilities on the accompanying statements of net position. The remaining balance of \$40,142 was included in compensation and benefits payable in noncurrent liabilities on the accompanying statements of net position. During fiscal year 2023, the net change in compensated absence liability was \$5,719.

(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 March 2024 meeting, the Board approved the following Base Rate changes, effective April 1, 2024:

- Modification of the Electric Tariff Documentation:
 - To increase basic monthly (customer) Charge for electric customers
 - To increase the energy rate for electric customers
 - To include demand credits for certain electric customers
 - To close and remove Load Density Improvement Rider and update other administrative items

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 17, *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 2024

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. This statement is fully effective for JEA in fiscal year 2024. The implementation of this statement did not have an impact on JEA's financial statements.

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 implementation of this statement did not have an impact on JEA's financial statements.

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 2024. The implementation of this statement did not have an impact on JEA's financial statements.

(x) Recently Issued Accounting Pronouncements Not Yet Effective

In January 2024, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to provide financial statement users with essential information about risks a government face related to concentrations and constraints of resources. This statement is effective for JEA in fiscal year 2025. The implementation of this statement is not expected to have an impact on JEA's financial statements.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

In May 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this statement is to enhance the effectiveness of governmental financial reports by providing essential information for decision making and assessing a government's accountability. Certain application issues should also be addressed. This statement is effective for JEA in fiscal year 2025. The impact of the implementation on JEA's financial reporting has not been determined.

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	2024	2023
Unfunded pension costs	\$ 803,249	\$ 704,048
Allowance for funds used during construction	80,402	39,358
SJRPP and Bulk Power costs to be recovered	71,555	89,840
Storm and COVID-19 costs to be recovered	18,360	5,356
Debt issue costs	8,673	6,879
Unfunded OPEB costs	6,523	8,371
Deferred fuel regulatory costs	3,161	11,231
Total regulatory assets	<u>\$ 991,923</u>	<u>\$ 865,083</u>

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.

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.

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 \$54,257 at September 30, 2024 and \$69,996 at September 30, 2023 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, 2024, SJRPP has remaining plant in service assets of \$7,685 and outstanding debt of \$76,850. 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 \$17,298 at September 30, 2024 and \$19,844 at September 30, 2023. 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.

Storm and COVID-19 costs to be recovered – JEA incurs emergency response costs in conjunction with unplanned major events including natural disasters and other historic emergencies such as the COVID-19 pandemic. The Federal Emergency Management Agency (FEMA) provides supplemental grants to state and local governments through the Public Assistance Program so communities can quickly respond to and recover from those disasters. FEMA allows cost share of 87.5% of eligible costs (75.0% from FEMA and 12.5% from the State of Florida) of those costs not covered by insurance.

JEA's costs to be recovered for storm and COVID-19 expenses as of September 30, 2024 are summarized below:

	September 30, 2024		Reimbursements Received		September 30, 2023
	Balance	Reimbursement Requests, net	FEMA	Insurance	Balance
Hurricane Ian	\$ 6,218	\$ 6,218	\$ –	\$ –	\$ –
Hurricane Idalia	5,447	5,447	–	–	–
Hurricane Debby	2,509	2,509	–	–	–
Hurricane Nicole	2,113	2,113	–	–	–
COVID-19 Pandemic	1,802	2	–	–	1,800
Hurricane Irma	271	33	(5,273)	–	5,511
Hurricane Matthew	-	1,757	–	–	(1,757)
Hurricane Dorian	-	198	–	–	(198)
Total Storm/COVID CTBR	\$ 18,360	\$ 18,277	\$ (5,273)	\$ –	\$ 5,356

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

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.

Deferred fuel regulatory costs –JEA adjusts the fuel charge monthly. This represents the amount under-collected that will be recovered in the next period.

Regulatory Liabilities

The following is a summary of JEA's regulatory liabilities at September 30:

Regulatory Liabilities	2024	2023
Nonfuel purchased power	\$ 246,000	\$ 246,000
Self-insurance medical reserve	22,243	20,134
Excess pension contributions	12,702	13,733
Environmental	12,101	14,612
Customer benefit stabilization	937	5,976
Total regulatory liabilities	<u>\$ 293,983</u>	<u>\$ 300,455</u>

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. There were no deposits made for fiscal year 2024. Deposits of \$191,000 were made to the stabilization fund for fiscal year 2023.

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 \$500 per employee effective January 1, 2024, which was increased from \$250 during fiscal year 2023. 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, 2024 and 2023 are as follows:

	2024	2023
Beginning balance	\$ 20,134	\$ 14,145
Contributions	33,315	32,744
Incurred claims	(31,206)	(26,755)
Ending balance	<u>\$ 22,243</u>	<u>\$ 20,134</u>

Excess pension contributions – Excess pension 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.

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, 2024 and 2023 are as follows:

Environmental	2024	2023
Beginning balance	\$ 14,612	\$ 46,822
Surcharge revenue	–	15,404
Prior capital projects cost recovery	–	(31,360)
Capital projects	(6)	(14,683)
Operations and maintenance projects	(2,505)	(1,571)
Ending balance	<u>\$ 12,101</u>	<u>\$ 14,612</u>

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, 2024, the total amount of the AROs at Scherer are \$533,004, with JEA's minority share being \$31,501. Of the total liability, \$2,817 is recorded in asset retirement obligations in current liabilities and \$28,684 in asset retirement obligations in noncurrent liabilities on the statement of net position. These amounts are offset by the unrealized asset retirement obligation of \$31,501, which is recorded in deferred outflows of resources.

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.

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)

4. Restricted Assets

Restricted assets were held in the following funds at September 30, 2024 and 2023:

	September 30, 2024				
	Electric	SJRPP	Water and Sewer	DES	Total
Renewal and Replacement Fund	\$ (1,249)	\$ 6,983	\$ 26,267	\$ 11,444	\$ 43,445
Sinking Fund	54,774	18,206	86,549	2,595	162,124
Debt Service Reserve Fund	53,352	2,912	62,614	—	118,878
Revenue Fund	—	312	—	—	312
Construction Fund	—	—	19,770	—	19,770
Adjustment to fair value of investments	(811)	88	(622)	—	(1,345)
Total	<u>\$ 106,066</u>	<u>\$ 28,501</u>	<u>\$ 194,578</u>	<u>\$ 14,039</u>	<u>\$ 343,184</u>

	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	<u>\$ 226,021</u>	<u>\$ 25,851</u>	<u>\$ 133,810</u>	<u>\$ 3,570</u>	<u>\$ 389,252</u>

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, 2024 and 2023, the fair value of all securities, regardless of statement of net position classification as cash equivalent or investment, was as follows:

	2024	2023
Securities:		
U.S. Treasury and government agency securities	\$ 232,550	\$ 272,528
Local government investment pool	77,081	119,545
Money market mutual funds	171,684	74,502
Commercial paper	36,322	72,873
State and local government securities	38,810	63,917
Total securities, at fair value	<u>\$ 556,447</u>	<u>\$ 603,365</u>

These securities are held in the following accounts:

	2024	2023
Current assets:		
Cash and cash equivalents	\$ 255,838	\$ 278,483
Investments	143,442	106,701
Restricted assets:		
Cash and cash equivalents	180,404	100,129
Investments	161,853	288,132
Total cash and investments	741,537	773,445
Less: cash on deposit	(187,477)	(172,185)
Plus: interest due on securities	2,387	2,105
Total securities, at fair value	<u>\$ 556,447</u>	<u>\$ 603,365</u>

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, 2024, 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, 2024 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	\$ 171,684	\$ –	\$ –	\$ –	\$ 171,684
Local government investment pools	77,081	–	–	–	77,081
State and local government securities	–	–	15,506	23,304	38,810
U.S. Treasury and government agency securities	93,595	134,508	–	4,447	232,550
Commercial paper	36,322	–	–	–	36,322
Total securities, at fair value	<u>\$ 378,682</u>	<u>\$ 134,508</u>	<u>\$ 15,506</u>	<u>\$ 27,751</u>	<u>\$ 556,447</u>

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 A by Standard & Poor's, Aa3 by Moody's Investors Services, or A 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, 2024, 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, 2024, JEA had 6.5% 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, 2024, investments in any one issuer representing 5% or more of JEA's investments included \$89,864 (16.1%) invested in issues of the Federal Home Loan Bank and \$72,232 in Federal Farm Credit Bank (13.0%). 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, 2024, 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, 2024 is as follows:

	Balance September 30, 2023	Additions	Retirements	Transfers/ Adjustments	Balance September 30, 2024
Electric Enterprise Fund:					
Generation assets	\$ 3,960,382	\$ —	\$ (1,326)	\$ 47,664	\$ 4,006,720
Transmission assets	746,046	—	(770)	441	745,717
Distribution assets	2,352,259	—	(2,731)	112,840	2,462,368
Other assets	588,236	—	(2,659)	44,607	630,184
Lease assets	93,313	—	—	—	93,313
Total capital assets	7,740,236	—	(7,486)	205,552	7,938,302
Less: accumulated depreciation and amortization	(5,491,843)	(227,962)	7,486	—	(5,712,319)
Land	139,476	—	(2)	6,226	145,700
Construction work-in-process	204,605	254,497	—	(211,778)	247,324
Net capital assets	2,592,474	26,535	(2)	—	2,619,007
Water and Sewer Fund:					
Pumping assets	702,184	—	(2,297)	48,887	748,774
Treatment assets	886,020	—	—	31,829	917,849
Transmission and distribution assets	1,410,462	—	(83)	53,349	1,463,728
Collection assets	1,658,613	—	(501)	30,913	1,689,025
Reclaimed water assets	176,479	—	—	15,451	191,930
General and other assets	507,530	—	(719)	28,104	534,915
Total capital assets	5,341,288	—	(3,600)	208,533	5,546,221
Less: accumulated depreciation	(2,863,482)	(186,853)	3,600	4,182	(3,042,553)
Land	81,426	—	(23)	3,825	85,228
Construction work-in-process	693,969	490,931	—	(212,358)	972,542
Net capital assets	3,253,201	304,078	(23)	4,182	3,561,438
District Energy System:					
Chilled water plant assets	76,532	—	—	148	76,680
Total capital assets	76,532	—	—	148	76,680
Less: accumulated depreciation	(37,298)	(3,118)	—	—	(40,416)
Land	3,051	—	—	—	3,051
Construction work-in process	1,000	9,623	—	(148)	10,475
Net capital assets	43,285	6,505	—	—	49,790
Total	\$ 5,888,960	\$ 337,118	\$ (25)	\$ 4,182	\$ 6,230,235

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

6. Capital Assets (continued)

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	93,313	(1,813)	35,333	681,549
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)

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 \$13,286 in fiscal year 2024 and \$23,603 in 2023 for all power marketing activities. JEA's distributions from TEA were \$8,045 in fiscal year 2024 and \$20,731 in 2023. The investment in TEA was \$34,165 at September 30, 2024 and \$27,863 at September 30, 2023 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, 2024 and 2023. TEA issues separate audited financial statements on a calendar-year basis.

	Unaudited	
	2024	2023
Condensed statement of net position:		
Current assets	\$ 366,736	\$ 355,758
Noncurrent assets	93,797	41,039
Total assets	<u>\$ 460,533</u>	<u>\$ 396,797</u>
Current liabilities	\$ 261,257	\$ 236,091
Noncurrent liabilities	12,107	18,231
Deferred inflows	6,914	4,506
Members' capital	188,527	158,889
Total liabilities and members' capital	<u>\$ 468,805</u>	<u>\$ 417,717</u>
Condensed statement of operations:		
Operating revenues	\$ 2,347,669	\$ 3,132,281
Operating expenses	2,251,995	3,026,014
Operating income	<u>\$ 95,674</u>	<u>\$ 106,267</u>
Net income	<u>\$ 188,527</u>	<u>\$ 110,154</u>

As of September 30, 2024, 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 \$55,900, 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, 2024 and 2023.

Long-Term Debt	Interest Rates⁽¹⁾	Payment Dates	September 30	
			2024	2023
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	2024-2040	51,395	53,945
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	2024-2036	36,560	38,735
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	2024-2036	91,380	94,605
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 2013C	4.600%	2029	845	845
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			846,390	854,340

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates ⁽¹⁾	Payment Dates	September 30	
			2024	2023
Electric System Subordinated Revenue Bonds:				
2000 Series A ⁽²⁾	Variable	2024-2025	\$ 7,885	\$ 12,030
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⁾	5.582%	2024-2027	25,455	30,140
2013 Series A	5.000%	2027-2029	6,725	6,725
2013 Series C	5.000%	2029-2037	31,900	31,900
2014 Series A	5.000%	2034-2039	22,860	22,860
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			461,355	470,185
Bulk Power Supply System Revenue Bonds:				
Series 2010A ⁽⁴⁾	5.400-5.920%	2024-2030	22,270	24,765
Total Bulk Power System Revenue Bonds			22,270	24,765
SJRPP System Revenue Bonds:				
Issue Three, Series Four ⁽⁴⁾	5.050-5.450%	2024-2028	11,225	13,245
Issue Three, Series Six	3.000-5.000%	2024-2027	19,040	26,460
Issue Three, Series Seven	3.000-3.375%	2024-2028	36,995	41,190
Issue Three, Series Eight	3.000-3.125%	2024-2027	9,590	11,820
Total SJRPP System Revenue Bonds			76,850	92,715

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates ⁽¹⁾	Payment Dates	September 30	
			2024	2023
Water and Sewer System Senior Revenue Bonds:				
2008 Series A-2 ⁽²⁾	Variable	2028-2042	\$ 51,820	\$ 51,820
2008 Series B ⁽²⁾	Variable	2024-2041	81,255	85,290
2010 Series A ⁽⁴⁾	6.210-6.310%	2026-2044	83,115	83,115
2010 Series B	5.600-5.700%	2024-2025	3,460	5,190
2010 Series F ⁽⁴⁾	4.700-5.887%	2024-2040	37,595	37,845
2012 Series B	3.000-5.000%	2024-2034	–	13,170
2013 Series A	4.500-5.000%	2024-2027	–	4,995
2014 Series A	4.000-5.000%	2024-2040	–	148,390
2017 Series A	3.125-5.000%	2024-2041	320,965	346,770
2020 Series A	3.000-5.000%	2024-2040	100,210	104,000
2021 Series A	3.000-5.000%	2024-2041	118,595	121,815
2024 Series A	5.000-5.500%	2024-2054	503,835	–
Total Water and Sewer System Senior Revenue Bonds			\$ 1,300,850	\$ 1,002,400
Water and Sewer System Subordinated Revenue Bonds:				
Subordinated 2008 Series A-1 ⁽²⁾	Variable	2024-2038	37,650	39,325
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
Subordinated 2013 Series A	5.000%	2028-2029	–	2,760
Subordinated 2017 Series A	2.750-5.000%	2024-2034	45,655	55,015
Subordinated 2020 Series A	4.000-5.000%	2024-2040	26,590	26,590
Total Water and Sewer System Subordinated Revenue Bonds			\$ 166,380	\$ 184,655
Water and Sewer System Other Subordinated Debt				
Revolving Credit Agreement	Variable	2027	120,000	127,000
Water and Sewer System Other Subordinated Debt			\$ 120,000	\$ 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	
			2024	2023
District Energy System:				
2013 Series A	3.394-4.538%	2024-2034	25,955	27,825
Total District Energy System			\$ 25,955	\$ 27,825
District Energy System Other Subordinated Debt				
Revolving Credit Agreement	Variable	2027	27,000	11,000
Total District Energy System Subordinated Debt			\$ 27,000	\$ 11,000
Total Debt Principal Outstanding			3,047,050	2,794,885
Less: Debt Due Within One Year			(106,305)	(89,375)
Total Long-Term Debt			\$ 2,940,745	\$ 2,705,510

(1) Interest rates apply only to bonds outstanding at September 30, 2024. 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, 2024 and 2023.

(2) Variable rate demand obligations – interest rates ranged from 3.05% to 3.90% at September 30, 2024.

(3) Variable rate direct purchased bonds indexed to SIFMA – interest rates were 3.60% at September 30, 2024.

(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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-term debt activity for the year ended September 30, 2024 was as follows:

System	Debt Payable September 30, 2023	Par Amount of Debt Issued	Par Amount of Debt Refunded or Defeased	Scheduled Debt Principal Payments	Debt Payable September 30, 2024	Current Portion of Debt Payable September 30, 2024
Electric:						
Revenue	\$ 1,137,240	\$ -	\$ -	\$ (8,830)	\$ 1,128,410	\$ 19,745
Direct Purchase	187,285	-	-	(7,950)	179,335	10,190
Total Electric	1,324,525	-	-	(16,780)	1,307,745	29,935
Bulk Power Supply	24,765	-	-	(2,495)	22,270	2,580
SJRPP	92,715	-	-	(15,865)	76,850	16,445
Water and Sewer:						
Revenue	1,187,055	503,835	(171,295)	(52,365)	1,467,230	55,415
Revolver	127,000	170,000	(177,000)	-	120,000	-
Total Water and Sewer	1,314,055	673,835	(348,295)	(52,365)	1,587,230	55,415
DES:						
Revenue	27,825	-	-	(1,870)	25,955	1,930
Revolver	11,000	16,000	-	-	27,000	-
Total DES	38,825	16,000	-	(1,870)	52,955	1,930
Total	\$ 2,794,885	\$ 689,835	\$ (348,295)	\$ (89,375)	\$ 3,047,050	\$ 106,305

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)

The debt service payments to maturity on the outstanding debt as of September 30, 2024 are summarized below.

Fiscal Year	Electric System Revenue		Electric System Direct Purchase		Bulk Power Supply System	
	Principal	Interest ⁽¹⁾⁽²⁾	Principal	Interest ⁽²⁾	Principal	Interest ⁽¹⁾
2025	\$ 19,745	\$ 50,015	\$ 10,190	\$ 6,500	\$ 2,580	\$ 1,221
2026	26,020	49,065	10,605	6,138	3,105	1,066
2027	59,110	47,093	11,050	5,714	3,100	890
2028	67,975	43,940	15,430	5,134	3,205	703
2029	67,870	40,709	16,025	4,519	3,310	511
2030-2034	388,100	153,422	69,910	13,686	6,970	416
2035-2039	419,855	57,900	40,805	3,643	—	—
2040-2044	75,040	6,443	5,320	45	—	—
2045-2049	4,695	142	—	—	—	—
2050-2054	—	—	—	—	—	—
2055	—	—	—	—	—	—
Total	\$ 1,128,410	\$ 448,729	\$ 179,335	\$ 45,379	\$ 22,270	\$ 4,807

Fiscal Year	SJPPP		Water and Sewer System		District Energy System		Total Debt Service
	Principal	Interest ⁽¹⁾	Principal	Interest ⁽¹⁾⁽²⁾	Principal	Interest	
2025	\$ 16,445	\$ 2,457	\$ 55,415	\$ 73,139	\$ 1,930	\$ 2,726	\$ 242,363
2026	17,105	1,825	50,230	70,424	1,995	2,679	\$ 240,257
2027	17,565	1,245	174,105	65,897	29,065	2,043	\$ 416,877
2028	18,060	628	53,360	59,231	2,145	833	\$ 270,644
2029	7,675	155	53,320	56,531	2,235	740	\$ 253,600
2030-2034	—	—	286,285	241,588	12,695	2,131	\$ 1,175,203
2035-2039	—	—	349,560	171,621	2,890	66	\$ 1,046,340
2040-2044	—	—	231,345	108,342	—	—	\$ 426,535
2045-2049	—	—	128,445	73,595	—	—	\$ 206,877
2050-2054	—	—	166,250	34,493	—	—	\$ 200,743
2055	—	—	38,915	8,110	—	—	\$ 47,025
Total	\$ 76,850	\$ 6,310	\$ 1,587,230	\$ 962,971	\$ 52,955	\$ 11,218	\$ 4,526,464

- (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, 2024.
- (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	2025	2025	2025	2025
Redemption price	100%	100%	100%	100%
Par available for redemption	\$ 103,510	\$ 65,625	\$ 76,540	\$ 25,955

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	2025	2025	2025	2025
Redemption price	Make-Whole	Make-Whole	Make-Whole	Make-Whole
Par available for redemption	\$ 164,085	\$ 22,270	\$ 11,225	\$ 124,170

JEA debt issued during fiscal year 2024 is summarized as follows:

System	Debt Issued	Purpose	Priority of Lien	Month of Issue	Par Amount Issued	Par Amount Refunded	Accounting Gain/(Loss)
Water and Sewer	2024 Series A	New Money	Senior	Feb 2024	\$ 353,000	\$ -	\$ -
Water and Sewer	2024 Series A	Refunding(1)	Senior(2)	Feb 2024	150,835	171,295	4,320
					\$ 503,835	\$ 171,295	\$ 4,320

(1) Fixed rate bonds issued to refund fixed rate bonds with new debt service of \$207,277 compared to prior debt service of \$223,207 and \$12,408 of net present value economic savings.

(2) Senior bonds issued to refund \$162,865 senior bonds and \$8,430 subordinated bonds.

JEA issued no bonds during fiscal years 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

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. The following table summarizes the maximum amounts that could be issued:

System	New Money Authorization		Refunding Authorization		Expiration
	Senior	Subordinated	Senior	Subordinated	
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, 2024, 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 July 26, 2026 to June 25, 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, 2024, 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 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, 2024 and 2023, 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)**8. Long-Term Debt (continued)*****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, 2024 and 2023, JEA did not default on any terms of the revolving credit agreement. During fiscal year 2024, the revolving credit agreement was drawn upon by the District Energy System for \$16,000 and the Water and Sewer System for \$170,000, with \$177,000 being repaid with proceeds from the Water and Sewer System bond issuance, increasing the balance outstanding to \$147,000 as of September 30, 2024, with \$353,000 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, 2024, 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	72,750	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	59,755	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	81,255	3.9%	Mar 2007	Oct 2041	SIFMA
		<u>\$ 732,790</u>	<u>\$ 471,990</u>				

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 fallb
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 fallb
Electric	2008 Series D	40,875	39,175	3.7%	Mar 2009	Oct 2037	68% of 1 month LIBOR fallb
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
		<u>\$ 732,790</u>	<u>\$ 481,425</u>				

- (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, 2024 and 2023, all outstanding interest rate swap agreements were considered effective hedging instruments. The following table includes fiscal year 2024 and 2023 summary information for JEA's effective cash flow hedges related to the outstanding floating to fixed interest rate swap agreements.

System	Changes in Fair Value		Fair Value at September 30, 2024		
	Classification	Amount	Classification	Amount ⁽¹⁾	Notional
Electric	Deferred outflows	\$ (20,321)	Fair value of debt management strategy instruments	\$ (36,057)	\$ 390,735
Water and Sewer	Deferred outflows	(5,396)	Fair value of debt management strategy instruments	(8,028)	81,255
Total		<u>\$ (25,717)</u>		<u>\$ (44,085)</u>	<u>\$ 471,990</u>

System	Changes in Fair Value		Fair Value at September 30, 2023		
	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		<u>\$ 19,863</u>		<u>\$ (18,368)</u>	<u>\$ 481,425</u>

⁽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, 2024 and 2023, 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:

	2024		2023
68% of LIBOR fallback (based on SOFR Index) and LIBOR Index ⁽¹⁾ :			
Notional amount outstanding	\$ 196,725	\$	198,900
Variable rate received (weighted average)	3.69%		3.16%
Fixed rate paid (weighted average)	3.70%		3.70%
SIFMA Index (formerly BMA Index):			
Notional amount outstanding	\$ 275,265	\$	282,525
Variable rate received (weighted average)	3.47%		3.06%
Fixed rate paid (weighted average)	4.02%		4.02%
Net debt management swap loss	\$ (1,417)	\$	(3,765)

⁽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, 2024:

Electric System				
Fiscal Year	Principal	Interest⁽¹⁾	Net Swap Interest	Total
2025	\$ 13,840	\$ 13,481	\$ 1,472	\$ 28,793
2026	19,205	12,899	1,532	33,636
2027	19,750	12,192	1,448	33,390
2028	32,905	11,047	1,312	45,264
2029	35,115	9,795	1,165	46,075
2030-2034	163,070	30,286	3,522	196,878
2035-2039	97,675	9,160	1,521	108,356
2040	9,175	27	7	9,209
Total	\$ 390,735	\$ 98,887	\$ 11,979	\$ 501,601

Water and Sewer System				
Fiscal Year	Principal	Interest⁽¹⁾	Net Swap Interest	Total
2025	\$ 4,420	\$ 2,483	\$ 399	\$ 7,302
2026	4,525	2,355	372	7,252
2027	4,615	2,206	349	7,170
2028	—	2,194	347	2,541
2029	—	2,194	347	2,541
2030-2034	7,055	10,470	1,655	19,180
2035-2039	28,710	7,608	1,203	37,521
2040	31,930	1,149	182	33,261
Total	\$ 81,255	\$ 30,659	\$ 4,854	\$ 116,768

- ⁽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, 2024. 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, 2024.

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, 2024, 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, 2024.

JEA's floating to fixed interest rate swap counterparty credit ratings at September 30, 2024, are as follows:

Counterparty	Counterparty Credit Ratings S&P/Moody's/Fitch	Outstanding Notional Amount
Morgan Stanley Capital Service Inc.	A-/A1/A+	\$ 142,330
Goldman Sachs Mitsui Marine Derivative Products L.P.	AA-/Aa2/not rated	136,480
JPMorgan Chase Bank, N.A.	A+/Aa2/AA	111,925
Merrill Lynch Derivative Products AG	A-/A1/AA-	81,255
Total		<u>\$ 471,990</u>

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, 2024, the weighted-average interest rate on JEA's hedged variable-rate debt is 3.34%, the SIFMA swap index rate is 3.38%, and 68% of LIBOR fallback (based on SOFR) is 3.59%.

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:

	2024	2023
Revenues	\$ 28,315	\$ 31,878
Expenses	\$ 5,466	\$ 5,248

City Contribution

The City and JEA had an agreement through September 30, 2023, which established a contribution formula. 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, using 2016 as the base year for the combined assessment for the Electric Enterprise Fund and Water and Sewer Fund. Per Section 21.07 of the City Charter, should the council not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas. There is no maximum annual assessment.

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:

	2024		2023
Electric	\$ 95,209	\$	95,491
Water and Sewer	\$ 28,439	\$	26,933

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:

	2024		2023
Electric	\$ 32,038	\$	34,329
Water and Sewer	\$ 11,483	\$	11,319

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 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

9. Related Party Transactions (continued)

These amounts are included in operating expenses and were as follows:

	2024	2023
General liability	\$ 2,249	\$ 2,145
Workers' compensation	\$ 1,942	\$ 1,821

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, 2024 and 2023. The amounts are recorded by the City at present value using a 4% discount rate for the fiscal years ended September 30, 2024 and September 30, 2023.

	Workers' Compensation		General Liability	
	City of Jacksonville	JEA Portion	City of Jacksonville	JEA Portion
Beginning balance	\$ 139,440	\$ 3,033	\$ 18,206	\$ 3,161
Change in provision	23,868	2,003	10,359	1,200
Payments	(23,234)	(1,247)	(8,313)	(985)
Ending balance	\$ 140,074	\$ 3,789	\$ 20,252	\$ 3,376

10. Fuel Purchase and Purchased Power Commitments

JEA has committed to purchase approximately 25,000 tons of coal 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 contracts. JEA's coal 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 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

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

JEA has ten contracts to purchase prepaid natural gas supplies from various locations using JEA's firm natural gas supply and transportation agreements with expiration dates from 2039 to 2054. JEA is obligated to purchase specified volumes per day ranging from 45,000-53,000 mmBtu/day, increasing to 55,000-63,000 mmBtu/day on November 1, 2024, then to 56,000-64,000 mmBtu/day on July 1, 2029. 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 Ending	Coal and Pet Coke		Natural Gas	Transmission	Total
	Fuel	Transportation	Transportation		
2025	\$ 2,197	\$ 525	\$ 5,328	\$ 16,800	\$ 24,850
2026	—	—	5,328	16,800	22,128
2027	—	—	5,328	16,800	22,128
2028	—	—	5,342	16,800	22,142
2029-2043	—	—	14,203	222,600	236,803
Total	\$ 2,197	\$ 525	\$ 35,529	\$ 289,800	\$ 328,051

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) 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 11% of JEA's total energy requirements in the year 2030.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

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 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's total in-service cost for its entire undivided ownership interest in the Additional Vogtle Units is \$7,482,427, 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 \$8,023,974. A certain portion of these costs reflect a 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 \$3,464,944.

On September 29, 2022, MEAG announced that MEAG and the Vogtle Units 3 and 4 Project Entities had entered into a Definitive Settlement Agreement with Georgia Power (the Settlement Agreement) to resolve claims relating to the 2019 Global Amendments 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 reimbursed 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 released 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 would not tender any of their ownership interests in the Additional Vogtle Units to Georgia Power, which remained 22.7% in the aggregate;

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

- The parties dismissed with prejudice the existing litigation among them and deliver customary releases relating to the litigation; and
- MEAG Power waived 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 agreed 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 was not projected to occur by December 31, 2025.

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

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 any future financing needs for Project J will be financed in the capital markets, or bank borrowings.

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	32,400
Total long-term bonds	<u>2,591,665</u>
DOE advances ⁽¹⁾	
2015 DOE advances	345,990
2019 DOE advances	229,748
2020 DOE advances	111,541
Total DOE advances	<u>687,279</u>
Estimated interest earnings and bond premiums	<u>186,000</u>
Total capital requirements ⁽²⁾	<u>\$ 3,464,944</u>

(1) Includes advances and related capitalized interest accretion.

(2) Represents 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, 2024, is summarized as follows:

Fiscal Year Ending September 30	Principal	Interest	Annual Debt Service	Build America Bonds Subsidy	Net Debt Service
2025	\$ 37,296	\$ 157,173	\$ 194,469	\$ (25,746)	\$ 168,723
2026	38,710	153,997	192,707	(25,378)	167,329
2027	40,198	151,827	192,025	(24,993)	167,032
2028	41,776	149,689	191,465	(24,592)	166,873
2029	43,399	147,584	190,983	(24,173)	166,810
2030	45,082	145,359	190,441	(23,737)	166,704
2031	46,838	143,042	189,880	(23,281)	166,599
2032	48,622	140,753	189,375	(22,806)	166,569
2033	50,586	138,093	188,679	(22,311)	166,368
2034	52,603	135,465	188,068	(21,794)	166,274
2035	54,653	132,800	187,453	(21,255)	166,198
2036	48,287	130,025	178,312	(20,692)	157,620
2037	37,324	127,079	164,403	(20,106)	144,297
2038	33,865	124,038	157,903	(19,494)	138,409
2039	31,040	120,792	151,832	(18,855)	132,977
2040	22,063	117,520	139,583	(18,189)	121,394
2041	19,177	114,060	133,237	(17,495)	115,742
2042	13,207	110,900	124,107	(16,770)	107,337
2043	7,063	91,988	99,051	(13,880)	85,171
2044	2,527	21,830	24,357	(3,550)	20,807
Total	\$ 714,316	\$ 2,554,014	\$ 3,268,330	\$ (409,097)	\$ 2,859,233

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 restructured the construction arrangements for the Additional Vogtle Units. Under the restructured construction arrangements:

- Bechtel Power Corporation (Bechtel) served 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 had the right to cancel the project at any time in its discretion.

The 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 final cost of approximately \$3,464,944 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 to July 31, 2023 for Vogtle Unit 3 and April 29, 2024 for Vogtle Unit 4, respectively.

Increases in construction costs for Plant Vogtle Units 3 and 4 have resulted 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.

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

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.

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

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 11,330 MWh of electricity in fiscal year 2024 and 16,255 MWh of electricity in 2023. JEA pays only for the energy produced. Purchases of energy were \$2,064 for fiscal year 2024 and \$3,636 in 2023.

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 45,744 MWh in fiscal year 2024 and 51,304 MWh in fiscal year 2023. JEA pays only for the energy produced. Purchases of energy were \$3,639 for fiscal year 2024 and \$4,042 in 2023.

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 365,574 MWh in fiscal year 2024 and 196,411 MWh in fiscal year 2023. JEA only pays for the energy produced. Purchases of energy were \$20,036 in fiscal year 2024 and \$9,934 in fiscal year 2023.

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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)***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 54,957 MWh for \$4,317 in fiscal year 2024 and 55,312 MWh for \$4,256 in fiscal year 2023.

11. Energy Market Risk Management Program

The Energy Market Risk Management Program is intended to help manage JEA's exposure to volatility and associated risks in the fuel and energy markets. Under this program, JEA has entered into financial swaps that locked in the monthly commodity price of natural gas for calendar years 2024 through 2031. These swaps cover approximately 61% of JEA's expected annual natural gas requirements for calendar year 2025. Each year thereafter, until calendar year 2028, the volumes of natural gas under financial swaps gradually declines. Calendar years 2029 through 2031 have consistent volumes of natural gas under 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, 2024, JEA has executed fixed price transactions on 32% of the natural gas supply to be received from Shell Energy through August 2028.

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, 2024, deferred credits of \$53,512 were included in accumulated increase in fair value of hedging derivatives and deferred charges of \$20,698 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. 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. 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 was a realized loss of \$29,825 included in fuel expense in fiscal year 2024 and a realized gain of \$21,893 offsetting fuel expense in fiscal year 2023.

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 \$50,036 (33.54%) in fiscal year 2024 and \$43,986 (30.69%) in 2023.

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, 2024 and September 30, 2023 were measured based on an actuarial valuation as of September 30, 2023 and September 30, 2022, respectively. JEA's allocated share of the net pension liability is \$962,324 (52.74%) as of September 30, 2024, based on an allocation proportional to the actual contributions paid during the year ended September 30, 2023. JEA's allocated share of the net pension liability was \$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.

For the years ended September 30, 2024 and 2023, JEA's recognized pension expense is \$149,486 and \$124,719, 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	
	2024	2023
Deferred outflows of resources		
Net difference between projected and actual earnings on pension investments	\$ 49,512	\$ 135,885
Contributions subsequent to the measurement date	50,036	43,986
Changes in assumptions	29,494	40,808
Differences between expected and actual experience	29,336	23,024
Changes in proportion	6,757	10,953
Total	\$ 165,135	\$ 254,656
Deferred inflows of resources		
Changes in proportion	\$ (2,927)	\$ (5,039)
Net difference between projected and actual earnings on pension investments	—	—
Total	\$ (2,927)	\$ (5,039)

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)
2025	\$ 98,187
2026	36,666
2027	40,016
2028	(12,661)
Total	\$ 162,208

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	3.50%-10.00%, of which 2.50% is the Plan's long-term payroll inflation
Investment rate of return	6.50% (2024 and 2023), 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, 2022.

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.

Asset Class	2024		2023	
	Target Allocation	Long-term Expected Nominal Rate of Return	Target Allocation	Long-term Expected Nominal Rate of Return
Domestic equity	30.0%	6.60%	30.0%	6.40%
Fixed income	20.0%	1.80%	20.0%	0.40%
International equity	20.0%	6.70%	20.0%	6.80%
Real estate	15.0%	3.40%	15.0%	3.90%
Alternatives	7.5%	3.00%	7.5%	2.75%
Private equity	7.5%	9.90%	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.

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 2024 and 2023, 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	
	2024	2023
1% decrease	\$ 1,196,428	\$ 1,175,687
Current discount	962,324	950,267
1% increase	766,502	762,102

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

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 2024 and 2023, 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 \$8,831 (8.39%) in fiscal year 2024 and \$7,509 (11.70%) in 2023.

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 2024 and 2023, 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 \$1,021 (0.97%) in fiscal year 2024 and \$955 (1.49%) in fiscal year 2023.

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, 2024 was measured based on an actuarial valuation as of September 30, 2023. JEA's allocated share of the net pension liability is \$3,325 (38.21%) as of September 30, 2024, and \$3,471 (33.62%) as of September 30, 2023.

For the year ended September 30, 2024, JEA's recognized pension expense is \$755 and \$635 as of September 30, 2023. 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 the DC disability fund from the following sources:

	September 30	
	2024	2023
Deferred outflows of resources		
Differences between expected and actual experience	\$ 1,414	\$ 1,145
Contributions subsequent to the measurement date	1,021	955
Changes in proportion	754	848
Changes in assumptions	148	58
Net difference between projected and actual earnings on pension investments	—	54
Total	\$ 3,337	\$ 3,060
Deferred inflows of resources		
Changes in assumptions	\$ (2,519)	\$ (2,494)
Differences between expected and actual experience	(528)	(64)
Changes in proportion	(66)	(429)
Net difference between projected and actual earnings on pension investments	(31)	—
Total	\$ (3,144)	\$ (2,987)

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)
2025	\$ 919
2026	(102)
2027	(106)
2028	(118)
2029	(99)
Thereafter	(301)
Total	\$ 193

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	3.50%-10.00%, of which 2.50% is the Plan's long-term payroll inflation
Investment rate of return	6.50% (2024 and 2023), 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 for 2024 and 2023. 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 2024 and 2023, 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	
	2024	2023
1% decrease	\$ 4,162	\$ 4,042
Current discount	3,325	3,471
1% increase	2,636	2,999

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 four-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, 2023. This report may be obtained at https://www.jea.com/About/Investor_Relations/Financial_Reports/SJRPP_Pension.

JEA

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, 2024 and September 30, 2023, the following employees were covered by the benefit terms:

	2024	2023
Inactive plan members or beneficiaries currently receiving benefits	380	386
Inactive plan members entitled to but not yet receiving benefits	56	66
Active plan members	3	3
Total plan members	439	455

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 2024 and 2023, SJRPP plan members were required to contribute 4% of their annual covered salary. SJRPP didn't make employer contributions in fiscal year 2024 or fiscal year 2023.

Net Pension Liability – SJRPP's net pension asset at September 30, 2024 and net pension liability at September 30, 2023 were measured based on an actuarial valuation as of September 30, 2023 and September 30, 2022, 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	<p>Mortality tables used by the Florida Retirement System for classes other than K-12 School Instructional Personnel described as follows:</p> <p><i>Healthy pre-retirement mortality rates</i>: PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;</p> <p><i>Healthy post-retirement mortality rates</i>: 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;</p> <p><i>Disabled mortality rates</i>: PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.</p>

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.

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 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.

Asset Class	2024		2023	
	Target Allocation	Long-term Expected Nominal Rate of Return	Target Allocation	Long-term Expected Nominal Rate of Return
Domestic equity	47%	6.04%	47%	6.02%
Fixed income	45%	1.30%	45%	1.40%
International equity	8%	4.90%	8%	4.80%
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 (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of SJRPP, calculated using a discount rate of 6%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	2024	2023
1% decrease	\$ 8,905	\$ 20,230
Current discount rate	(5,683)	4,796
1% increase	(18,170)	(8,377)

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Changes in the net pension liability/(asset) are detailed below.

	2024	2023
Total pension liability		
Beginning balance	\$ 160,439	\$ 163,682
Service cost	10	10
Interest on the total pension liability	9,243	9,414
Difference between expected and actual experience	(1,950)	912
Benefit payments	(12,819)	(13,579)
Ending balance	154,923	160,439
Plan fiduciary net position		
Beginning balance	155,643	190,094
Employer contributions	—	6,900
Employee contributions	14	12
Pension plan net investment income	17,835	(27,684)
Benefit payments	(12,819)	(13,579)
Administrative expense	(67)	(100)
Ending balance	160,606	155,643
Net pension liability/(asset)	\$ (5,683)	\$ 4,796

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, 2024 and September 30, 2023, the SJRPP Plan's cash and cash equivalents consisted of the following:

	2024	2023
Cash equivalents:		
Allspring Treasury Plus Money Market Fund	\$ 1,672	\$ 4,869
Total cash and cash equivalents	\$ 1,672	\$ 4,869

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, 2024, the investment had a basis of \$7,862, a fair market value of \$50,879, and represented 28% of the fiduciary net position available for benefits. 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.

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 4.8 years as of September 30, 2024 and 4.7 years as of September 30, 2023.

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, 2024 and 2023 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, 2024			September 30, 2023		
	Fair Value	Percent		Fair Value	Percent	
		Actual	Target		Actual	Target
U.S. Government Securities and Agencies	\$ 44,285	25%	N/A	\$ 39,460	25%	N/A
Corporate bonds - non-convertible	34,299	19%	N/A	29,581	18%	N/A
Money Market/ Cash	1,672	1%	N/A	4,869	3%	N/A
Total fixed income	80,256	45%	45%	73,910	46%	45%
S&P 500 Index Fund	50,879	28%	28%	39,859	25%	28%
S&P 400 Mid-Cap Index Fund	20,310	11%	11%	17,742	11%	11%
Small and Mid-Cap Value Fund	14,967	8%	8%	13,618	9%	8%
International equities	13,751	8%	8%	14,812	9%	8%
Total equities	99,907	55%	55%	86,031	54%	55%
Total	\$ 180,163	100%	100%	\$ 159,941	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 11.95% for the year ended September 30, 2024 and -14.83% for the year ended September 30, 2023. 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 8% of total investments as of September 30, 2024 and 9% as of September 30, 2023.

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, 2024			September 30, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
U.S. Government Securities and Agencies	\$ 30,023	\$ 14,262	\$ 44,285	\$ 26,392	\$ 13,068	\$ 39,460
Corporate bonds - non-convertible	–	34,299	34,299	–	29,581	29,581
Money Market / Cash	1,672	–	1,672	4,869	–	4,869
Total fixed income	31,695	48,561	80,256	31,261	42,649	73,910
S&P 500 Index Fund	–	50,879	50,879	–	39,859	39,859
S&P 400 Mid-Cap Index Fund	19,381	929	20,310	17,041	701	17,742
Small and Mid-Cap Value Fund	13,198	1,769	14,967	12,041	1,577	13,618
International equities	–	13,751	13,751	102	14,710	14,812
Total equities	32,579	67,328	99,907	29,184	56,847	86,031
Total	\$ 64,274	\$ 115,889	\$ 180,163	\$ 60,445	\$ 99,496	\$ 159,941

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 Liability (Asset) – SJRPP's net pension asset at September 30, 2024 and net pension liability at September 30, 2023 were measured based on an actuarial valuation as of September 30, 2023 and September 30, 2022, respectively. SJRPP's net pension asset is \$5,683 as of September 30, 2024 and is included in other noncurrent assets on the statement of net position. SJRPP's net pension liability is \$4,796 as of September 30, 2023.

For the year ended September 30, 2024 and 2023, SJRPP recognized pension expense is \$1,031 and \$3,198, 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	
	2024	2023
Deferred outflows of resources		
Net difference between projected and actual earnings on pension plan investments	23,701	32,894
Total	\$ 23,701	\$ 32,894
Deferred inflows of resources		
Net difference between projected and actual earnings on pension plan investments	\$ (16,683)	\$ (14,365)
Total	\$ (16,683)	\$ (14,365)

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)
2025	\$ 1,582
2026	1,212
2027	6,001
2028	(1,777)
Total	\$ 7,018

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, 2024 and September 30, 2023, the OPEB Plan membership consisted of the following:

	2024	2023
Inactive plan members or beneficiaries currently receiving benefits	307	347
Active plan members	2,159	1,904
Total plan members	2,466	2,251

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	<p>Mortality rates used by the Florida Retirement System for its regular class members other than K-12 School Instructional Personnel described as follows:</p> <p><i>Healthy pre-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;</p> <p><i>Healthy post-retirement mortality rates</i> : 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;</p> <p><i>Disabled mortality rates</i> : PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.</p>
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 7.00% (2024 and 2023) and gradually decreasing to an ultimate trend rate of 4.00% (2024 and 2023).
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.

Asset Class	2024		2023	
	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%	9.9%
Global fixed income	15%	5.6%	15%	5.6%
International equity	21%	11.0%	21%	11.0%
Domestic fixed income	15%	5.3%	15%	5.3%
Small cap domestic equity	14%	11.4%	14%	11.3%
Real estate	10%	9.3%	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:

	2024	2023
1% decrease	\$ 4,420	\$ 12,595
Current discount rate	557	7,971
1% increase	(2,071)	4,047

Healthcare Cost Trend Rate – JEA followed the Getzen model with trend rates for costs and premiums declining from 7.00% to 4.00% assumed for the years 2024 and 2023.

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 7.00% down to 4.00% for 2024 and 2023, 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:

	2024	2023
1% decrease	\$ (2,937)	\$ 3,795
Current healthcare cost trend rate	557	7,971
1% increase	4,715	12,905

Changes in the net OPEB liability are detailed below.

	2024	2023
Total OPEB liability		
Beginning balance	\$ 42,117	\$ 42,338
Service cost	535	528
Interest on the total OPEB liability	2,473	2,489
Difference between expected and actual experience	(1,460)	670
Change of assumptions	(4,965)	(1,135)
Benefit payments	(2,856)	(2,773)
Ending balance	35,844	42,117

Plan fiduciary net position

Beginning balance	34,146	40,696
Employer contributions	961	1,714
Net investment income	3,062	(5,463)
Reimbursements to employer	(2,856)	(2,773)
OPEB plan administrative expense	(26)	(28)
Ending balance	35,287	34,146
Net OPEB liability	\$ 557	\$ 7,971

**Plan fiduciary net position as a percentage of the
total OPEB liability**

98.45% 81.07%

Covered payroll

\$224,612 \$173,502

Net OPEB liability as a percentage of covered payroll

0.25% 4.59%

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, 2024 and September 30, 2023, the OPEB Plan's cash and money market balance within the OPEB Fund A was (\$247) and (\$137), 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, 2024		September 30, 2023	
	Modified Duration	Weighted Average Maturity	Modified Duration	Weighted Average Maturity
Fixed Income Fund				
FMIT Broad Market High Quality Bond Fund	5.58	6.90	5.46	6.70
FMIT Core Plus Fixed Income Fund	6.80	8.03	6.02	8.92

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, 2024 and September 30, 2023. 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, 2024 and September 30, 2023 were 9.17% and -13.56%, 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, 2024			September 30, 2023		
	Level 2	Level 3	Total	Level 2	Level 3	Total
FMIT Core Plus Fixed Income Fund	\$ –	\$ 4,623	\$ 4,623	\$ –	\$ 4,644	\$ 4,644
FMIT Broad Market High Quality Bond Fund	4,975	–	4,975	5,088	–	5,088
Total fixed income	4,975	4,623	9,598	5,088	4,644	9,732
FMIT Large Cap Diversified Value Portfolio	9,528	–	9,528	8,058	–	8,058
FMIT International Equity Portfolio	6,881	–	6,881	6,010	–	6,010
FMIT Diversified Small to Mid Cap Equity Portfolio	5,081	–	5,081	5,054	–	5,054
FMIT Core Real Estate Portfolio	–	4,446	4,446	–	5,429	5,429
Total equities	21,490	4,446	25,936	19,122	5,429	24,551
Total	\$ 26,465	\$ 9,069	\$ 35,534	\$ 24,210	\$ 10,073	\$ 34,283

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, 2024 and September 30, 2023 was measured based on an actuarial valuation as of and with the measurement dates of September 30, 2023 and September 30, 2022, respectively. JEA's net OPEB liability is \$557 as of September 30, 2024 and \$7,971 as of September 30, 2023.

For the year ended September 30, 2024 and 2023, JEA's recognized OPEB (income)/expense is (\$207) and \$121, 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	
	2024	2023
Deferred outflows of resources		
Change of assumptions	\$ 6,657	\$ 7,839
Contributions subsequent to the measurement date	1,641	961
Differences between expected and actual experience	725	823
Net difference between projected and actual earnings on OPEB plan investments	4,723	6,320
Total	<u>\$ 13,746</u>	<u>\$ 15,943</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ (7,739)	\$ 7,948
Change of assumptions	(9,266)	5,596
Net difference between projected and actual earnings on OPEB plan investments	(2,707)	2,799
Total	<u>\$ (19,712)</u>	<u>\$ 16,343</u>

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)
2025	\$ 369
2026	(1,225)
2027	(324)
2028	(1,163)
2029	(887)
Thereafter	(2,736)
Total	<u>\$ (5,966)</u>

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.

	2024		
	Total	Level 1	Level 2
Investments by fair value level			
State and local government securities	\$ 38,810	\$ –	\$ 38,810
U.S. Treasury and government agency securities	232,550	39,709	192,841
Total investments by fair value level	271,360	39,709	231,651
Investments measured at NAV			
Money market mutual funds	171,684		
Local government investment pools	77,081		
Total investments measured at NAV	248,765		
Investments measured at cost			
Commercial paper	36,322		
Total investments measured at cost	36,322		
Total investments	\$ 556,447		

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements (continued)

	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		

Interest Rate Swap Agreements

JEA's interest rate swap agreements are valued using market rates as of September 30, 2024 and 2023 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.

	2024	2023
Electric	\$ (36,057)	\$ (15,736)
Water and Sewer	(8,028)	(2,632)
Total	\$ (44,085)	\$ (18,368)

Natural Gas Cash Flow Hedges

JEA's natural gas cash flow hedges consisted of swap agreements, covering calendar years 2024 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, 2024, deferred credits of \$53,512 were included in accumulated increase in fair value of hedging derivatives and deferred charges of \$20,698 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

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.

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 CO₂ 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 CO₂ emission limit for Northside Generating Units 1 and 2. The CO₂ emission limit will be set using a baseline of previous CO₂ 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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 (GHG) Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for GHG Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the ACE Rule. This rule was finalized in April 2024.

On May 9, 2024, the EPA published the Final GHG Rule, which covers existing coal-, oil-, and gas-fired steam generating units and new stationary combustion turbines (CT). However, this final rule does not cover existing CTs, which the EPA is addressing in a separate rulemaking. Currently, there are several litigations of the final rule and it is uncertain if the litigations will be successful.

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 SO₂ and NO_x 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 NO_x 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.

On April 24, 2024, the EPA finalized revisions to the MATS rule, in response to its reconsideration of the 2020 Residual Risk and Technology Review (which resulted in no rule revisions). The rule lowers the filterable PM standard from 0.030 to 0.010 lb/MMBtu and requires continuous monitoring of PM emissions from JEA's circulating fluidized bed boilers. PM continuous emissions monitoring systems are required to be installed on Northside Generating Units 1 and 2 by 2027.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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.

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 currently affected by this rule. 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 was finalized on May 8, 2024 with an effective date of November 8, 2024. As finalized, the rule will require SJRPP to assess its CCRMUs on a site-wide basis and determine if they require additional action. Based on the Final Rule, areas A-I and A-II will be brought under the CCR regulatory program. 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 Facility Evaluation Report. 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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.

On April 25, 2024, the EPA made available the pre-publication version of the final rule for Supplemental Effluent Limitations Guidelines. 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 after the effective date of the rule, but no later than December 31, 2029. 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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.

The Florida Legislature passed statutory changes in 2021 under Florida Senate Bill 64 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, on October 29, 2021 JEA submitted plans showing elimination of its surface water discharges by 2032. 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. Permitting and construction is also underway for a 1 million gallon per day indirect potable reuse demonstration facility 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 \$50,143 at September 30, 2024. 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; and remediation at a number of miscellaneous petroleum sites. Of the \$50,143 that JEA has accrued as environmental liabilities, approximately \$12,304 is associated with the expected cost of remediating the former wood preserving facility at the Kennedy Generating Facility, approximately \$18,639 is associated with remediating the former chemical waste ponds at the Northside Generating Station, and approximately \$16,596 is associated with SJRPP. 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.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

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 \$30,042. The remaining liability is recognized as part of revenues to be used for future costs.

Northside Generating Station Byproduct

JEA Northside Generating Station (NGS) Units 1 and 2 are fueled by a combination of petroleum coke, biomass, coal, and natural gas. Limestone is added during the power generation process to create thermal mass and to aid in the removal of sulfurous gas emissions. At the conclusion of this generation process, two byproducts are generated, fly ash and bed ash. These byproducts are distinct from that of a conventionally fired boiler because they are composed primarily of lime and gypsum. JEA has obtained a permit from FDEP to beneficially use NGS byproduct material in the State of Florida, subject to certain restrictions. Rail capacity at NGS, the ability to load rail cars and trucks directly from the storage silos, and direct leasing of railcars has enabled JEA to market fly ash and bed ash by truck or rail. These byproducts are 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 have since been settled with Plaintiff. The Plaintiff is seeking approximately \$100,000 in damages from JEA. The trial court initially determined that Plaintiff was limited to a \$500 damages cap due to sovereign immunity. 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 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. The appeal has been briefed and the Mississippi Supreme Court has retained jurisdiction to hear the case on October 18, 2024. JEA will continue to vigorously defend the dismissal on appeal.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)**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.

16. 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 was decommissioned as of September 30, 2023. 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.

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.

	2024			2023		
	Electric	W&S	DES	Electric	W&S	DES
Electricity services	N/A	\$ 19,106	\$ 3,638	N/A	\$ 18,775	\$ 4,056
Water and sewer services	521	N/A	192	368	N/A	174
Chilled water services	—	764	N/A	—	827	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 \$86,129 for fiscal year 2024 and \$76,443 for 2023.

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 \$5,996 for fiscal year 2024 and \$3,492 for 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

16. Segment Information (continued)

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 \$2,529 for fiscal year 2024 and \$2,456 for 2023.

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)

16. Segment Information (continued)

Segment information for these activities for the fiscal years ended September 30, 2024 and 2023 was as follows:

	Electric System and Bulk Power Supply System		SJRPP System		Water and Sewer		DES	
	2024	2023	2024	2023	2024	2023	2024	2023
Condensed statements of net position								
Total current assets	\$ 65,550	\$ 649,180	\$ 4,789	\$ 4,011	\$ 225,872	\$ 188,754	\$ 1,991	\$ 2,036
Total noncurrent assets	709,376	816,208	102,172	100,243	623,931	467,094	14,462	3,891
Net capital assets	2,611,322	2,584,379	7,685	8,095	3,561,438	3,253,201	49,790	43,285
Deferred outflows of resources	226,857	272,658	24,467	33,891	113,023	148,737	121	133
Total assets and deferred outflows of resources	\$ 3,613,105	\$ 4,322,425	\$ 139,113	\$ 146,240	\$ 4,524,264	\$ 4,057,786	\$ 66,364	\$ 49,345
Total current liabilities	\$ 179,857	\$ 189,007	\$ 97	\$ 114	\$ 63,806	\$ 54,579	\$ 103	\$ 471
Total current liabilities payable from restricted assets	71,536	69,440	25,663	22,509	185,739	185,215	4,207	3,200
Total long-term debt	1,403,628	1,425,668	60,300	76,809	1,651,465	1,333,959	51,020	36,945
Total other noncurrent liabilities	748,652	759,935	13,277	8,608	438,294	415,372	84	69
Total liabilities	2,403,673	2,444,050	99,337	108,040	2,339,304	1,989,125	55,414	40,685
Deferred inflows of resources	349,232	394,074	29,385	28,098	11,344	10,235	-	-
Net investment in (divestment of) capital assets	1,245,434	1,167,090	(11,502)	(9,943)	1,923,907	1,881,290	(4,228)	4,229
Restricted net position	32,515	155,196	17,202	16,148	106,911	54,831	13,374	2,935
Unrestricted net position	182,201	162,015	4,691	3,897	142,798	122,305	1,804	1,496
Total net position	1,460,150	1,484,301	10,391	10,102	2,173,616	2,058,426	10,950	8,660
Total liabilities, deferred inflows of resources, and net position	\$ 4,213,055	\$ 4,322,425	\$ 139,113	\$ 146,240	\$ 4,524,264	\$ 4,057,786	\$ 66,364	\$ 49,345
Condensed statements of revenues, expenses, and changes in net position information								
Total operating revenues	\$ 1,421,162	\$ 1,324,028	\$ 20,655	\$ 21,023	\$ 529,995	\$ 538,308	\$ 12,884	\$ 12,761
Depreciation	227,260	225,098	410	410	182,333	203,742	3,118	2,897
Other operating expenses	1,112,144	1,130,799	18,186	15,829	277,480	254,747	5,740	6,071
Operating income (loss)	81,758	(31,869)	2,059	4,784	70,182	79,819	4,026	3,793
Total nonoperating expenses, net	(10,700)	(12,276)	(1,770)	(3,023)	(15,814)	(16,472)	(1,736)	(1,405)
Total contributions, net	(95,209)	(95,491)	-	-	60,822	37,602	-	-
Special item	-	11,135	-	-	-	-	-	-
Changes in net position	(24,151)	(128,501)	289	1,761	115,190	100,949	2,290	2,388
Net position, beginning of year	1,484,301	1,612,802	10,102	8,341	2,058,426	1,957,477	8,660	6,272
Net position, end of year	\$ 1,460,150	\$ 1,484,301	\$ 10,391	\$ 10,102	\$ 2,173,616	\$ 2,058,426	\$ 10,950	\$ 8,660
Condensed statements of cash flow information								
Net cash provided by operating activities	\$ 307,216	\$ 470,428	\$ 21,148	\$ 19,217	\$ 230,029	\$ 226,127	\$ 6,743	\$ 7,246
Net cash used in noncapital and related financing activities	(95,233)	(95,412)	-	-	(28,314)	(26,911)	-	-
Net cash used in capital and related financing activities	(359,244)	(349,267)	(18,776)	(18,920)	(142,426)	(327,382)	3,412	(6,678)
Net cash provided by (used in) investing activities	121,116	(96,682)	2,164	470	9,581	55,586	214	100
Net change in cash and cash equivalents	(26,145)	(70,933)	4,536	767	68,870	(72,580)	10,369	668
Cash and cash equivalents at beginning of year	256,800	327,733	25,631	24,864	90,702	163,282	5,479	4,811
Cash and cash equivalents at end of year	\$ 230,655	\$ 256,800	\$ 30,167	\$ 25,631	\$ 159,572	\$ 90,702	\$ 15,848	\$ 5,479

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)**17. 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 has 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, 2024, the lease asset is \$93,313, with accumulated amortization of \$8,845, included in net capital assets on the Statement of Net Position. At September 30, 2024, the lease liability is \$89,463. At September 30, 2023, the lease asset was \$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 was \$91,400. 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)

17. Leases (continued)

Future principal and interest payments as of September 30, 2024 are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total Payment
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	3,202	3,206	6,408
2030-2034	20,817	13,706	34,523
2035-2039	30,310	8,485	38,795
2040-2043	24,996	1,763	26,759
Total Minimum Lease Payments	\$ 89,463	\$ 41,127	\$ 130,590

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

18. Subsequent Events

On October 1, 2024, JEA issued \$351,600 of refunding Electric System senior lien bonds and \$121,230 of refunding subordinated lien bonds to refund \$379,695 of variable rate senior lien bonds, \$95,510 of fixed rate subordinated lien bonds and \$39,330 of variable rate subordinated lien bonds, and pay swap termination costs, with new debt service of \$672,272 compared to prior debt service of \$695,416 and economic saving of \$7,852.

In December 2024, JEA plans to borrow \$50,000 against the revolving line of credit to fund Water and Sewer System capital projects.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

18. Subsequent Events (continued)

JEA expects to issue up to \$500,000 of new Water and Sewer System senior lien bonds during January 2025 to pay down the outstanding balance of Water and Sewer System draws of the revolving line of credit and fund capital projects. Additionally, JEA expects to issue up to \$42,000 of new District Energy System bonds during February 2025 to pay down the outstanding balance of District Energy 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)

<u>Fiscal Year</u>	<u>Proportional Share Percentage</u>	<u>Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
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%	66.42%
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%
2024	52.74%	962,324	137,151	701.65%	51.54%

Schedule of JEA Contributions^(a)

<u>Fiscal Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
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%
2024	50,036	50,036	-	137,151	36.48%

^(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, 2021, the effective amortization period is 25 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	6.63%, 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, 2021. 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%
2024	38.21%	3,325	73,243	4.54%	46.23%

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%
2024	1,021	1,021	-	73,243	1.39%

^(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, 2021 the effective amortization period is 25 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.
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JEA

Required Supplementary Information – Pension
(Dollars in Thousands)

SJRPP Plan – Schedule of Changes in Net Pension (Asset) Liability and Related Ratios^(a)

	2023	2022 ^(d)	2021 ^(c)	2020	2019 ^(b)	2018	2017	2016	2015	2014
Total Pension Liability										
Beginning balance	\$ 160,439	\$ 163,682	\$ 167,697	\$ 169,807	\$ 174,666	\$ 169,321	\$ 158,926	\$ 155,143	\$ 148,508	\$ 146,521
Service cost	10	10	22	21	35	112	1,032	1,210	1,275	1,470
Interest	9,243	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	(1,950)	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	(12,819)	(13,579)	(13,540)	(13,148)	(13,198)	(19,928)	(12,257)	(12,326)	(10,348)	(9,509)
Total pension liability – ending	<u>\$ 154,923</u>	<u>\$ 160,439</u>	<u>\$ 163,682</u>	<u>\$ 167,697</u>	<u>\$ 169,807</u>	<u>\$ 174,666</u>	<u>\$ 169,321</u>	<u>\$ 158,926</u>	<u>\$ 155,143</u>	<u>\$ 148,508</u>
Plan Fiduciary Net Position										
Beginning balance	\$ 155,643	\$ 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	14	12	15	19	90	232	625	629	648	655
Net investment income (loss)	17,835	(27,684)	33,731	7,877	4,610	11,499	14,571	13,379	(266)	13,763
Benefit payments	(12,819)	(13,579)	(13,540)	(13,148)	(13,198)	(19,928)	(12,257)	(12,326)	(10,348)	(9,509)
Administrative expense	(67)	(100)	(94)	(86)	(154)	(345)	(466)	(440)	(66)	(62)
Plan fiduciary net position – ending	<u>\$ 160,606</u>	<u>\$ 155,643</u>	<u>\$ 190,094</u>	<u>\$ 169,982</u>	<u>\$ 162,013</u>	<u>\$ 170,665</u>	<u>\$ 152,798</u>	<u>\$ 142,286</u>	<u>\$ 138,902</u>	<u>\$ 145,425</u>
Net Pension Liability (Asset) – Ending	<u>\$ (5,683)</u>	<u>\$ 4,796</u>	<u>\$ (26,412)</u>	<u>\$ (2,285)</u>	<u>\$ 7,794</u>	<u>\$ 4,001</u>	<u>\$ 16,523</u>	<u>\$ 16,640</u>	<u>\$ 16,241</u>	<u>\$ 3,083</u>
Plan Fiduciary Net Position as a Percentage of										
Total Pension Liability	103.67%	97.01%	116.14%	101.36%	95.41%	97.71%	90.24%	89.53%	89.53%	97.92%
Covered Payroll	\$ 339	\$ 297	\$ 373	\$ 468	\$ 452	\$ 3,982	\$ 15,621	\$ 15,730	\$ 16,665	\$ 21,304
Net Pension Liability (Asset) as a Percentage of										
Covered Payroll	-1676.86%	1616.38%	-7078.62%	-488.67%	1723.50%	100.24%	105.78%	105.79%	97.46%	14.47%

^(a) 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)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
10.32%	-0.19%	9.99%	10.39%	7.37%	2.48%	4.78%	21.33%	1.92%	3.72%

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
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%
2024	-	-	-	386	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, Closed
Remaining amortization period	1 year
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: <i>Healthy pre-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; <i>Healthy post-retirement mortality rates</i> : 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; <i>Disabled mortality rates</i> : 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)

	2023	2022	2021 ^(b)	2020 ^(c)	2019 ^(d)	2018	2017	2016
Total OPEB Liability								
Beginning balance	\$ 42,117	\$ 42,338	\$ 39,135	\$ 40,794	\$ 46,705	\$ 44,547	\$ 60,949	\$ 62,554
Service cost	535	528	432	453	539	499	811	781
Interest on the total OPEB liability	2,473	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	(1,460)	670	(2,934)	(620)	362	(4,057)	(7,891)	–
Change of assumptions	(4,965)	(1,135)	6,202	(1,131)	(6,387)	5,794	–	–
Benefit payments	(2,856)	(2,773)	(2,788)	(2,753)	(3,165)	(3,122)	(2,019)	(6,589)
Total OPEB liability – ending	\$ 35,844	\$ 42,117	\$ 42,338	\$ 39,135	\$ 40,794	\$ 46,705	\$ 44,547	\$ 60,949
Plan Fiduciary Net Position								
Beginning balance	\$ 34,146	\$ 40,696	\$ 33,999	\$ 30,703	\$ 28,449	\$ 25,712	\$ 21,441	\$ 18,156
Employer contributions	961	1,714	2,946	4,394	3,903	4,078	5,240	5,061
Net investment income	3,062	(5,463)	6,552	2,112	1,617	1,989	2,942	2,135
Reimbursements to employer	(2,856)	(2,773)	(2,774)	(3,187)	(3,244)	(3,308)	(3,911)	(3,911)
OPEB plan administrative expense	(26)	(28)	(27)	(23)	(22)	(22)	–	–
Plan fiduciary net position – ending	\$ 35,287	\$ 34,146	\$ 40,696	\$ 33,999	\$ 30,703	\$ 28,449	\$ 25,712	\$ 21,441
Net OPEB Liability – Ending	\$ 557	\$ 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	98.45%	81.07%	96.12%	86.88%	75.26%	60.91%	57.72%	35.18%
Covered Payroll	\$ 224,612	\$ 173,502	\$ 169,291	\$ 162,138	\$ 157,415	\$ 156,042	\$ 155,326	\$ 150,073
Net OPEB Liability as a Percentage of								
Covered Payroll	0.25%	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)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
8.22%	-0.46%	7.90%	13.35%	7.54%	5.55%	6.69%	19.13%	-13.56%	9.17%

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
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%
2023	961	961	-	224,612	0.43%

(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 Dollar, Open
Remaining amortization period	5 years
Asset valuation method	Market value
Inflation	2.5%
Salary increases	2.5% – 12.5% per year, including inflation; varies by years of service
Investment rate of return	6.0%
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: <i>Healthy pre-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; <i>Healthy post-retirement mortality rates</i> : 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; <i>Disabled mortality rates</i> : 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 7.5% (3.0% for premiums) and gradually decreasing to an ultimate trend rate of 4.0% 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 per capita costs.

JEA

Combining Statement of Net Position

(In Thousands)

September 30, 2024

	Electric System and Bulk Power Supply System	SJPPP 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	\$ 230,655	\$ 3,327	\$ -	\$ 233,982	\$ 20,047	\$ 1,809	\$ 255,838
Investments	142,095	1,347	-	143,442	-	-	143,442
Customer accounts receivable, net of allowance (\$2,848)	188,414	-	-	188,414	59,482	173	248,069
Inventories:							
Materials and supplies	2,453	-	-	2,453	140,854	-	143,307
Fuel	56,329	-	-	56,329	-	-	56,329
Prepaid assets	33,324	4	-	33,328	506	9	33,843
Other current assets	12,230	111	(929)	11,412	4,983	-	16,395
Total current assets	665,500	4,789	(929)	669,360	225,872	1,991	897,223
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	26,840	-	26,840	139,525	14,039	180,404
Investments	105,155	1,645	-	106,800	55,053	-	161,853
Other restricted assets	911	16	-	927	-	-	927
Total restricted assets	106,066	28,501	-	134,567	194,578	14,039	343,184
Costs to be recovered from future revenues	507,451	54,711	-	562,162	429,338	423	991,923
Hedging derivative instruments	53,512	-	-	53,512	-	-	53,512
Other assets	42,347	18,960	(13,277)	48,030	15	-	48,045
Total noncurrent assets	709,376	102,172	(13,277)	798,271	623,931	14,462	1,436,664
Net capital assets	2,611,322	7,685	-	2,619,007	3,561,438	49,790	6,230,235
Total assets	3,986,198	114,646	(14,206)	4,086,638	4,411,241	66,243	8,564,122
Deferred outflows of resources							
Unrealized pension contributions and losses	94,344	23,701	-	118,045	74,127	-	192,172
Unamortized deferred losses on refundings	36,559	766	-	37,325	24,820	121	62,266
Unrealized asset retirement obligation	31,501	-	-	31,501	-	-	31,501
Accumulated decrease in fair value of hedging derivatives	56,755	-	-	56,755	8,028	-	64,783
Unrealized OPEB contributions and losses	7,698	-	-	7,698	6,048	-	13,746
Total deferred outflows of resources	226,857	24,467	-	251,324	113,023	121	364,468
Total assets and deferred outflows of resources	\$ 4,213,055	\$ 139,113	\$ (14,206)	\$ 4,337,962	\$ 4,524,264	\$ 66,364	\$ 8,928,590

JEA
Combining Statement of Net Position (continued)
(In Thousands)

September 30, 2024

	Electric System and Bulk Power Supply System	SJ RPP 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	\$ 69,873	\$ 97	\$ (97)	\$ 69,873	\$ 25,912	\$ 71	\$ 95,856
Customer deposits and prepayments	66,342	—	—	66,342	27,903	—	94,245
Billings on behalf of state and local governments	23,992	—	—	23,992	3,849	—	27,841
Compensation and benefits payable	8,786	—	—	8,786	3,752	32	12,570
City of Jacksonville payable	8,047	—	—	8,047	2,390	—	10,437
Asset retirement obligation	2,817	—	—	2,817	—	—	2,817
Total current liabilities	179,857	97	(97)	179,857	63,806	103	243,766
Current liabilities payable from restricted assets:							
Debt due within one year	32,515	16,445	—	48,960	55,415	1,930	106,305
Interest payable	22,259	1,404	—	23,663	31,173	665	55,501
Construction contracts and accounts payable	16,762	831	(832)	16,761	99,151	1,612	117,524
Renewal and replacement reserve	—	6,983	—	6,983	—	—	6,983
Total current liabilities payable from restricted assets	71,536	25,663	(832)	96,367	185,739	4,207	286,313
Noncurrent liabilities:							
Long-term debt							
Debt payable, less current portion	1,297,500	60,405	—	1,357,905	1,531,815	51,025	2,940,745
Unamortized premium (discount), net	70,071	(105)	—	69,966	111,622	(5)	181,583
Fair value of debt management strategy instruments	36,057	—	—	36,057	8,028	—	44,085
Total long-term debt	1,403,628	60,300	—	1,463,928	1,651,465	51,020	3,166,413
Net pension liability	540,763	—	—	540,763	424,886	—	965,649
Lease liability	87,300	—	—	87,300	—	—	87,300
Asset retirement obligations	28,684	—	—	28,684	—	—	28,684
Compensation and benefits payable	31,733	—	—	31,733	13,163	84	44,980
Net OPEB liability	312	—	—	312	245	—	557
Other liabilities	59,860	13,277	(13,277)	59,860	—	—	59,860
Total noncurrent liabilities	2,152,280	73,577	(13,277)	2,212,580	2,089,759	51,104	4,353,443
Total liabilities	2,403,673	99,337	(14,206)	2,488,804	2,339,304	55,414	4,883,522
Deferred inflows of resources							
Revenues to be used for future costs	281,281	12,702	—	293,983	—	—	293,983
Accumulated increase in fair value of hedging derivatives	53,512	—	—	53,512	—	—	53,512
Unrealized OPEB gains	11,039	—	—	11,039	8,673	—	19,712
Unrealized pension gains	3,400	16,683	—	20,083	2,671	—	22,754
Total deferred inflows of resources	349,232	29,385	—	378,617	11,344	—	389,961
Net position							
Net investment in (divestment of) capital assets	1,245,434	(11,502)	—	1,233,932	1,923,907	(4,228)	3,153,611
Restricted for:							
Capital projects	—	—	—	—	46,037	11,444	57,481
Debt service	32,515	16,802	—	49,317	55,377	1,930	106,624
Other purposes	—	400	832	1,232	—	—	1,232
Unrestricted	182,201	4,691	(832)	186,060	148,295	1,804	336,159
Total net position	1,460,150	10,391	—	1,470,541	2,173,616	10,950	3,655,107
Total liabilities, deferred inflows of resources, and net position	\$ 4,213,055	\$ 139,113	\$ (14,206)	\$ 4,337,962	\$ 4,524,264	\$ 66,364	\$ 8,928,590

JEA

Combining Statement of Net Position
(In Thousands)

September 30, 2023

	Electric System and Bulk Power Supply System	SJPPP 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	SJ RPP 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 Revenues, Expenses, and Changes in Net Position
(In Thousands)

Year Ended September 30, 2024

	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	\$ 1,396,655	\$ 20,655	\$ (20,655)	\$ 1,396,655	\$ -	\$ -	\$ (22,744)	\$ 1,373,911
Water and sewer	-	-	-	-	504,323	-	(713)	503,610
District energy system	-	-	-	-	-	12,882	(764)	12,118
Other operating revenue	24,507	-	-	24,507	25,672	2	(8,525)	41,656
Total operating revenue	1,421,162	20,655	(20,655)	1,421,162	529,995	12,884	(32,746)	1,931,295
Operating expense								
Operations and maintenance:								
Maintenance and other operating expense	319,674	2,448	-	322,122	265,577	5,732	(32,746)	560,685
Fuel	354,743	-	-	354,743	-	-	-	354,743
Purchased power	359,620	-	(20,655)	338,965	-	-	-	338,965
Depreciation and amortization	227,260	410	-	227,670	182,333	3,118	-	413,121
State utility and franchise taxes	67,161	-	-	67,161	11,483	-	-	78,644
Recognition of deferred costs and revenues, net	10,946	15,738	-	26,684	420	8	-	27,112
Total operating expense	1,339,404	18,596	(20,655)	1,337,345	459,813	8,858	(32,746)	1,773,270
Operating income (loss)	81,758	2,059	-	83,817	70,182	4,026	-	158,025
Nonoperating revenue (expense)								
Interest on debt	(58,254)	(3,105)	-	(61,359)	(56,943)	(2,057)	-	(120,359)
Earnings from The Energy Authority	13,286	-	-	13,286	-	-	-	13,286
Allowance for funds used during construction	7,795	-	-	7,795	33,765	107	-	41,667
Other nonoperating income, net	3,784	196	-	3,980	2,493	-	-	6,473
Investment income, net	29,373	1,139	-	30,512	5,046	214	-	35,772
Other interest, net	(6,684)	-	-	(6,684)	(175)	-	-	(6,859)
Total nonoperating expense, net	(10,700)	(1,770)	-	(12,470)	(15,814)	(1,736)	-	(30,020)
Income (loss) before contributions	71,058	289	-	71,347	54,368	2,290	-	128,005
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(95,209)	-	-	(95,209)	(28,439)	-	-	(123,648)
Developers and other	5,289	-	-	5,289	214,377	-	-	219,666
Reduction of plant cost through contributions	(5,289)	-	-	(5,289)	(125,116)	-	-	(130,405)
Total contributions, net	(95,209)	-	-	(95,209)	60,822	-	-	(34,387)
Change in net position	(24,151)	289	-	(23,862)	115,190	2,290	-	93,618
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 year	\$ 1,460,150	\$ 10,391	\$ -	\$ 1,470,541	\$ 2,173,616	\$ 10,950	\$ -	\$ 3,655,107

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 Cash Flows
(In Thousands)

Year Ended September 30, 2024

	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	\$ 1,397,556	\$ 20,655	\$ (21,158)	\$ 1,397,053	\$ 504,167	\$ 12,829	\$ (24,221)	\$ 1,889,828
Payments to suppliers	(880,324)	445	21,158	(858,721)	(209,672)	(5,200)	32,746	(1,040,847)
Payments for salaries and benefits	(233,198)	-	-	(233,198)	(97,728)	(888)	-	(331,814)
Other operating activities	23,182	48	-	23,230	33,262	2	(8,525)	47,969
Net cash provided by operating activities	307,216	21,148	-	328,364	230,029	6,743	-	565,136
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(95,233)	-	-	(95,233)	(28,314)	-	-	(123,547)
Net cash used in noncapital and related financing activities	(95,233)	-	-	(95,233)	(28,314)	-	-	(123,547)
Capital and related financing activities								
Acquisition and construction of capital assets	(276,262)	-	-	(276,262)	(505,039)	(8,708)	-	(790,009)
Defeasance of debt	-	-	-	-	(171,295)	-	-	(171,295)
Proceeds received from debt	-	-	-	-	503,835	-	-	503,835
Interest paid on debt	(63,687)	(3,124)	-	(66,811)	(59,582)	(2,010)	-	(128,403)
Repayment of debt principal	(19,275)	(15,865)	-	(35,140)	(52,365)	(1,870)	-	(89,375)
Capital contributions	-	-	-	-	89,261	-	-	89,261
Revolving credit agreement withdrawals/(repayments)	-	-	-	-	(7,000)	16,000	-	9,000
Other capital financing activities	(20)	213	-	193	59,759	-	-	59,952
Net cash provided by (used in) capital and related financing activities	(359,244)	(18,776)	-	(378,020)	(142,426)	3,412	-	(517,034)
Investing activities								
Proceeds from sale and maturity of investments	422,598	1,841	-	424,439	46,699	-	-	471,138
Purchase of investments	(333,471)	(599)	-	(334,070)	(39,982)	-	-	(374,052)
Distributions from The Energy Authority	8,045	-	-	8,045	-	-	-	8,045
Investment income	23,944	922	-	24,866	2,864	214	-	27,944
Net cash provided by (used in) investing activities	121,116	2,164	-	123,280	9,581	214	-	133,075
Net change in cash and cash equivalents	(26,145)	4,536	-	(21,609)	68,870	10,369	-	57,630
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 year	\$ 230,655	\$ 30,167	\$ -	\$ 260,822	\$ 159,572	\$ 15,848	\$ -	\$ 436,242
Reconciliation of operating income (loss) to net cash provided by operating activities								
Operating income (loss)	\$ 81,758	\$ 2,059	\$ -	\$ 83,817	\$ 70,182	\$ 4,026	\$ -	\$ 158,025
Adjustments:								
Depreciation and amortization	227,260	410	-	227,670	182,333	3,118	-	413,121
Recognition of deferred costs and revenues, net	10,946	15,738	-	26,684	420	8	-	27,112
Other nonoperating income, net	(3,029)	-	-	(3,029)	(175)	-	-	(3,204)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	5,868	-	-	5,868	(1,023)	(52)	-	4,793
Inventories	(359)	-	-	(359)	(40,089)	-	-	(40,448)
Other assets	(12,885)	(9,398)	-	(22,283)	7,571	(3)	-	(14,715)
Accounts and accrued expense payable	(9,559)	(17)	-	(9,576)	9,101	(368)	-	(843)
Current liabilities payable from restricted assets	-	2,891	-	2,891	-	-	-	2,891
Other noncurrent liabilities and deferred inflows	7,216	9,465	-	16,681	1,709	14	-	18,404
Net cash provided by operating activities	\$ 307,216	\$ 21,148	\$ -	\$ 328,364	\$ 230,029	\$ 6,743	\$ -	\$ 565,136
Non-cash activity								
Contribution of capital assets from developers	\$ 5,289	\$ -	\$ -	\$ 5,289	\$ 125,116	\$ -	\$ -	\$ 130,405
Unrealized investment fair market value changes, net	\$ 5,459	\$ 229	\$ -	\$ 5,688	\$ 1,860	\$ -	\$ -	\$ 7,548

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



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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, 2024 and the related notes to the financial statements, which collectively comprise JEA's basic financial statements, and have issued our report thereon dated December 13, 2024.

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 13, 2024



BOND COMPLIANCE INFORMATION

JEA Electric System

Schedule of Debt Service Coverage
(In Thousands)

	Year Ended September 30	
	2024	2023
Revenues		
Electric	\$ 1,389,106	\$ 1,481,583
Investment income ⁽¹⁾	23,619	17,919
Earnings from The Energy Authority	13,286	23,603
Other ⁽²⁾	24,750	35,709
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	7,551	15,034
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	(1)	(197,071)
Total Revenues	1,458,311	1,376,777
Cost of Operation and Maintenance ⁽³⁾		
Fuel	354,743	438,127
Purchased power ⁽⁴⁾	370,984	306,647
Maintenance and other operating expense	311,752	304,327
State utility and franchise taxes	67,162	72,490
Total Cost of Operation and Maintenance	1,104,641	1,121,591
Net Revenues	\$ 353,670	\$ 255,186
Debt Service Requirement on Electric System Bonds (prior to reduction of investment income on sinking fund and Build America Bonds subsidy)	\$ 53,914	\$ 42,012
Less: investment income on sinking fund	(296)	(1,231)
Less: Build America Bonds subsidy	(1,535)	(1,535)
Debt Service Requirement on Electric System Bonds	\$ 52,083	\$ 39,246
Debt service coverage on Electric System Bonds ⁽⁵⁾	6.79 x	6.50 x
Debt Service Requirement on Electric System Bonds (from above)	\$ 52,083	\$ 39,246
Plus: Aggregate Subordinated Debt Service on Subordinated Electric System Bonds (prior to Build America Bonds subsidy)	33,884	31,179
Less: Build America Bonds subsidy	(1,698)	(1,775)
Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds	\$ 84,269	\$ 68,650
Debt service coverage on Electric System Bonds and Subordinated Electric System Bonds ⁽⁶⁾	4.20 x	3.72 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	
	2024	2023
Revenues		
Operating	\$ 11,364	\$ 12,683
Investment income	288	141
Total Revenues	11,652	12,824
Operation and Maintenance Expenses ⁽¹⁾		
Fuel	-	5
Maintenance and other operating expense	4,408	5,408
Total Operation and Maintenance Expenses	4,408	5,413
Net Revenues	\$ 7,244	\$ 7,411
Aggregate Debt Service (prior to reduction of Build America Bonds subsidy)	\$ 3,870	\$ 3,918
Less: Build America Bonds subsidy	(426)	(470)
Aggregate Debt Service	\$ 3,444	\$ 3,448
Debt service coverage ⁽²⁾	2.10 x	2.15 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	
	2024	2023
Revenues		
Operating	\$ 21,008	\$ 21,395
Investment income	909	470
Total Revenues	21,917	21,865
Operation and Maintenance Expenses	-	-
Net Revenues	\$ 21,917	\$ 21,865
Aggregate Debt Service (prior to reduction of Build America Bonds subsidy)	\$ 19,253	\$ 19,305
Less: Build America Bonds subsidy	(195)	(228)
Aggregate Debt Service	\$ 19,058	\$ 19,077
Debt service coverage ⁽¹⁾	1.15 x	1.15 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	
	2024	2023
Revenues		
Water	\$ 223,823	\$ 217,572
Water Capacity Charges	24,776	18,845
Sewer	280,500	275,642
Sewer Capacity Charges	64,485	45,690
Investment income	3,187	6,338
Other ⁽¹⁾	25,672	18,999
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	-	48,387
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	-	(22,292)
Total Revenues	622,443	609,181
Operation and Maintenance Expenses		
Maintenance and other operating expense ⁽²⁾	265,577	231,632
State utility and franchise taxes	11,483	11,319
Total Operation and Maintenance Expenses	277,060	242,951
Net Revenues	\$ 345,383	\$ 366,230
Aggregate Debt Service on Water and Sewer System Bonds (prior to reduction of Build America Bonds subsidy)	\$ 102,228	\$ 86,676
Less: Build America Bonds subsidy	(2,432)	(2,435)
Aggregate Debt Service on Water and Sewer System Bonds	\$ 99,796	\$ 84,241
Debt service coverage on Water and Sewer System Bonds ⁽³⁾	3.46 x	4.35 x
Aggregate Debt Service on Water and Sewer System Bonds (from above)	\$ 99,796	\$ 84,241
Plus: Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	14,954	16,899
Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	\$ 114,750	\$ 101,140
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds excluding Capacity Charges ⁽⁴⁾	2.23 x	2.98 x
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds including Capacity Charges ⁽⁴⁾	3.01 x	3.62 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	
	2024	2023
Revenues		
Service revenue	\$ 12,882	\$ 12,761
Investment income	214	100
Other	2	-
Total Revenues	<u>13,098</u>	<u>12,861</u>
Operation and Maintenance Expenses⁽¹⁾		
Maintenance and other operating expense	<u>5,732</u>	<u>6,064</u>
Total Operation and Maintenance Expenses	<u>5,732</u>	<u>6,064</u>
Net Revenues	<u>\$ 7,366</u>	<u>\$ 6,797</u>
Aggregate Debt Service⁽²⁾	<u>\$ 3,021</u>	<u>\$ 3,022</u>
Debt service coverage⁽³⁾	<u>2.44 x</u>	<u>2.25 x</u>

⁽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 Aggregate Debt Service.

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APPENDIX B**SUMMARY OF CERTAIN PROVISIONS OF THE
WATER AND SEWER SYSTEM RESOLUTION**

The following is a summary of certain provisions of the Water and Sewer System Resolution. Summaries of certain definitions contained in the Water and Sewer System Resolution are set forth below. Other terms defined in the Water and Sewer System Resolution for which summary definitions are not set forth are indicated by capitalization. The summary does not purport to be a complete description of the terms of the Water and Sewer System Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof.

The Water and Sewer System Resolution, as heretofore amended, is available for viewing and downloading on JEA's website at https://www.jea.com/About/Investor_Relations/Bonds/. Copies of the Water and Sewer System Resolution (as so amended) and the First Supplemental Resolution (as defined herein) may be obtained from JEA; provided that a reasonable charge may be imposed for the cost of reproduction. The term "Water and Sewer System Bonds" as used in this summary has the same meaning as the term "Water and Sewer System Bonds" as used in the Annual Disclosure Report to which this summary is attached.

Definition of Terms

The following are summaries of certain definitions in the Water and Sewer System Resolution:

Accreted Value means, as of any date of computation with respect to any Water and Sewer System Capital Appreciation Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Water and Sewer System Capital Appreciation Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Water and Sewer System Capital Appreciation Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Water and Sewer System Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

Accrued Aggregate Debt Service means, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series, calculating the accrued Debt Service with respect to each Series at an amount equal to the sum of (i) interest on the Water and Sewer System Bonds of such Series accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installments for such Series next due which would have accrued (if deemed to accrue in

the manner set forth in the definition of Debt Service) to the end of such calendar month; *provided, however*, that (i) there shall be excluded from the calculation of Accrued Aggregate Debt Service any Principal Installments which are Refundable Principal Installments, (ii) the principal and interest portions of the Accreted Value of Water and Sewer System Capital Appreciation Bonds or the Appreciated Value of Water and Sewer System Deferred Income Bonds shall be included in the calculation of Accrued Aggregate Debt Service at the times and in the manner provided in the Water and Sewer System Resolution and (iii) if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account takes into account Accrued Aggregate Debt Service, then, for purposes of such calculation, Accrued Aggregate Debt Service shall be calculated only with respect to the Water and Sewer System Bonds of the Series secured thereby.

Additionally Secured Series means a Series of Water and Sewer System Bonds for which the payment of the principal or sinking fund Redemption Price, if any, of, and interest on, all or a portion of the Water and Sewer System Bonds of which shall be secured, in addition to the pledge of the Trust Estate created pursuant to the Water and Sewer System Resolution, by amounts on deposit in a separate subaccount to be designated therefor in the Debt Service Reserve Account. For all purposes of the Water and Sewer System Resolution relating to the separate subaccount in the Debt Service Reserve Account in the Debt Service Fund established with respect to all or any portion of the Water and Sewer System Bonds of any such Additionally Secured Series, any reference to such Additionally Secured Series shall be deemed to refer only to the Water and Sewer System Bonds of such maturities (or interest rate(s) within a maturity) of such series that are so secured by amounts on deposit in such separate subaccount.

Adjusted Aggregate Debt Service for any period means, as of any date of calculation, the Aggregate Debt Service for such period except that (a) if any Refundable Principal Installment for any Series of Water and Sewer System Bonds is included in Aggregate Debt Service for such period, Adjusted Aggregate Debt Service shall mean Aggregate Debt Service determined as if each such Refundable Principal Installment had been payable, over a period extending from the due date of such Principal Installment through the later of (x) the 30th anniversary of the issuance of such Series of Water and Sewer System Bonds or (y) the 10th anniversary of the due date of such Refundable Principal Installment, in installments which would have required equal annual payments of principal and interest over such period and (b) the principal and interest portions of the Accreted Value of Water and Sewer System Capital Appreciation Bonds or the Appreciated Value of Water and Sewer System Deferred Income Bonds shall be included in the calculation of Adjusted Aggregate Debt Service at the times and in the manner provided in the Water and Sewer System Resolution. Interest deemed payable in any Fiscal Year after the actual due date of any Refundable Principal Installment of any Series of Water and Sewer System Bonds shall be calculated at such rate of interest as JEA, or a banking or financial institution selected by JEA, determines would be a reasonable estimate of the rate of interest that would be borne on Water and Sewer System Bonds maturing at the times determined in accordance with the provisions of the preceding sentence.

Aggregate Debt Service for any period means, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series; *provided, however*, that (a) for purposes of estimating Aggregate Debt Service for any future period (i) any Water and Sewer System Variable Rate Bonds Outstanding during such period shall be assumed to bear interest

during such period at the greater of (X) the actual rate of interest then borne by such Water and Sewer System Variable Rate Bonds or (Y) the Certified Interest Rate applicable thereto and (ii) any Water and Sewer System Option Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof and (b) the principal and interest portions of the Accreted Value of Water and Sewer System Capital Appreciation Bonds or the Appreciated Value of Water and Sewer System Deferred Income Bonds shall be included in the calculation of Aggregate Debt Service at the times and in the manner provided in the Water and Sewer System Resolution; and *provided, further*, that if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account takes into account Aggregate Debt Service, then, for purposes of such calculation, Aggregate Debt Service shall be calculated only with respect to the Water and Sewer System Bonds of the Series secured thereby.

Alternate Variable Rate Taxable Index means such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is not excluded from gross income for federal income tax purposes, as determined by an Authorized Officer of JEA.

Alternate Variable Rate Tax-Exempt Index means such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is excluded from gross income for federal income tax purposes, as determined by an Authorized Officer of JEA.

Annual Net Revenues means, with respect to any Fiscal Year, the Revenues during such Fiscal Year, determined on an accrual basis, minus the sum of (a) Operation and Maintenance Expenses during such Fiscal Year, determined on an accrual basis, to the extent paid or to be paid from Revenues, (b) the Aggregate Debt Service with respect to such Fiscal Year and (c) debt service payable during such Fiscal Year with respect to all other obligations issued by JEA (including, without limitation, Subordinated Indebtedness) in connection with the System, determined on an accrual basis.

Appreciated Value means, with respect to any Water and Sewer System Deferred Income Bond, (i) as of any date of computation prior to the Current Interest Commencement Date with respect to such Water and Sewer System Deferred Income Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Water and Sewer System Deferred Income Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Water and Sewer System Deferred Income Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Deferred Income Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of

twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

BMA Municipal Swap Index means the rate determined on the basis of an index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by Municipal Market Data or any successor indexing agent which meets specific criteria established by The Bond Market Association.

Bond Anticipation Notes means notes or other evidences of indebtedness from time to time issued in anticipation of the issuance of Water and Sewer System Bonds, the proceeds of which have been or are required to be applied to one or more of the purposes for which Water and Sewer System Bonds may be issued, the payment of which notes is to be made from the proceeds of the Water and Sewer System Bonds in anticipation of the issuance of which said notes are issued.

Bond Year means the 12-month period commencing on October 1 in any year and ending on September 30 of the following year.

Build America Bonds shall mean any Bonds with respect to which JEA has irrevocably elected, pursuant to Section 54AA(g) of the Code or any similar federal program creating subsidies for municipal borrowers for which JEA qualifies, to receive cash subsidy payments from the U.S. Treasury equal to a portion of the interest payable on such Bonds.

Capacity Charges shall mean water and sewer capacity charges imposed by JEA with respect to the System.

Certified Interest Rate means, as of any date of determination:

(i) with respect to any Water and Sewer System Variable Rate Bonds maturing on a particular date that were, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (1) the average of the Variable Rate Tax-Exempt Index for the five years preceding such date of determination and (2) the average rate of interest borne by Water and Sewer System Variable Rate Bonds for the 12 months preceding such date of determination; *provided, however*, if such Water and Sewer System Variable Rate Bonds are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (i) shall be the rate determined pursuant to the foregoing subclause (1);

(ii) with respect to any Water and Sewer System Variable Rate Bonds maturing on a particular date that were not, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (a) the average of the Variable Rate Taxable Index for the five years preceding such date of determination and (b) the average rate of interest borne by such Water and Sewer System Variable Rate Bonds, for the 12 months preceding such date of

determination; *provided, however*, if such Water and Sewer System Variable Rate Bonds are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (ii) shall be the rate determined pursuant to the foregoing subclause (a); and

(iii) for purposes of calculating the Debt Service Reserve Requirement for any particular subaccount in the Debt Service Reserve Account in the Debt Service Fund and with respect to any Water and Sewer System Variable Rate Bonds maturing on a particular date, the interest rate set forth in a certificate of an Authorized Officer of JEA executed on or prior to the date of the initial issuance of such Water and Sewer System Variable Rate Bonds as determined as follows: a Certified Interest Rate shall be that rate of interest determined by JEA, or a banking or financial institution or financial advisory firm selected by JEA, as the rate of interest such Water and Sewer System Variable Rate Bonds would bear if, assuming the same maturity date, terms and provisions (other than interest rate) as such proposed Water and Sewer System Variable Rate Bonds, and on the basis of JEA's credit ratings with respect to the Water and Sewer System Bonds (other than Bonds for which credit enhancement is provided by a third party), such proposed Water and Sewer System Variable Rate Bonds were issued at a fixed interest rate.

Code means the Internal Revenue Code of 1986, or any successor, and the applicable regulations (including final, temporary and proposed) promulgated by the United States Department of the Treasury thereunder, including Treasury Regulations issued pursuant to Sections 103 and 141 through 150, inclusive, of said Internal Revenue Code of 1986.

Contract Debts means any obligations of JEA under a contract, lease, installment sale agreement, bulk purchase agreement or otherwise to make payments out of Revenues for property, services or commodities whether or not the same are made available, furnished or received.

Costs means the costs, expenses and liabilities paid or incurred or to be paid or incurred by JEA in connection with the planning, engineering, designing, acquiring, constructing, installing, financing, repairing, extending, improving, reconstructing, retiring and disposing of the System or any part thereof and the obtaining of all governmental approvals, certificates, permits and licenses with respect thereto (including, for this purpose, any acquisition by JEA of an interest in an existing facility).

Credit Enhancement means, with respect to the Water and Sewer System Bonds of a Series, a maturity within a Series or an interest rate within a maturity, the issuance of an insurance policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by JEA or otherwise, the principal of and interest on such Water and Sewer System Bonds.

Credit Enhancer means any person or entity which, pursuant to a Supplemental Resolution, is designated as a Credit Enhancer and which provides Credit Enhancement for any Water and Sewer System Bonds.

Current Interest Commencement Date means, with respect to any particular Water and Sewer System Deferred Income Bonds, the date specified in the Supplemental Resolution authorizing such Water and Sewer System Deferred Income Bonds (which date must be prior to the maturity date for such Water and Sewer System Deferred Income Bonds) after which interest accruing on such Water and Sewer System Deferred Income Bonds shall be payable periodically on dates specified in such Supplemental Resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

Debt Service for any period means, as of any date of calculation and with respect to any Series, an amount equal to the sum of:

(i) interest accruing during such period on Water and Sewer System Bonds of such Series, except to the extent that such interest is to be paid from deposits into the Debt Service Account made from the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of the indebtedness of JEA; provided, that in the event that the Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then in respect of the interest payable on such Bonds, for purposes of the definition, the interest on the Bonds of such Series shall be calculated net of the amount of the cash subsidy payments due from the U.S. Treasury. If for whatever reason, JEA no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), for purposes of this definition, the interest on the Bonds of such Series shall be calculated without regard to such subsidy, and

(ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, (x) in the case of Water and Sewer System Bonds other than Reimbursement Obligations, if (1) there shall be no such preceding Principal Installment due date or (2) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the Date of Issuance of the Water and Sewer System Bonds of such Series, whichever date is later, and (y) in the case of Reimbursement Obligations, in accordance with the terms thereof and the Supplemental Resolution authorizing such Reimbursement Obligations), except to the extent that such Principal Installment is paid or to be paid from the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA.

Such interest and Principal Installments for such Series shall be calculated on the assumption that (x) no Water and Sewer System Bonds (except for Water and Sewer System Option Bonds actually tendered for payment prior to the stated maturity thereof and paid, or to be paid, from Revenues) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, (y) the principal amount of Water and Sewer System Option Bonds tendered for payment before the stated maturity thereof and paid, or to be paid, from Revenues, shall be deemed to accrue on the date required to be paid pursuant to such tender and (z) the principal and interest portions of the Accreted Value of Water and Sewer System Capital Appreciation Bonds or the Appreciated

Value of Water and Sewer System Deferred Income Bonds shall be included in the calculation of Debt Service at the times and in the manner provided in the Water and Sewer System Resolution; *provided, however*, that if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account takes into account Debt Service, then, for purposes of such calculation, Debt Service shall be calculated only with respect to the Water and Sewer System Bonds of the Series secured thereby.

Notwithstanding anything to the contrary contained in the Water and Sewer System Resolution, (a) if JEA has in connection with any Water and Sewer System Bonds entered into a Designated Swap Obligation which provides that, in respect of a notional amount equal to the Outstanding principal amount of such Water and Sewer System Bonds, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a variable rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a fixed rate of interest, then, for purposes of calculating the Debt Service with respect to such Water and Sewer System Bonds for purposes of the "additional bonds test" and the "rate covenant" contained in clause (7) of subsection 1 of Section 203 and Section 711 of the Water and Sewer System Resolution and, it will be assumed that such Water and Sewer System Bonds bear interest at a rate equal to the sum of (1) the lesser of (A) the average of the variable rate payable by JEA pursuant to such Designated Swap Obligation for the five years preceding the date of determination, calculating such rate based upon the method, formula or index with respect thereto set forth in such Designated Swap Obligation and (B) the average of the actual rates paid by JEA pursuant to such Designated Swap Obligation for the 12 months preceding such date of determination; *provided, however*, if such Designated Swap Obligation shall not have been in effect for 12 months, then the rate of interest determined pursuant to this clause (1) shall be the rate determined pursuant to the foregoing subclause (A) and (2) the difference (whether positive or negative) between (X) the fixed rate of interest on such Water and Sewer System Bonds and (Y) the fixed rate of interest payable to JEA pursuant to such Designated Swap Obligation and (b) if JEA has in connection with any Water and Sewer System Variable Rate Bonds entered into a Designated Swap Obligation which provides that, in respect of a notional amount equal to the Outstanding principal amount of such Water and Sewer System Variable Rate Bonds, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a fixed rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a variable rate of interest, then, for purposes of calculating the Debt Service Requirement with respect to such Water and Sewer System Variable Rate Bonds for purposes of the "additional bonds test" and the "rate covenant" contained in clause (7) of subsection 1 of Section 203 and Section 711 of the Water and Sewer System Resolution, it will be assumed that such Water and Sewer System Variable Rate Bonds bear interest at the fixed rate of interest payable by JEA pursuant to such Designated Swap Obligation.

Debt Service Reserve Requirement means, with respect to each separate subaccount in the Debt Service Reserve Account, unless otherwise determined in the manner provided in the Water and Sewer System Resolution, as of any date of calculation, an amount equal to the maximum Aggregate Debt Service coming due on the Water and Sewer System Bonds of all Series secured thereby then Outstanding in the then current or any future Bond Year excluding interest on such Water and Sewer System Bonds to be paid from deposits in the Debt Service Account made from the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA.

For the purpose of the calculation of the Debt Service Reserve Requirement in the event that the Bonds of any Series shall constitute Build America Bonds, then until such time, if any, as JEA, for whatever reason, no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), the interest on such Bonds shall be calculated net of the amount of such subsidy; provided, however, that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of such Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to JEA by the U.S. Treasury, and the amount of such increase shall be required to be funded in equal semiannual installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which such specified percentage is so reduced, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period and provided, further, that in the event that JEA, for whatever reason, ceases to receive cash subsidy payments from the U.S. Treasury in respect of the interest payable on any such Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), then the amount of such Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be required to be funded in equal semiannual installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which JEA does not receive the first such cash subsidy payment that it theretofore was qualified to receive, except that if at any time from the commencement of such funding, either (x) any of such Bonds shall cease to be Outstanding or (y) the amount of such Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Bonds that remain Outstanding and the amount (if any) of such reduction in such Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period. Notwithstanding any other provision of this resolution, any one or more installments of any increase in the Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund provided for in the

preceding sentence may be prepaid at any time in whole or in part by JEA by designating in JEA's records that such payment(s) is (or are) to be treated as a prepayment.

Defeasance Securities shall mean, unless otherwise provided with respect to the Bonds of a Series in the Supplemental Resolution authorizing such Bonds, U.S. Obligations which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof.

Defeased Municipal Obligations shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or U.S. Obligations which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this definition, as appropriate, (c) as to which the principal of and interest on the U.S. Obligations on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this definition on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this definition, as appropriate and (d) which at the time of their purchase hereunder are rated "AAA" by Standard & Poor's Ratings Group and, if rated by Moody's Investors Service, are rated "Aaa" by such agency.

Designated Swap Obligation means, to the extent from time to time permitted by law, any interest rate swap transaction (i) which is entered into by JEA for the purpose of converting synthetically the interest rate on any particular Water and Sewer System Bonds from a fixed rate to a variable rate or from a variable rate to a fixed rate (regardless of whether such Designated Swap Obligation shall have a term equal to the remaining term of such Bonds) and (ii) which has been designated in a certificate of an Authorized Officer of JEA filed with the records of JEA as such (which certificate shall specify the Water and Sewer System Bonds with respect to which such Designated Swap Obligation is entered into).

Designated Swap Obligation Provider means any person with whom JEA enters into a Designated Swap Obligation.

Federal Agency Securities shall mean bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America which at the time of their purchase hereunder are rated "AAA" by Standard & Poor's Ratings Group and "Aaa" by Moody's Investors Service, if rated by both rating agencies, and, if

rated by one rating agency, shall have a rating of "AAA" or "Aaa" by Standard & Poor's Ratings Group or Moody's Investors Service, as the case may be.

Investment Securities shall mean and include any other securities, obligations or investments that, at the time, shall be permitted by Florida Law for the investment of JEA's funds.

Maximum Annual Aggregate Adjusted Water and Sewer System Debt Service means, as of any date of calculation, the greatest Adjusted Aggregate Debt Service for the then current or any future Fiscal Year.

Net Revenues means, for any period, the Revenues during such period, determined on an accrual basis, minus Operation and Maintenance Expenses during such period, determined on an accrual basis, to the extent paid or to be paid from Revenues.

One-Month LIBOR Rate means, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 A.M., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

Operation and Maintenance Expenses means the current expenses, paid or accrued, of operation, maintenance and repair of the System, including administration costs, as calculated in accordance with generally accepted accounting principles, and shall include all Contract Debts. Notwithstanding the foregoing, Operation and Maintenance Expenses shall not include any reserve for renewals or replacements or any allowance for depreciation or amortization and there shall be included in Operation and Maintenance Expenses only that portion of the total administrative, general and other expenses of JEA which are properly allocable to the System.

Principal Installment means, as of any date of calculation and with respect to any Series, so long as any Water and Sewer System Bonds thereof are Outstanding, (i) the principal amount of Water and Sewer System Bonds (including, in the case of any Water and Sewer System Option Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof and paid, or to be paid, from Revenues) of such Series due (or so tendered for payment and paid, or to be so paid) on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the Water and Sewer System Resolution) of any Sinking Fund Installments due on a certain future date for Water and Sewer System Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Water and Sewer System Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Water and Sewer System Bonds of such Series, the sum of such principal amount of Water and Sewer System Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Refundable Principal Installment means any Principal Installment for any Series of Water and Sewer System Bonds which JEA intends to pay with moneys which are not Revenues, if such intent was expressed in the Supplemental Resolution authorizing such Series. Any such Principal

Installment will be a Refundable Principal Installment only through the penultimate day of the month preceding the month in which such Principal Installment comes due or such earlier time as JEA no longer intends to pay such Principal Installment with moneys which are not Revenues.

Reimbursement Obligations means all Water and Sewer System Bonds issued to evidence JEA's obligation to repay any advances or loans made to, or on behalf of, JEA in connection with any Credit Enhancement or liquidity support for the Water and Sewer System Bonds of a Series (or a maturity or maturities or interest rate within a maturity thereof).

Renewal and Replacement Requirement means, at any date of calculation, an amount equal to 10 percent of the sum of (a) the aggregate amount of Water and Sewer System Bonds Outstanding under the Water and Sewer System Resolution and (b) the aggregate amount of all other obligations issued by JEA in connection with the System (including, without limitation, Subordinated Indebtedness) outstanding and unpaid (or as to which provision for payment has not been made in accordance with the terms thereof).

Revenues means (i) all revenues, income, rents, service fees and receipts properly allocable to the System resulting from ownership and operation of the System, excluding (a) unless otherwise determined by the Governing Body, Capacity Charges, (b) customer deposits and any other deposits subject to refund unless such deposits have become property of JEA and (c) if and to the extent determined by the JEA Board, special assessments, if any, levied by JEA in connection with any facilities constituting a part of the System, (ii) the proceeds of any insurance covering business interruption loss relating to the System and (iii) interest received or to be received on any moneys or securities held pursuant to the Water and Sewer System Resolution and paid or required to be paid into the Revenue Fund. For any purpose of the Water and Sewer System Resolution that requires the computation of Revenues with respect to any period of time, "Revenues" shall include such amounts resulting, received or to be received, as the case may be, during such period, determined on an accrual basis, plus (x) the amounts, if any, paid from the Rate Stabilization Fund into the Revenue Fund during such period, but only to the extent that such amounts originally were deposited to the Rate Stabilization Fund from Revenues (excluding from (x) amounts included in the Revenues for such period representing interest earnings transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the Water and Sewer System Resolution) and minus (y) the amounts, if any, paid from the Revenue Fund into the Rate Stabilization Fund during such period. Notwithstanding the foregoing, all cash subsidy payments received by JEA from the U.S. Treasury in respect of interest payable on any Build America Bonds shall not constitute "Revenues" for any purpose of the Resolution.

System or Water and Sewer System means each and every part of the water system and sewer system owned and operated by JEA for water supply, transmission, treatment and distribution and for sewage collection, transmission, treatment and disposal or distribution now existing and hereafter acquired by lease, contract, purchase or otherwise or constructed, including any interest or participation of JEA in any facilities in connection with said system, together with all additions, betterments, extensions and improvements to said system or any part thereof hereafter constructed or acquired and together with all lands, easements, licenses and rights of way and all other works, property or structures and contract rights and other tangible and intangible assets now or hereafter owned or used in connection with or related to said System; *provided, however*, that upon compliance with certain provisions of the Water and Sewer System Resolution

described under "Certain Other Covenants - *Additional Utility Functions*" below, the term System shall be deemed to include other utility functions added to the System such as the acquisition, distribution, and sale of natural gas, the production, distribution and sale of process steam, or other utility functions that are, in accordance with Prudent Utility Practice, reasonably related to the services provided by the System. Notwithstanding the foregoing definition of the term System, such term shall not include the existing electric system owned by JEA or any bulk power supply utilities or systems now owned or hereafter acquired by JEA, nor shall it include any properties or interests in properties of JEA (a) which JEA determines shall not constitute a part of the System for the purpose of the Water and Sewer System Resolution at the time of the acquisition thereof by JEA or (b) as to which there shall be filed with the records of JEA a certificate of the Consulting Engineer stating, in its opinion, that the exclusion of such properties or interests in properties from the System will not materially impair the ability of JEA to comply during the current or any future Fiscal Year with the provisions of the rate covenant described under "Covenant as to Rates, Fees and Other Charges" below.

Trust Estate means (i) the proceeds of the sale of the Water and Sewer System Bonds, (ii) the Revenues, and (iii) all Funds and Accounts established by the Water and Sewer System Resolution (other than the Debt Service Reserve Account), including the investments and investment income, if any, thereof.

U.S. Obligations shall mean any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America, including Federal Agency Securities to the extent unconditionally guaranteed by the United States of America.

U.S. Treasury shall mean the U.S. Treasury or any party designated by the federal government to issue cash subsidy payments on Build America Bonds.

Variable Rate Taxable Index means the One-Month LIBOR Rate or, if the One-Month LIBOR Rate no longer shall be available, the Alternate Variable Rate Taxable Index.

Variable Rate Tax-Exempt Index means the BMA Municipal Swap Index or, if the BMA Municipal Swap Index no longer shall be available, the Alternate Variable Rate Tax-Exempt Index.

Water and Sewer System Bond or Bonds means any bonds, notes or other obligations or evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to the Water and Sewer System Resolution but shall not mean Subordinated Indebtedness or Bond Anticipation Notes.

Water and Sewer System Capital Appreciation Bond or Bonds means any Water and Sewer System Bonds issued under the Water and Sewer System Resolution as to which interest is (i) compounded periodically on dates that are specified in the Supplemental Resolution authorizing such Water and Sewer System Capital Appreciation Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Water and Sewer System Resolution or the Supplemental Resolution authorizing such Water and Sewer System Capital Appreciation Bonds.

Water and Sewer System Deferred Income Bond or Bonds means any Water and Sewer System Bonds issued under the Water and Sewer System Resolution as to which interest accruing prior to the Current Interest Commencement Date is (i) compounded periodically on dates specified in the Supplemental Resolution authorizing such Water and Sewer System Deferred Income Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Water and Sewer System Resolution or the Supplemental Resolution authorizing such Water and Sewer System Deferred Income Bonds.

Water and Sewer System Option Bond or Bonds means any Water and Sewer System Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment by JEA prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

Water and Sewer System Variable Rate Bond means any Water and Sewer System Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of issuance of the Series of Water and Sewer System Bonds of which such Water and Sewer System Bond is one.

Pledge

The Water and Sewer System Bonds are special obligations of JEA payable from and secured by the funds pledged therefor. Pursuant to the Water and Sewer System Resolution, there is pledged for the payment of the principal and Redemption Price of, and interest on, the Water and Sewer System Bonds in accordance with their terms and the provisions of the Water and Sewer System Resolution, subject only to the provisions of the Water and Sewer System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Water and Sewer System Resolution, the Trust Estate.

Pursuant to the Water and Sewer System Resolution, there also are pledged, as additional security for the payment of the principal or sinking fund Redemption Price, if any, of, and interest on, the Water and Sewer System Bonds of each Additionally Secured Series secured thereby, subject only to the provisions of the Water and Sewer System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Water and Sewer System Resolution, amounts on deposit in any separate subaccount established in the Debt Service Reserve Account, including the investments and investment income, if any, thereof.

Application of Revenues

Revenues are pledged by the Water and Sewer System Resolution to payment of principal of and interest and redemption premium on the Water and Sewer System Bonds of all series, subject to the provisions of the Water and Sewer System Resolution permitting application for other purposes. For the application of Revenues, the Water and Sewer System Resolution establishes a Revenue Fund, a Debt Service Fund, a Subordinated Indebtedness Fund, a Rate Stabilization Fund and a Renewal and Replacement Fund, all of which are held by JEA.

Pursuant to the Water and Sewer System Resolution, all Revenues are to be deposited promptly by JEA to the credit of the Revenue Fund. Notwithstanding anything to the contrary contained in the Water and Sewer System Resolution, in the event that any Revenues constitute

"impact fees" within the meaning of applicable Florida law, JEA may use and apply such Revenues only in the manner permitted or required by such applicable law, and JEA is to take such measures (including, without limitation, the establishment of such separate accounts or subaccounts or the implementation of such accounting procedures) as an Authorized Officer of JEA may determine are necessary or desirable to effect the foregoing. Each month JEA is to make transfers from the Rate Stabilization Fund to the Revenue Fund, in accordance with the then current Annual Budget or as otherwise determined by JEA. Each month JEA is to pay from the Revenue Fund amounts necessary to meet Operation and Maintenance Expenses as they become due and payable.

Following the payment of Operation and Maintenance Expenses, the Water and Sewer System Resolution provides that the moneys in the Revenue Fund shall be applied monthly, to the extent available, and subject to the limitation described in the preceding paragraph regarding "impact fees," in the following manner and in the following order of priority:

1. ***To the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund,*** (a) an amount at least equal to the amount, if any, required so that the balance in the Debt Service Account (excluding capitalized interest on deposit therein in excess of the amount thereof to be applied to pay interest accrued and to accrue on all Water and Sewer System Bonds to the end of the then current calendar month) equals the Accrued Aggregate Debt Service as of the last day of the then current month and (b) the respective amounts, if any, required so that the balance in each separate subaccount in the Debt Service Reserve Account equals the Debt Service Reserve Requirement related thereto.

Amounts in the Debt Service Account are to be applied by JEA to pay the principal or Redemption Price of and interest on the Water and Sewer System Bonds. In addition, JEA may apply such amounts to the purchase or redemption of Water and Sewer System Bonds to satisfy sinking fund requirements.

Amounts in each separate subaccount in the Debt Service Reserve Account are to be applied by JEA to pay the principal or sinking fund Redemption Price of or interest on each Additionally Secured Series of Water and Sewer System Bonds secured thereby, if and to the extent necessary following the application of amounts on deposit in the Debt Service Account in accordance with the terms of the Water and Sewer System Resolution; *provided, however*, that the amount payable from the Initial Subaccount with respect to the Water and Sewer System Variable Rate Bonds of a particular series and maturity shall be limited to the amount on deposit therein allocable to the Water and Sewer System Variable Rate Bonds of such series and maturity, based upon the interest rate that such Water and Sewer System Variable Rate Bonds of such series and maturity are deemed to bear for purposes of computing the Debt Service Reserve Requirement for the Initial Subaccount, as described in the second paragraph under "Debt Service Reserve Account" herein.

Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to pay in full all Outstanding Water and Sewer System Bonds in accordance with their terms, the funds on deposit in the Debt Service Reserve Account will be transferred to the Debt Service Account, and no further deposits will be required to be made to the Debt Service Fund.

In the event of the refunding or defeasance of any Water and Sewer System Bonds, JEA may withdraw from the Debt Service Account, and, if the Water and Sewer System Bonds being refunded or defeased are Water and Sewer System Bonds of an Additionally Secured Series, withdraw from the separate subaccount in the Debt Service Reserve Account securing such Water and Sewer System Bonds, all or any portion of the amounts accumulated therein and deposit such amounts with the Escrow Agent for the Water and Sewer System Bonds being refunded or defeased to be held for the payment of the principal or Redemption Price, if applicable, and interest on such Water and Sewer System Bonds; *provided* that such withdrawal shall not be made unless (i) immediately thereafter the Water and Sewer System Bonds being refunded or defeased shall be deemed to have been paid pursuant to the Water and Sewer System Resolution, and (ii) the amount remaining in the Debt Service Account and, if applicable, such separate subaccount in the Debt Service Reserve Account after such withdrawal, and after giving effect to the issuance of any obligations being issued to refund such Water and Sewer System Bonds and the disposition of the proceeds thereof and, in the case of any separate subaccount in the Debt Service Reserve Account, any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount in accordance with the provisions of the Supplemental Resolution establishing such subaccount, shall not be less than the Accrued Aggregate Debt Service and the Debt Service Reserve Requirement relating thereto, respectively. In the event of such refunding or defeasance, JEA may also withdraw from the Debt Service Account or such separate subaccount in the Debt Service Reserve Account all or any portion of the amounts accumulated therein and deposit such amounts in any Fund or Account under the Water and Sewer System Resolution; *provided, however*, that such withdrawal cannot be made unless items (i) and (ii) hereinabove have been satisfied and, at the time of such withdrawal, there will exist no deficiency in any Fund or Account held under the Water and Sewer System Resolution.

Whenever the moneys on deposit in any subaccount established in the Debt Service Reserve Account exceed the Debt Service Reserve Requirement related thereto, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount, such excess will be deposited in the Revenue Fund.

See also "Debt Service Reserve Account" herein.

2. ***To the Subordinated Indebtedness Fund***, an amount at least equal to the amount, if any, required to be deposited therein in the then current month to pay principal or sinking fund installments of and premiums, if any, and interest on each issue of Subordinated Indebtedness and reserves therefor as required by the Supplemental Resolution authorizing such Subordinated Indebtedness.

At any time and from time-to-time JEA may deposit in the Subordinated Indebtedness Fund for the payment of the principal or sinking fund installments of and interest and premium on each issue of Subordinated Indebtedness amounts received from the proceeds of additional issues of Subordinated Indebtedness or amounts received from any other source.

If at any time there is a deficiency in the Debt Service Account or any separate subaccount(s) in the Debt Service Reserve Account and the available funds in the Renewal and Replacement Fund are insufficient to cure such deficiency, there will be transferred from the Subordinated Indebtedness Fund to such Account or subaccount(s) the amount necessary to cure

such deficiency (or, if the amount in the Subordinated Indebtedness Fund is less than the amount necessary to make up the deficiencies with respect to the Debt Service Account and all of the separate subaccounts in the Debt Service Reserve Account, then the amount in the Subordinated Indebtedness Fund will be applied first to make up the deficiency in the Debt Service Account, and any balance remaining will be applied ratably to make up the deficiencies with respect to the separate subaccounts in the Debt Service Reserve Account, in proportion to the deficiency in each such subaccount).

3. ***To the Rate Stabilization Fund***, the amount, if any, budgeted for deposit into such Fund for the then current month as set forth in the current Annual Budget or the amount otherwise determined by JEA to be credited to such Fund for the month.

4. ***To the Renewal and Replacement Fund***, an amount at least equal to the sum of (i) one-twelfth (1/12th) of ten percent of the Annual Net Revenues of the Water and Sewer System for the preceding Fiscal Year and (ii) such additional amount as will make the total annual payment into such Fund during the Fiscal Year of which such month is a part equal to at least five percent of the Revenues of the Water and Sewer System for the preceding Fiscal Year; *provided, however*, that so long as there shall be held in the Renewal and Replacement Fund an amount which is at least equal to the Renewal and Replacement Requirement, no deposits are required to be made into the Renewal and Replacement Fund; and *provided, further*, however, that the failure of JEA to make such payment into the Renewal and Replacement Fund in any month shall not constitute an Event of Default under the Water and Sewer System Resolution; *provided* that any deficiencies therefor shall have been restored prior to the end of the Fiscal Year of which such month is a part; and *provided, further*, that the full amount required to be deposited in said Renewal and Replacement Fund in such Fiscal Year has been deposited therein by the end of such Fiscal Year.

Amounts in the Renewal and Replacement Fund may be applied to the Costs of the Water and Sewer System, the payment of extraordinary operation and maintenance costs and contingencies and payments with respect to the prevention or correction of any unusual loss or damage in connection with all or part of the Water and Sewer System, in the manner provided in the Water and Sewer System Resolution. Amounts in the Renewal and Replacement Fund also may be applied to the purchase, redemption, payment or provision for payment of Water and Sewer System Bonds or interest thereon or, upon determination of the JEA Board, to the payment of the costs of enlargements, extensions, improvements and replacements of capital assets of any other utility system owned and operated by JEA and not constituting a part of the Water and Sewer System.

If at any time there is a deficiency in the Debt Service Account or any separate subaccount(s) in the Debt Service Reserve Account, there will be transferred from the Renewal and Replacement Fund to such Account or subaccount(s) the amount necessary to cure such deficiency (or, if the amount in the Renewal and Replacement Fund is less than the amount necessary to make up the deficiencies with respect to the Debt Service Account and all of the separate subaccounts in the Debt Service Reserve Account, then the amount in the Renewal and Replacement Fund will be applied first to make up the deficiency in the Debt Service Account, and any balance remaining will be applied ratably to make up the deficiencies with respect to the separate subaccounts in the Debt Service Reserve Account, in proportion to the deficiency in each such subaccount). If at any time there is a deficiency in the Subordinated Indebtedness Fund and

the amounts on deposit in the Debt Service Account and each separate subaccount in the Debt Service Reserve Account shall equal the current requirements of such Account and subaccounts, respectively, and such amounts are not required for the payment of Operation and Maintenance Expenses, there will be transferred from the Renewal and Replacement Fund to the Subordinated Indebtedness Fund the amount necessary to cure such deficiency.

Notwithstanding anything to the contrary contained in the Water and Sewer System Resolution, in the event that any amounts on deposit in the Renewal and Replacement Fund constitute "impact fees" within the meaning of applicable Florida law, JEA will use and apply such amounts only in the manner permitted or required thereby, and JEA will take such measures (including, without limitation, the establishment of such separate accounts or subaccounts in the Renewal and Replacement Fund or the implementation of such accounting procedures) as an Authorized Officer of JEA may determine are necessary or desirable to effect the foregoing.

The balance of any moneys remaining in the Revenue Fund after the above required payments have been made may be used by JEA for any lawful purpose of JEA (including, but not limited to, (a) the purchase, redemption or provision for payment of any of the Water and Sewer System Bonds, (b) transfers to any utility system owned and/or operated by JEA currently or in the future and (c) the annual transfer by JEA to the City's General Fund not otherwise prohibited by the Water and Sewer System Resolution; *provided, however*, that none of the remaining moneys can be used for any purpose other than those specified above unless all current payments, including all deficiencies in prior payments, if any, have been made in full and unless JEA has complied fully with all the covenants and provisions of the Water and Sewer System Resolution.

"Available Water and Sewer System Revenues" are those monies remaining on deposit in the Revenue Fund established under the Water and Sewer System Resolution and available for use by JEA for any lawful purpose. In the event that the amount on deposit in the Debt Service Account in the Debt Service Fund in accordance with clause (a) of subsection (1) of Section 506 of the District Energy System Resolution is less than Accrued Aggregate Debt Service with respect to the 2013 Series A Bonds of the District Energy System as of the last Business Day of the then current month, JEA shall deposit into the 2013 Series A Bonds Subaccount in the Debt Service Reserve Account in the Debt Service Fund under the District Energy System Resolution from Available Water and Sewer System Revenues an amount equal to the Aggregate DES Debt Service Deficiency that exists. See "SUMMARY OF CERTAIN PROVISIONS OF THE DISTRICT ENERGY SYSTEM RESOLUTION - Debt Service Fund - Debt Service Reserve Account and 2013 Series A Bonds Subaccount - *2013 Series A Bonds Subaccount*".

During any period in which the Debt Service Requirement for any series of Bonds containing Build America Bonds shall be calculated in the manner provided in the *proviso* of clause (1) of the first paragraph of the definition thereof, no later than each interest payment date for such Build America Bonds then Outstanding, JEA shall withdraw from the Revenue Fund and transfer to the Debt Service Account in the Sinking Fund an amount equal to the amount of the cash subsidy payment payable to JEA by the U.S. Treasury in respect of the interest payable on such Build America Bonds on such interest payment date. Any cash subsidy payment received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall be deposited by JEA upon the receipt thereof in the Revenue Fund, but no such payment shall constitute Revenues for any purpose of the Electric System Resolution.

Construction Fund

The Water and Sewer System Resolution establishes a Construction Fund, into which are paid amounts required by the provisions of the Water and Sewer System Resolution and any Supplemental Resolution and, at the option of JEA, any moneys received for or in connection with the System, unless required to be applied otherwise as provided in the Water and Sewer System Resolution. In addition, proceeds of insurance against physical loss of or damage to the System or of contractors' performance bonds, pertaining to the period of construction or acquisition, will be paid into the Construction Fund.

JEA may withdraw amounts from the Construction Fund for the payment of amounts due and owing on account of the Costs of the System upon determination of an Authorized Officer of JEA (or such officer's designee) that an obligation in the amount to be paid from the Construction Fund has been incurred by JEA and that each item thereof is a proper and reasonable charge against the Construction Fund, and that such amount has not been paid.

To the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of principal of and interest on Water and Sewer System Bonds when due.

Amounts credited to the Construction Fund which JEA at any time determines to be in excess of the amounts required for the purposes thereof shall be deposited in the Debt Service Reserve Account, if and to the extent necessary to make the amount in any separate subaccount therein equal to the Debt Service Reserve Requirement related thereto (or, if such excess shall be less than the amount necessary to make up the deficiencies with respect to all of the separate subaccounts in the Debt Service Reserve Account, then such excess shall be applied ratably, in proportion to the deficiency in each such subaccount), and any balance of such excess, upon written determination of an Authorized Officer of JEA, shall be deposited in the Revenue Fund and may be used by JEA for any lawful purpose of JEA, subject to the limitations contained in the Water and Sewer System Resolution; *provided, however*, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the Water and Sewer System Resolution.

JEA may discontinue the acquisition or construction of any portion of the System, the Costs of which are at the time being paid out of the Construction Fund, if the JEA Board determines by resolution that such discontinuance is necessary or desirable in the conduct of the business of JEA and not disadvantageous to the Holders of the Water and Sewer System Bonds.

Debt Service Reserve Account

JEA may establish a separate subaccount in the Debt Service Reserve Account with respect to any one or more maturities (or interest rate(s) within a maturity) of the Water and Sewer System Bonds of one or more series as provided in the Water and Sewer System Resolution. Amounts on deposit in any separate subaccount in the Debt Service Reserve Account will be applied to pay the principal or sinking fund Redemption Price of or interest on each Additionally Secured Series of Water and Sewer System Bonds secured thereby, if and to the extent necessary following the application of amounts on deposit in the Debt Service Account (exclusive of amounts, if any, set aside in said Account for the payment of interest on Water and Sewer System Bonds on a future date) in accordance with the terms of the Water and Sewer System Resolution.

Pursuant to the First Supplemental Water and Sewer System Revenue Bond Resolution adopted by JEA on August 19, 1997 (the "First Supplemental Resolution"), authorizing, among others, JEA's Water and Sewer System Revenue Bonds, 1997 Series B (the "1997 Series B Bonds") JEA established a separate subaccount in the Debt Service Reserve Account in the Debt Service Fund entitled the "Initial Subaccount". The 1997 Series B Bonds, which as of the date of the Annual Disclosure Report to which this Appendix is attached are no longer outstanding, were additionally secured by amounts on deposit in the Initial Subaccount, including the investments and investment income, if any, thereof, which amounts are pledged as additional security for the payment of the principal or sinking fund redemption price of, and interest on, the 1997 Series B Bonds, subject only to the provisions of the Water and Sewer System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Water and Sewer System Resolution. The Initial Subaccount in the Debt Service Reserve Account may, at the option of JEA, secure one or more maturities (or interest rate(s) within a maturity) of the additional Water and Sewer System Bonds of any series thereafter issued; *provided, however*, that for purposes of computing the Debt Service Reserve Requirement for the Initial Subaccount, the Water and Sewer System Variable Rate Bonds, if any, of each series and maturity secured thereby shall be deemed to bear interest at the Certified Interest Rate established with respect thereto at the time of the original issuance thereof *unless* the interest rate(s) on such Water and Sewer System Variable Rate Bonds of a particular series and maturity shall have been converted synthetically to a fixed interest rate pursuant to an interest rate swap transaction that has a term equal to, and the notional amount of which amortizes at the same times and in the same amounts as, such Water and Sewer System Variable Rate Bonds of such series and maturity, in which case, such Water and Sewer System Variable Rate Bonds shall be deemed to bear interest at the fixed rate payable by JEA under such interest rate swap transaction for so long as such interest rate swap transaction shall remain in effect (*provided, however*, that if, at the time of the original issuance thereof, the interest rate on the Water and Sewer System Variable Rate Bonds of a particular series and maturity shall have been converted synthetically to a fixed interest rate pursuant to such an interest rate swap transaction, but such interest rate swap transaction shall be terminated prior to the final maturity date of such Water and Sewer System Variable Rate Bonds, then the Debt Service Reserve Requirement for the Initial Subaccount shall be recalculated as of the date of termination of such interest rate swap transaction, based upon the Certified Interest Rate established for such Water and Sewer System Variable Rate Bonds at the time of the original issuance thereof, and any resulting deficiency in the amount on deposit in the Initial Subaccount shall be required to be funded with moneys and/or one or more additional surety bonds, insurance policies or letters of credit that may be credited to the Initial Subaccount in accordance with the provisions of the First

Supplemental Resolution). As of the date of the Annual Disclosure Report to which this Appendix is attached, the Initial Subaccount also secures JEA's Water and Sewer System Revenue Bonds, 2010 Series A, 2010 Series B, 2010 Series F, 2017 Series A, 2020 Series A, 2021 Series A, 2024 Series A, and 2025 Series A and JEA's Variable Rate Water and Sewer System Revenue Bonds, 2008 Series A-2 and 2008 Series B.

Pursuant to the Water and Sewer System Resolution, the Water and Sewer System Bonds of any series are not required to be additionally secured by amounts on deposit in any separate subaccount in the Debt Service Reserve Account. JEA currently intends to secure all long-term Water and Sewer System Bonds with the Initial Subaccount in the Debt Service Reserve Account. In the event that one or more maturities (or interest rate(s) within a maturity) of the Water and Sewer System Bonds of a series hereafter issued are to be additionally secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account, it will be a condition to the issuance of the Water and Sewer System Bonds of such series that the amount on deposit in the Initial Subaccount, after giving effect to the issuance of such Water and Sewer System Bonds, equals the Debt Service Reserve Requirement for such Subaccount.

The Water and Sewer System Resolution requires JEA to deposit and maintain in the Initial Subaccount in the Debt Service Reserve Account moneys, Investment Securities and/or reserve fund credit instruments (hereinafter defined) in an amount equal to the Debt Service Reserve Requirement for the Initial Subaccount. The Debt Service Reserve Requirement for the Initial Subaccount is defined in the First Supplemental Resolution, as of any date of calculation, as an amount equal to the lowest of (a) ten percent of the original principal amount of the Water and Sewer System Bonds of all issues (as defined for federal income tax purposes) secured thereby (or, if the Water and Sewer System Bonds of any such issue are issued at an issue price (as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, ten percent of such issue price), (b) the maximum Aggregate Debt Service on the Water and Sewer System Bonds of all series secured thereby then outstanding for the current or any future Bond Year (excluding interest (other than accrued interest paid in connection with the initial issuance thereof) on such Water and Sewer System Bonds to be paid from deposits in the Debt Service Account in the Debt Service Fund made from the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA) or (c) 125 percent of the average annual Debt Service on the Water and Sewer System Bonds of all series secured thereby then outstanding for the then current and each future Bond Year (excluding interest (other than accrued interest paid in connection with the initial issuance thereof) on such Water and Sewer System Bonds to be paid from deposits in the Debt Service Account in the Debt Service Fund made from the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); *provided, however*, that in no event may an increase in the Debt Service Reserve Requirement for the Initial Subaccount resulting from the issuance of an additional issue (as defined for federal income tax purposes) of Water and Sewer System Bonds exceed ten percent of the original principal amount of the Water and Sewer System Bonds of such issue (or, if the Water and Sewer System Bonds of such issue are issued at an issue price (as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, ten percent of such issue price).

Amounts in the Initial Subaccount in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for such Subaccount, after giving effect to any reserve fund credit instrument, will be credited to the Revenue Fund.

The First Supplemental Resolution provides that in lieu of maintaining moneys or investments in the Initial Subaccount in the Debt Service Reserve Account, JEA at any time may cause to be deposited therein for the benefit of the Holders of the Water and Sewer System Bonds secured thereby an irrevocable surety bond, an insurance policy or a letter of credit satisfying the conditions set forth therein (a "reserve fund credit instrument"), in an amount equal to the difference between the Debt Service Reserve Requirement for the Initial Subaccount and the sums of money or value of Investment Securities then on deposit in the Initial Subaccount, if any. The following is a summary of the provisions of the First Supplemental Resolution, as amended by the applicable portion of the Resolution Amendments, relating to the deposit of reserve fund credit instruments to the Initial Subaccount:

(a) A surety bond or insurance policy issued by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Initial Subaccount Additionally Secured Bonds (a "municipal bond insurer") may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount if the claims paying ability of the issuer thereof shall be rated at least "AA-" or "Aa3" by any two of Standard & Poor's Ratings Group (hereinafter referred to as "S&P") or Moody's Investors Service (hereinafter referred to as "Moody's") or Fitch Ratings (hereinafter referred to as "Fitch").

(b) An unconditional irrevocable letter of credit issued by a bank may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount if the issuer thereof is rated at least "AA-" or "Aa3" by any two of S&P, Moody's or Fitch. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary thereof of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Initial Subaccount Additionally Secured Bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify JEA and the beneficiary thereof, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

(c) If such notice indicates that the expiration date shall not be extended, JEA shall deposit in the Initial Subaccount an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subaccount, together with any other qualifying reserve fund credit instruments, to equal the Debt Service Reserve Requirement for the Initial Subaccount, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the reserve fund credit instrument is replaced by a reserve fund credit instrument meeting the requirements in any of clauses (a) or (b) above. The letter

of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The beneficiary of the letter of credit shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Initial Subaccount is fully funded in its required amount.

(d) The use of any reserve fund credit instrument pursuant to this subsection 4 shall be subject to receipt of an opinion of counsel as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against JEA.

(e) The obligation to reimburse the issuer of a reserve fund credit instrument for any fees, expenses, claim or draws upon such reserve fund credit instrument shall be subordinate to the payment of debt service on the Bonds. The right of the issuer of a reserve fund credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Initial Subaccount, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Initial Subaccount. The reserve fund credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the reserve fund credit instrument to reimbursement will be further subordinated to cash replenishment of the Initial Subaccount to an amount equal to the difference between the full original amount available under the reserve fund credit instrument and the amount then available for further draws or claims. If (i) the issuer of a reserve fund credit instrument becomes insolvent or (ii) the issuer of a reserve fund credit instrument defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the insurance policy or surety bond falls below "AA-" or "Aa3" by any two of S&P, Moody's or Fitch or (iv) the rating of the issuer of the letter of credit falls below "AA-" or "Aa3" by any two of S&P, Moody's or Fitch, the obligation to reimburse the issuer of the reserve fund credit instrument shall be subordinate to the cash replenishment of the Initial Subaccount.

(f) If (i) the revolving reinstatement feature described in the preceding clause (e) is suspended or terminated or (ii) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below "AA-" or "Aa3" by any two of S&P, Moody's or Fitch or (iii) the rating of the issuer of the letter of credit falls below "AA-" or "Aa3" by any two of S&P, Moody's or Fitch, JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash

or Investment Securities on deposit in the Initial Subaccount to equal the Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of clauses (a) or (b) above within six months of such occurrence. In the event (1) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A-" or "A3" by any two of S&P, Moody's or Fitch or (2) the rating of the issuer of the letter of credit falls below "A-" or "A3" by any two of S&P, Moody's or Fitch or (3) the issuer of the reserve fund credit instrument defaults in its payment obligations or (4) the issuer of the reserve fund credit instrument becomes insolvent, JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subaccount to equal to Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of clauses (a) through (b) above within six months of such occurrence.

(g) Where applicable, the amount available for draws or claims under the reserve fund credit instrument may be reduced by the amount of cash or value of Investment Securities deposited in the Initial Subaccount pursuant to clause (X) of the final sentence of the preceding clause (f).

(h) In the event that a reserve fund credit instrument shall be deposited into the Initial Subaccount as aforesaid, any amounts owed by JEA to the issuer of such reserve fund credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Resolution for purposes of clause (7) of subsection 1 of Section 203 and subsection 1 of Section 711 of the Resolution.

(i) The beneficiary of any reserve fund credit instrument shall ascertain the necessity for a claim or draw upon such reserve fund credit instrument and provide notice to the issuer of the reserve fund credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the reserve fund credit instrument) prior to each interest payment date for the Bonds of any Initial Subaccount Additionally Secured Series.

(j) Cash on deposit in the Initial Subaccount shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any reserve fund credit instrument. If and to the extent that more than one reserve fund credit instrument is deposited in the Initial Subaccount, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

On January 4, 2001, simultaneously with the issuance of JEA's Water and Sewer System Revenue Bonds, 2001 Series A, JEA caused FGIC to issue its Municipal Bond Debt Service Reserve Fund Policy (the "Initial FGIC Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Initial FGIC Reserve Policy is in a maximum amount of \$37,126,447.50, is non-cancellable, terminates on October 1, 2039 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount.

On April 11, 2002, simultaneously with the issuance of JEA's Water and Sewer System Revenue Bonds, 2002 Series A, JEA caused FGIC to issue an additional Municipal Bond Debt Service Reserve Fund Policy (the "Second FGIC Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Second FGIC Reserve Policy is in a maximum amount of \$8,503,298.05, is non-cancellable, terminates on October 1, 2041 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount.

On October 24, 2002, simultaneously with the issuance of JEA's Water and Sewer System Revenue Bonds, 2002 Series C, JEA caused FGIC to issue an additional Municipal Bond Debt Service Reserve Fund Policy (the "Third FGIC Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Third FGIC Reserve Policy is in a maximum amount of \$9,531,724.90, is non-cancellable, terminates on October 1, 2041 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount.

Because of a rating downgrade of FGIC, JEA funded the Initial Subaccount with cash and the Berkshire Reserve Policy (hereinafter defined) in the amount of the Initial FGIC Reserve Policy, the Second FGIC Reserve Policy and the Third FGIC Reserve Policy (collectively, the "FGIC Reserve Policies") thereby fulfilling the requirements of the First Supplemental Resolution with regard to the FGIC Reserve Policies.

On November 21, 2003, simultaneously with the issuance of JEA's Variable Rate Water and Sewer System Revenue Bonds, 2003 Series C (the "2003 Series C Bonds"), JEA caused XL Capital Assurance Inc. ("XLCA") to issue a debt service reserve insurance policy (the "Initial XLCA Reserve Policy") for deposit to the credit of a separate subaccount created in the Debt Service Reserve Account. The Initial XLCA Reserve Policy is in a maximum amount of \$3,750,000.00, is non-cancelable, terminates on October 1, 2038 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount. On April 8, 2004, simultaneously with the issuance of JEA's Water and Sewer System Revenue Bonds, 2004 Series A and B, JEA redeemed the 2003 Series C Bonds, and the Initial XLCA Reserve Policy was reissued by XLCA and deposited by JEA into the Initial Subaccount.

On September 22, 2004, simultaneously with the issuance of JEA's Water and Sewer System Revenue Bonds, 2004 Series C, JEA caused Assured Guaranty Municipal Corp., previously known as Financial Security Assurance Inc. ("FSA") to issue its Debt Service Reserve Insurance Policy (the "Initial FSA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Initial FSA Reserve Policy is in a maximum amount of \$3,702,459.05, is non-cancelable, terminates on October 1, 2039 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount.

On March 24, 2005, simultaneously with the issuance of JEA's Water and Sewer System Revenue Bonds, 2005 Series A (the "2005 Series A Bonds"), JEA caused MBIA Insurance Corporation ("MBIA") to issue its Debt Service Reserve Surety Bond (the "Initial MBIA Surety Bond") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Initial MBIA Surety Bond is in a maximum amount of \$9,003,471.86, is non-cancelable, terminates on October 1, 2041 (or the date on which JEA has made all payments required to be made on the Initial Subaccount Additionally Secured Bonds pursuant to the Water and Sewer System Resolution) and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount.

On June 6, 2005, JEA caused MBIA to issue an additional Debt Service Reserve Surety Bond (the "Second MBIA Surety Bond") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Second MBIA Surety Bond is in a maximum amount of \$13,719,213.54, is non-cancelable, terminates on October 1, 2041 (or the date on which JEA has made all payments required to be made on the Initial Subaccount Additionally Secured Bonds pursuant to the Water and Sewer System Resolution) and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount.

Effective as of January 1, 2009, MBIA Inc., parent company of MBIA, restructured MBIA; such restructuring involved the reinsurance and assignment of MBIA's obligations under the Initial MBIA Surety Bond and the Second MBIA Surety Bond (collectively, the "MBIA Surety Bonds") to National Public Finance Guarantee Corporation ("NPFGC") which is a subsidiary of MBIA Inc. Because of a rating downgrade of MBIA, JEA has made deposits to the Initial Subaccount in the amount of the MBIA Surety Bonds.

On March 8, 2007, simultaneously with the issuance of JEA's Variable Rate Water and Sewer System Revenue Bonds, 2007 Series A (the "2007 Series A Bonds"), JEA caused XLCA to issue a debt service reserve insurance policy (the "Second XLCA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Second XLCA Reserve Policy is in a maximum amount of \$5,275,233.64, is non-cancelable, terminates on October 1, 2041 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount.

Because of a rating downgrade of XLCA, JEA has made deposits to the Initial Subaccount in the amount of the Initial XLCA Reserve Policy and the Second XLCA Reserve Policy.

On July 26, 2007, simultaneously with the issuance of JEA's Water and Sewer System Revenue Bonds, 2007 Series C (the "2007 Series C Bonds"), JEA caused FSA to issue its Debt Service Reserve Insurance Policy (the "Second FSA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Second FSA Reserve Policy is in a maximum amount of \$468,627.91, is non-cancelable, terminates on October 1, 2037 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount.

On February 7, 2008, simultaneously with the issuance of JEA's Variable Rate Water and Sewer System Revenue Bonds, 2008 Series A (the "2008 Series A Bonds"), JEA caused FSA to issue its Debt Service Reserve Insurance Policy (the "Third FSA Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Third FSA Reserve Policy is in a maximum amount of \$15,000,000.00, is non-cancelable, terminates on October 1, 2042 (or upon the earlier retirement of all of the 2008 Series A Bonds) and satisfied the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution) at the time of its deposit to the Initial Subaccount.

The forms of the Initial FSA Reserve Policy, the Second FSA Reserve Policy and the Third FSA Reserve Policy (collectively, the "FSA Reserve Policies") are substantially identical, and a specimen thereof is attached to this APPENDIX B as Attachment 1. Because of a rating downgrade of FSA, JEA has made deposits to the Initial Subaccount equal to the aggregate amount of the FSA Reserve Policies.

On August 11, 2008, JEA caused Berkshire Hathaway Assurance Corporation ("Berkshire") to issue its Debt Service Reserve Fund Financial Guaranty Insurance Policy (the "Berkshire Reserve Policy") for deposit to the credit of the Initial Subaccount in the Debt Service Reserve Account. The Berkshire Reserve Policy is in a maximum amount of \$33,000,000.00, is non-cancelable, terminates on October 1, 2038 and otherwise satisfies the requirements with respect to a reserve fund credit instrument contained in the Water and Sewer System Resolution (including the First Supplemental Resolution). The form of the Berkshire Reserve Policy is attached hereto to this APPENDIX B as Attachment 2. Because of a rating downgrade of Berkshire, JEA made deposits to the Initial Subaccount equal to the amount of the Berkshire Reserve Policy.

On October 2, 2018, JEA transferred \$33,000,000 from the Initial Subaccount to the Construction Fund. JEA was able to make such a transfer as a result of amendments to the Water and Sewer System Resolution contained in Resolution No. 2013-10, adopted June 18, 2013, that lowered the minimum ratings requirement for the provider of a reserve fund credit instrument that is a surety bond or insurance policy to fund the Initial Subaccount. Upon the effectiveness of such amendments on May 2, 2018, the Berkshire Reserve Policy may be counted as satisfying the Debt Service Reserve Requirement.

Investment of Funds and Accounts

The Water and Sewer System Resolution provides that moneys held in the Funds and Accounts established thereunder may be invested and reinvested in Investment Securities which will provide moneys when needed for payments from such Funds and Accounts. Investment Securities are to be valued as of September 30 in each year, at the amortized cost thereof. In the event that JEA causes to be deposited in any separate subaccount in the Debt Service Reserve Account an irrevocable surety bond, an insurance policy, a letter of credit or any other similar obligation, such surety bond, insurance policy, letter of credit or other obligation shall be valued at the lesser of the face amount thereof or the maximum amount available thereunder.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned on any moneys or investments in such Funds and Accounts, other than the Construction Fund, shall be paid into the Revenue Fund. Interest earned on any moneys or investments in the Construction Fund shall be held in such Fund for the purposes thereof or, upon written determination of an Authorized Officer of JEA, paid into the Revenue Fund.

Additional Water and Sewer System Bonds

JEA may issue one or more series of additional Water and Sewer System Bonds for the purposes of (a) paying or providing for the payment of the Costs of the Water and Sewer System and (b) refunding any Water and Sewer System Bonds. All such Water and Sewer System Bonds will be payable from the Trust Estate pledged pursuant to the Water and Sewer System Resolution and secured thereby on a parity with all other Water and Sewer System Bonds. In addition, each series of Water and Sewer System Bonds may be additionally secured by amounts on deposit in a separate subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the Water and Sewer System Resolution (which may be the Initial Subaccount therein). Set forth below are certain conditions applicable to the issuance of additional Water and Sewer System Bonds:

Certificates of Authorized Officer of JEA. The issuance of each series of additional Water and Sewer System Bonds (other than Water and Sewer System Refunding Bonds and Reimbursement Obligations) is conditioned upon the filing with JEA of a certificate of an Authorized Officer of JEA: (1) setting forth the amounts of Net Revenues and Capacity Charges for any 12 consecutive month period within the 24 consecutive months immediately preceding the date of issuance of the additional Water and Sewer System Bonds of the series with respect to which such certificate is being given; and (2) stating that the difference between such Net Revenues and such Capacity Charges for such 12 consecutive month period is at least equal to the greater of (X) 125 percent of the Maximum Annual Aggregate Adjusted Water and Sewer System Debt Service (calculating such Maximum Annual Aggregate Adjusted Water and Sewer System Debt Service with respect to the Water and Sewer System Bonds of all series then Outstanding and the additional Water and Sewer System Bonds of the series with respect to which such certificate is given) or (Y) the sum of (i) the Maximum Annual Aggregate Adjusted Water and Sewer System Debt Service (calculated as aforesaid) and (ii) the amount most recently determined to be required to be deposited in the Renewal and Replacement Fund for the then current, or a previous, Fiscal Year; *provided, however*, that the Net Revenues for such 12 month period may be adjusted for the purposes of such certificate (a) to reflect for such period revisions in the rates,

fees, rentals and other charges of JEA for the product and services of the Water and Sewer System made after the commencement of such period and preceding the date of issuance of such additional Water and Sewer System Bonds; (b) to reflect any increase in Net Revenues due to any new facilities of the Water and Sewer System having been placed into use and operation subsequent to the commencement of such period and prior to the date of issuance of such additional Water and Sewer System Bonds; and (c) to include an amount equal to the average annual contribution to Net Revenues for the first three full Fiscal Years commencing after the date of acquisition thereof, estimated to be made by facilities anticipated to be acquired and expected to be placed into use and operation within two years of the date of such certificate.

Debt Service Reserve. If, at JEA's option, any series of additional Water and Sewer System Bonds is to be additionally secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the Water and Sewer System Resolution, the issuance of the additional Water and Sewer System Bonds of such series is further conditioned upon the deposit to the Initial Subaccount of moneys or reserve fund credit instruments, or a combination thereof, in an amount such that the balance in such Subaccount equals the Debt Service Reserve Requirement for such Subaccount calculated immediately after the delivery of such Water and Sewer System Bonds.

No Default. In addition, Water and Sewer System Bonds of any series other than Water and Sewer System Refunding Bonds may be issued only if JEA certifies that upon the issuance of such series JEA will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Water and Sewer System Resolution.

Subordinated Indebtedness

JEA may issue Subordinated Indebtedness for any lawful purpose of JEA related to the System, which Subordinated Indebtedness shall be payable out of, and may be secured by a pledge of, such amounts in the Subordinated Indebtedness Fund as may from time to time be available therefor; *provided, however*, that any such pledge will be subordinate in all respects to the pledge of the Trust Estate created by the Water and Sewer System Resolution as security for the Water and Sewer System Bonds.

Issuance of Other Indebtedness

The Water and Sewer System Resolution does not restrict the issuance by JEA of other indebtedness to finance facilities which are not a part of the System *provided* that such indebtedness shall not be payable out of or secured by the Revenues or any Fund or Account held under the Water and Sewer System Resolution and neither the cost of such facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund or Account.

Redemption

In the case of any redemption of Water and Sewer System Bonds, JEA shall give written notice to the Bond Registrar(s) therefor and the Paying Agents of the redemption date, of the Series, and of the principal amounts of the Water and Sewer System Bonds of each maturity of such Series and of the Water and Sewer System Bonds of each interest rate within a maturity to be

redeemed (which Series, maturities, interest rates within a maturity and principal amounts thereof to be redeemed shall be determined by JEA in its sole discretion, subject to any limitations with respect thereto contained in the Water and Sewer System Resolution or any Supplemental Resolution authorizing the Series of which such Water and Sewer System Bonds are a part). Such notice shall be filed with such Bond Registrars and the Paying Agents for the Water and Sewer System Bonds to be redeemed at least 40 days prior to the redemption date (or such shorter period (a) as shall be specified in the Supplemental Resolution authorizing the Series of the Water and Sewer System Bonds to be redeemed or (b) as shall be acceptable to such Bond Registrars and Paying Agents). In the event notice of redemption shall have been given, and unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Water and Sewer System Bonds to be redeemed.

Covenant as to Rates, Fees and Other Charges

Under the Water and Sewer System Resolution, JEA has covenanted that it will at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System which shall be sufficient to provide an amount at least equal to the difference between (a) Net Revenues in each Bond Year and (b) Capacity Charges in such Bond Year which shall be the greater of (i) 125 percent of the Aggregate Debt Service for such Bond Year; *provided, however*, that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such Principal Installment from sources other than Revenues, and (ii) the amount which, together with other available funds, shall be sufficient for the payment of: (a) the amount to be paid during such Bond Year into the Debt Service Account (other than amounts required to be paid into such Account out of the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); (b) the amount, if any, to be paid during such Bond Year into each separate subaccount in the Debt Service Reserve Account (other than amounts required to be paid into any such subaccount out of the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); (c) the amount, if any, to be paid during such Bond Year into the Subordinated Indebtedness Fund (other than amounts required to be paid into such Fund out of the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); (d) the amount, if any, to be paid during such Bond Year into the Renewal and Replacement Fund (other than amounts required to be paid into such Fund out of the proceeds of Water and Sewer System Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); and (e) all other charges and liens whatsoever payable out of Revenues during such Bond Year. Nothing in the preceding sentence shall be deemed to prevent or preclude JEA, for purposes of financial reporting, from preparing and disseminating schedules of debt service coverage based upon Net Revenues without deduction therefrom of Capacity Charges, nor shall anything in the preceding sentence be deemed to require JEA, for purposes of financial reporting, to prepare schedules of debt service coverage based upon the difference between Net Revenues and Capacity Charges.

Certain Other Covenants

Creation of Liens. JEA shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Water and Sewer System Bonds, payable out of or secured by a security interest in or pledge of the Trust Estate, any separate subaccount in the Debt Service Reserve Account or other moneys, securities or funds held or set aside by JEA or by the Fiduciaries under the Water and Sewer System Resolution and shall not create or cause to be created any lien or charge on the Trust Estate, any separate subaccount in the Debt Service Reserve Account or such moneys, securities or funds; *provided, however*, that nothing contained in the Water and Sewer System Resolution shall prevent JEA from issuing, if and to the extent permitted by law, (a) Bond Anticipation Notes or other evidences of indebtedness payable out of, and which may be secured by a pledge of (i) the proceeds of sale of Water and Sewer System Bonds or investment income therefrom, or (ii) amounts in the Construction Fund derived from the proceeds of sale of said Bond Anticipation Notes or investment income therefrom as may from time to time be available for payment of such Bond Anticipation Notes or other evidences of indebtedness (including redemption premiums, if any, and interest thereon) as part of the Costs of the System, or (iii) Revenues to be derived on and after such date as the pledge of the Revenues provided in the Water and Sewer System Resolution shall be discharged and satisfied as provided in the Water and Sewer System Resolution, or (b) Subordinated Indebtedness.

Disposition of the System. Except as described in this paragraph, JEA may not sell, lease, mortgage or otherwise dispose of any part of the System. JEA may sell or exchange at any time and from time to time any property or facilities constituting part of the System only if (i) JEA shall determine that such property or facilities are not needed or useful in the operation of the System, or (ii) the net book value of the property or facilities sold or exchanged is not more than five percent of the net book value of the property and facilities of the System, or (iii) there shall be filed with the records of JEA a certificate of the Consulting Engineer stating, in its opinion, that the sale or exchange of such property or facilities will not materially impair the ability of JEA to comply during the current or any future Fiscal Year with the rate covenant described under "Covenant as to Rates, Fees and Other Charges" above. The proceeds of any sale or exchange of any property or facilities constituting a part of the System not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall be deposited in the Revenue Fund; *provided, however*, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the Water and Sewer System Resolution. In addition to any agreement in effect as of the date on which JEA assumes ownership of the System to which JEA and/or the City is a party relating to the ownership or operation of any part of the System or the use of the output thereof, JEA also may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System; *provided* that any such lease, contract, license, arrangement, easement or right (i) does not impede the operation by JEA or its agents of the System and (ii) does not materially adversely affect the rights or security of the Holders of the Water and Sewer System Bonds under the Water and Sewer System Resolution. Any payments received by JEA under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System shall constitute Revenues. JEA also may enter into certain sale-leaseback and lease-leaseback transactions if certain conditions set forth in the Water and Sewer System Resolution are satisfied. The proceeds of any such transaction not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall be deposited in the

Revenue Fund; *provided, however*, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the Water and Sewer System Resolution. JEA may permanently discontinue the acquisition or construction of any portion of the System as described in the final paragraph under "Construction Fund" above.

Insurance. JEA shall at all times keep or cause to be kept the properties of the System which are of an insurable nature and of the character usually insured by those operating properties similar to such properties of the System insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained. JEA shall at all times maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of the System.

Reconstruction of the System; Application of Insurance Proceeds; Condemnation Awards. If any useful portion of the System shall be damaged or destroyed or taken by any governmental authority under the power of eminent domain or otherwise ("Condemnation"), JEA shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the reconstruction or replacement thereof, unless there shall be filed with the records of JEA a certificate of an Authorized Officer of JEA setting forth a determination by JEA that, taking into account all relevant facts and circumstances, including, if and to the extent JEA deems appropriate, the advice of the Consulting Engineer as to engineering matters, its attorneys as to legal matters and other consultants and advisors, such reconstruction or replacement is not in the interest of JEA and the Holders of the Water and Sewer System Bonds. Except as provided in the Water and Sewer System Resolution, the proceeds of any insurance paid or award received on account of such damage, destruction (other than any business interruption loss insurance or insurance proceeds deposited in the Construction Fund pursuant to the Water and Sewer System Resolution) or Condemnation shall be held by JEA in a special account and made available for, and to the extent necessary be applied to, the cost of such reconstruction or replacement.

Additional Utility Functions. JEA may expand the utility functions of the System as they exist as of the date on which JEA assumes the ownership thereof as permitted in the definition of "System" only if JEA files with the books and records of JEA a certified copy of resolutions of the JEA Board to the effect that the addition of such utility functions (a) will not impair the ability of JEA to comply during the current or any future Fiscal Year with the provisions of the Water and Sewer System Resolution, including specifically the rate covenant described under "Covenant as to Rates, Fees and Other Charges" above and (b) will not materially adversely affect the rights of the Holders of the Water and Sewer System Bonds. In making the determinations to be set forth in such resolutions, the JEA Board may rely upon such certificates and opinions of its Consulting Engineer, independent certified public accountants, bond counsel, financial advisors or other appropriate advisors as the JEA Board shall deem necessary or appropriate.

Amendment of Water and Sewer System Resolution

The Water and Sewer System Resolution and the rights and obligations of JEA and of the Holders of the Water and Sewer System Bonds may be amended by a Supplemental Resolution with the written consent (i) of the Holders of not less than a majority in principal amount of the Water and Sewer System Bonds affected by such modification or amendment and (ii) in case the

modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of the Water and Sewer System Bonds of the particular Series and maturity entitled to such Sinking Fund Installment. No such modification or amendment may (A) permit a change in the terms of redemption or maturity of the principal of any Water and Sewer System Bond or any installment of interest or a reduction in the principal, Redemption Price or rate of interest thereon without consent of each affected Holder, or (B) reduce the percentages or otherwise affect the classes of Water and Sewer System Bonds the consent of the Holders of which is required to effect any such modification or amendment. For purposes of the foregoing, (a) a change in the terms of redemption of any Water and Sewer System Bond shall be deemed only to affect such Bond and (b) the Holders of Water and Sewer System Bonds may include the initial Holders thereof, regardless of whether such Water and Sewer System Bonds are being held for resale. The Water and Sewer System Resolution provides that, if not in default in respect of any of its obligations with respect to Credit Enhancement for Water and Sewer System Bonds of a Series, or a maturity within a Series, the Credit Enhancer for, and not the actual Holders of, Water and Sewer System Bonds of a Series, or a maturity within a Series, for which such Credit Enhancement is being provided will be deemed to be the Holder of such Water and Sewer System Bonds of any Series, or a maturity within a Series, at all times for the purpose of giving any approval or consent to the effectiveness of any Supplemental Resolution or any amendment, change or modification of the Water and Sewer System Resolution which requires the written approval or consent of Holders, except that the foregoing provisions will not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Water and Sewer System Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Water and Sewer System Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. See "Action by Credit Enhancer When Action by Holders of Water and Sewer System Bonds Required" herein.

The Supplemental Resolutions authorizing JEA's Variable Rate Water and Sewer System Revenue Bonds, 2008 Series A-2 and 2008 Series B (collectively, the "Prior Series Variable Rate Water and Sewer System Bonds") provide that in the event that JEA shall adopt any Supplemental Resolution making any amendment to the Water and Sewer System Resolution for which the consent of the Holders of the Prior Series Variable Rate Water and Sewer System Bonds of a particular Series shall be required (hereinafter in this paragraph referred to as an "Amending Resolution"), an authorized officer of JEA may deliver to the Tender Agent for the Prior Series Variable Rate Water and Sewer System Bonds of such Series a certificate requiring that the Prior Series Variable Rate Water and Sewer System Bonds of such Series be subject to mandatory tender for purchase at the time and in the manner provided in said Supplemental Resolutions. Following the date on which such mandatory tender shall occur, all subsequent Holders of the Prior Series Variable Rate Water and Sewer System Bonds of such Series shall be deemed to have consented to such Amending Resolution, notwithstanding anything to the contrary contained in the Water and Sewer System Resolution. JEA intends to include this provision in each Supplemental Resolution it may adopt in the future authorizing the issuance of any Series of additional Water and Sewer System Variable Rate Bonds.

The Water and Sewer System Resolution also may be amended, upon the delivery of a Counsel's Opinion to the effect that the provisions of such amendment will not have a material

adverse effect on the interests of the Holders of Outstanding Water and Sewer System Bonds, but without the consent of Holders of Water and Sewer System Bonds, (i) to cure any ambiguity, omission, defect or inconsistent provision in the Water and Sewer System Resolution; (ii) to insert provisions clarifying the Water and Sewer System Resolution; or (iii) to make any other modification or amendment of the Water and Sewer System Resolution which such counsel in its reasonable judgment determines will not have a material adverse effect on the interests of the Holders of the Water and Sewer System Bonds. Notwithstanding any other provision of the Water and Sewer System Resolution, in determining whether the interests of the Holders of Outstanding Water and Sewer System Bonds are materially adversely affected, such counsel shall consider the effect on the Holders of any Water and Sewer System Bonds for which Credit Enhancement has been provided without regard to such Credit Enhancement.

Without the consent of the Holders of Water and Sewer System Bonds, JEA may adopt a Supplemental Resolution which (i) closes the Water and Sewer System Resolution against, or provides additional conditions to, the issuance of Water and Sewer System Bonds or other evidences of indebtedness; (ii) adds covenants and agreements of JEA; (iii) adds limitations and restrictions to be observed by JEA; (iv) authorizes Water and Sewer System Bonds of an additional Series; (v) provides for the issuance of Water and Sewer System Bonds in coupon form payable to bearer or in uncertificated form; (vi) confirms any security interest or pledge of the Revenues or of any other moneys, securities or funds; (vii) if and to the extent authorized in a Supplemental Resolution authorizing an Additionally Secured Series of Water and Sewer System Bonds, specifies the qualifications of any provider of an obligation similar to a surety bond, insurance policy or letter of credit for deposit into the particular subaccount in the Debt Service Reserve Account securing the Water and Sewer System Bonds of such Additionally Secured Series; (viii) makes any modification which is to be effective only after all Water and Sewer System Bonds of each Series Outstanding as of the date of the adoption of such Supplemental Resolution cease to be Outstanding; and (ix) authorizes Subordinated Indebtedness.

Defeasance

The pledge of the Trust Estate and each separate subaccount in the Debt Service Reserve Account created by the Water and Sewer System Resolution and all covenants, agreements and other obligations of JEA to the Holders of Water and Sewer System Bonds will cease, terminate and become void and be discharged and satisfied whenever all Water and Sewer System Bonds and interest due or to become due thereon are paid in full. If any Water and Sewer System Bonds are paid in full, such Water and Sewer System Bonds shall cease to be entitled to any lien, benefit or security under the Water and Sewer System Resolution, and all covenants, agreements and obligations of JEA to the Holders of such Water and Sewer System Bonds will cease, terminate and become void and be discharged and satisfied. Water and Sewer System Bonds are deemed to have been paid and are not entitled to the lien, benefit and security of the Water and Sewer System Resolution whenever the following conditions (or such other conditions as may be set forth in the Supplemental Resolution authorizing such Water and Sewer System Bonds) are met: (i) in case any Water and Sewer System Bonds are to be redeemed prior to their maturity, JEA has given to the Escrow Agent therefor instructions to give notice of redemption therefor, (ii) there has been deposited with such Escrow Agent either moneys or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with other moneys, if any, also deposited, will be sufficient to pay when due the principal or Redemption Price, if applicable, and

interest due and to become due on such Water and Sewer System Bonds, and (iii) in the event such Water and Sewer System Bonds are not to be redeemed or paid at maturity within the next succeeding 60 days, JEA has given such Escrow Agent instructions to give a notice to the Holders of such Water and Sewer System Bonds that the above deposit has been made and that such Water and Sewer System Bonds are deemed to have been paid and stating the maturity or redemption date upon which moneys are expected to be available for the payment of the principal or Redemption Price, if applicable, on said Water and Sewer System Bonds.

Events of Default; Remedies

Events of Default under the Water and Sewer System Resolution include (i) failure to pay the principal or Redemption Price of any Water and Sewer System Bond when due (determined without giving effect to any payments made with funds provided by any Credit Enhancer pursuant to any Credit Enhancement); (ii) failure to pay any installment of interest on any Water and Sewer System Bond or the unsatisfied balance of any Sinking Fund Installment when due (determined without giving effect to any payments made with funds provided by any Credit Enhancer pursuant to any Credit Enhancement) and continuance thereof for a period of 30 days; (iii) failure by JEA to perform or observe any other covenants, agreements, or conditions contained in the Water and Sewer System Resolution or the Water and Sewer System Bonds and continuance thereof for a period of 60 days after written notice; and (iv) certain events of bankruptcy or insolvency. Upon the happening of any such Event of Default the Holders of not less than 25 percent in principal amount of the Water and Sewer System Bonds Outstanding may declare the principal of all the Water and Sewer System Bonds then Outstanding, and the interest accrued thereon, due and payable (subject to a rescission of such declaration upon the curing of such default before the Water and Sewer System Bonds have matured); *provided, however*, that in the event that a Supplemental Resolution authorizing Water and Sewer System Bonds for which Credit Enhancement is being provided provides that the principal of such Water and Sewer System Bonds, and the accrued interest thereon, may not be declared due and payable immediately (nor such declaration be rescinded and annulled, as provided in the Water and Sewer System Resolution) without the consent in writing of the Credit Enhancer therefor, then such Water and Sewer System Bonds, and the interest accrued thereon, shall not become due and payable immediately as aforesaid (nor may such declaration be rescinded and annulled) without such written consent, and, in that event, the remedies available to the Holders of such Water and Sewer System Bonds (or such Credit Enhancer on behalf of such Holders) shall be limited to the other remedies set forth in the Water and Sewer System Resolution.

During the continuance of an Event of Default under the Water and Sewer System Resolution, JEA is to apply all moneys, securities, funds and Revenues held or received by JEA (other than amounts on deposit in any separate subaccount in the Debt Service Reserve Account) as follows and in the following order: (i) for Operation and Maintenance Expenses and for the reasonable renewals, repairs, replacements of the System necessary in the judgment of JEA to prevent a loss of Revenues; (ii) to the interest and principal or Redemption Price due on the Water and Sewer System Bonds; and (iii) to the interest and principal or redemption price due on Subordinated Indebtedness. During the continuance of an Event of Default under the Water and Sewer System Resolution, JEA is to apply all amounts on deposit in each separate subaccount in the Debt Service Reserve Account to the interest and principal or sinking fund Redemption Price due on the Water and Sewer System Bonds of any Additionally Secured Series secured thereby.

The Water and Sewer System Resolution provides that, if not in default in respect of any of its obligations with respect to Credit Enhancement for Water and Sewer System Bonds, the Credit Enhancer for, and not the actual Holders of, Water and Sewer System Bonds for which such Credit Enhancement is being provided will be deemed to be the Holder of such Water and Sewer System Bonds at all times for the purposes of giving any approval or consent, exercising any remedies or taking any other actions in respect of the occurrence of an Event of Default. See "Action by Credit Enhancer When Action by Holders of Water and Sewer System Bonds Required" herein.

**Action by Credit Enhancer When Action by Holders
of Water and Sewer System Bonds Required**

Except as otherwise provided in a Supplemental Resolution authorizing Water and Sewer System Bonds for which Credit Enhancement is being provided, if not in default in respect of any of its obligations with respect to Credit Enhancement for the Water and Sewer System Bonds of a Series, or a maturity within a Series, the Credit Enhancer for, and not the actual Holders of, the Water and Sewer System Bonds of a Series, or a maturity within a Series, for which such Credit Enhancement is being provided, shall be deemed to be the Holder of Water and Sewer System Bonds of any Series, or maturity within a Series, as to which it is the Credit Enhancer at all times for the purpose of (i) giving any approval or consent to the effectiveness of any Supplemental Resolution or any amendment, change or modification of the Water and Sewer System Resolution which requires the written approval or consent of Holders; *provided, however*, that the foregoing shall not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Water and Sewer System Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Water and Sewer System Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto and (ii) giving any approval or consent, exercising any remedies or taking any other action following the occurrence of an Event of Default under the Water and Sewer System Resolution.

**Special Provisions Relating to Water and Sewer System
Capital Appreciation Bonds, Water and Sewer System
Deferred Income Bonds and Reimbursement Obligations**

The principal and interest portions of the Accreted Value of Water and Sewer System Capital Appreciation Bonds or the Appreciated Value of Water and Sewer System Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments made under the definitions of Debt Service, Accrued Aggregate Debt Service, Adjusted Aggregate Debt Service and Aggregate Debt Service only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

For the purposes of (i) receiving payment of the Redemption Price if a Water and Sewer System Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Water and Sewer System Capital Appreciation Bond if the principal of all Water and Sewer System Bonds is declared immediately due and payable following an Event of Default or (iii) computing the principal amount of Water and Sewer System Bonds held by the Holder of a Water and Sewer System Capital Appreciation Bond in giving to JEA any notice, consent, request, or demand pursuant to the Water and Sewer System Resolution for any purpose whatsoever, the principal amount of a Water and Sewer System Capital Appreciation Bond shall be deemed to be its then current Accreted Value.


For the purposes of (i) receiving payment of the Redemption Price if a Water and Sewer System Deferred Income Bond is redeemed prior to maturity, or (ii) receiving payment of a Water and Sewer System Deferred Income Bond if the principal of all Water and Sewer System Bonds is declared immediately due and payable following an Event of Default or (iii) computing the principal amount of Water and Sewer System Bonds held by the Holder of a Water and Sewer System Deferred Income Bond in giving to JEA any notice, consent, request, or demand pursuant to the Water and Sewer System Resolution for any purpose whatsoever, the principal amount of a Water and Sewer System Deferred Income Bond shall be deemed to be its then current Appreciated Value.

Except as otherwise provided in a Supplemental Resolution authorizing a Series of Reimbursement Obligations, for the purposes of (i) receiving payment of a Reimbursement Obligation, whether at maturity, upon redemption or if the principal of all Water and Sewer System Bonds is declared immediately due and payable following an Event of Default or (ii) computing the principal amount of Water and Sewer System Bonds held by the Holder of a Reimbursement Obligation in giving to JEA any notice, consent, request, or demand pursuant to the Water and Sewer System Resolution for any purpose whatsoever, the principal amount of a Reimbursement Obligation shall be deemed to be the actual principal amount that JEA shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, JEA in connection with the Water and Sewer System Bonds of the Series or maturity or interest rate within a maturity for which such Reimbursement Obligation has been issued to evidence JEA's obligation to repay any

advances or loans made in respect of the Credit Enhancement or liquidity support provided for such Water and Sewer System Bonds, less any prior repayments thereof.

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Attachment 1

	FINANCIAL SECURITY ASSURANCE®	MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE POLICY
ISSUER: JEA, Florida	Policy No.: 203510-R	
BONDS: Water and Sewer System Revenue Bonds, 2004 Series C and other Additionally Secured Bonds secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Reserve Fund	Effective Date: September 22, 2004	Premium: \$

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") as set forth in the documentation (the "Bond Document") providing for the issuance of and securing the Bonds, for the benefit of the Owners, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become due for payment but shall be unpaid by reason of Nonpayment by the Issuer.

Financial Security will make payment as provided in this Policy to the Trustee or Paying Agent on the later of the Business Day on which such principal and interest becomes due for payment or the Business Day next following the Business Day on which Financial Security shall have received notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Issuer, as appropriate, who may submit an amended Notice of Nonpayment. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy. Upon such payment, Financial Security shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Bond Document. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond and all insurance policies in respect of the Bond, to the extent of any payment by Financial Security hereunder.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (exclusive of interest and expenses) to Financial Security by or on behalf of the Issuer. Within three Business Days of such reimbursement, Financial Security shall provide the Trustee, the Paying Agent and the Issuer with notice of the reimbursement and reinstatement.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the Termination Date of this Policy or (b) Bonds that are not outstanding under the Bond Document. If the amount payable under this Policy is also payable under another insurance policy or surety bond insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall Financial Security incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other insurance policy or surety bond that Financial Security has issued.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York are, or the Insurer's Fiscal Agent is, authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due

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Policy No. 203510-R

upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer that has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing or written notice by registered or certified mail, from the Issuer, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment of principal or interest thereunder, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. "Policy Limit" shall be the dollar amount of the debt service reserve fund required to be maintained for the Bonds by the Bond Document from time to time (the "Debt Service Reserve Requirement"), but in no event shall the Policy Limit exceed \$3,702,499.05. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Debt Service Reserve Requirement, as provided in the Bond Document. "Termination Date" means October 1, 2039.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by contract claim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud) whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment or provision being made for payment, of the Bonds prior to maturity, and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.



FINANCIAL SECURITY ASSURANCE INC.

By _____
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
350 Park Avenue, New York, N.Y. 10022-6022

(212) 826-0100

Form 501B NY (8/96)

 FINANCIAL SECURITY ASSURANCE®	ENDORSEMENT NO. 2 TO MUNICIPAL BOND INSURANCE POLICY (Nonreduction Endorsement)
ISSUER: JEA, Florida	Policy No.: 203510-R
BONDS: Water and Sewer System Revenue Bonds, 2004 Series C and other Additionally Secured Bonds secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Reserve Fund	Effective Date: September 22, 2004
<p>Notwithstanding the terms and provisions contained in this Policy, the amount available under this Policy to pay principal of and interest on Bonds that are due for Payment but are unpaid by reason of Nonpayment, at any time prior to the time the Policy terminates, shall be an amount equal to the Policy Limit reduced by the dollar amount of any payment under this Policy and increased by the dollar amount of any subsequent reimbursement to Financial Security for amounts so paid, up to the Policy Limit.</p>	
<p>"Policy Limit" shall mean \$3,702,459.05.</p>	
<p>Nothing herein shall be construed to waive, alter, reduce or amend coverage of the Policy in any other respect. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.</p>	
<p>FINANCIAL SECURITY ASSURANCE INC. has caused this Endorsement to be executed on its behalf by its Authorized Officer.</p>	
	FINANCIAL SECURITY ASSURANCE INC.
	By _____ Authorized Officer
	<p>A subsidiary of Financial Security Assurance Holdings Ltd. 350 Park Avenue, New York, N.Y. 10022-6022</p> <p>(212) 826-0100</p> <p>Form 632 NY (FL 5/04)</p>

Attachment 2

**BERKSHIRE HATHAWAY
ASSURANCE CORPORATION**
NEW YORK, NEW YORK

**DEBT SERVICE RESERVE FUND
FINANCIAL GUARANTY
INSURANCE POLICY**

DECLARATIONS

Policy No.:	98SRD102446
Issuer:	JEA
Issuer Address:	Jacksonville, Florida
Obligations:	All Water and Sewer System Revenue Bonds which constitute an Additionally Secured Series secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Reserve Fund established pursuant to the First Supplemental Water and Sewer System Revenue Bond Resolution of August 19, 1997
Effective Date:	August 11, 2008
Termination Date:	October 1, 2038
Insured Limit:	\$33,000,000
Percentage:	Insured Limit of this Policy divided by the sum of the available limits of all surety bonds, insurance policies, letters of credit or any other reserve fund credit instruments outstanding on the Date of Demand as defined in this Policy that meet the requirements of the Initial Subaccount at the time of a demand under this Policy.
Premium:	
Endorsements:	None

INSURANCE POLICY TERMS AND CONDITIONS

BERKSHIRE HATHAWAY ASSURANCE CORPORATION ("BHAC"), in consideration of the payment of the premium received by BHAC and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay to the Trustee for the benefit of the Holders the Insured Payments on the Payment Due Date but shall be unpaid by reason of Nonpayment by the Issuer. Payment will be made on the later to occur of (i) the Business Day following the day on which BHAC shall have Received a completed notice of Nonpayment in form attached as Exhibit A to the Policy, or (ii) the Payment Due Date with respect to the applicable principal or interest payment (the later of the dates referred to in clauses (i) and (ii) being the "Date of Demand"). If a notice of Nonpayment to BHAC is incomplete or does not in any instance conform to the terms and conditions of this Policy, it shall be deemed not Received, and BHAC shall promptly give notice to the Trustee that the purported notice of Nonpayment is not deemed Received. Upon receipt of such notice, the Trustee may submit an amended notice of Nonpayment. Payment by BHAC to the Trustee for the benefit of the Holders shall discharge the obligation of BHAC under this Policy to the extent of such payment.

Except as described below, this Policy is non-cancelable by BHAC for any reason. The Premium on this Policy is not refundable for any reason, including the payment prior to maturity of the Obligations. This Policy does not insure against loss of any premium on the Obligation paid by the Holder or any acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of BHAC, nor does this Policy insure against any risk other than Nonpayment.

Under no circumstance shall BHAC's obligations under this Policy exceed the Insured Limit. The amount available at any time to be paid to the Trustee under the terms of this Policy shall automatically be reduced by any payment under this Policy; provided that Issuer may reinstate the Insured Limit by payment of the amount paid by BHAC hereunder plus interest and expenses as provided herein. Issuer shall repay any draws under this Policy and pay all related reasonable expenses incurred by BHAC. Interest shall accrue and be payable on such draws and expenses from the date of payment by BHAC at the Late Payment Rate. Repayment of draws and payment of expenses and accrued interest there on at the Late Payment Rate (collectively "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw. Payment of such Policy Costs shall be payable in the manner provided in paragraph (f) of subsection 4 of Section 6.01 of the First Supplemental Water and Sewer System Revenue Bond Resolution of the Issuer adopted August 19, 1997.

Each reinstatement payment shall first be applied to payment of interest and expenses and any remainder deemed to be repayment of the principal paid by BHAC to reinstate the Insured Limit. BHAC shall provide the Trustee and the Issuer with notice of reinstatement of the Insured Limit in the form provided in Exhibit B to this Policy within three Business Days following Receipt of the full reinstatement payment due BHAC. Under no circumstances shall BHAC incur duplicate liability for the same amounts owing with respect to the Obligations that are covered under this Policy and any other insurance policy or surety bond that BHAC has issued.

Under no circumstances may the Insured Limit be increased from the amount stated in the Declarations other than by Endorsement to this Policy.

BHAC shall have no liability under this Policy with respect to any Obligation which is not subject to the Resolution. This Policy will not apply to any Obligation that is not *pari passu* in security to the Water and Sewer System Refunding Revenue Bonds, 2007 Series C whether or not such 2007 Series C Bonds remain outstanding; provided that, if the 2007 Series C Bonds are not outstanding, this Policy will not apply to any Obligation that would not have been *pari passu* in security to the Water and Sewer System Refunding Revenue Bonds, 2007 Series C if they had remained outstanding. BHAC shall have no liability under this Policy for any Nonpayment with respect to an Obligation that is not issued pursuant to the Resolution, without amendment of that Resolution.

This Policy excludes from coverage any Non-Payment occurring prior to the Effective Date or after the Termination Date.

If JEA shall fail to pay any Policy Costs in accordance with the requirement of this Policy, BHAC shall be entitled to exercise any and all legal and equitable remedies available to it, including (i) the bringing of an action for mandamus and (ii) those remedies provided under the Resolution other than (A) acceleration of the maturity of the Obligations or (B) remedies which would adversely affect owners of the Obligations. In furtherance of the foregoing, JEA hereby acknowledges and agrees that BHAC shall be a third-party beneficiary of the Resolution, and shall be entitled to bring suit on the Resolution based upon JEA's failure to pay any Policy Costs as aforesaid.

The Resolution shall not be discharged until all Policy Costs owing to BHAC shall have been paid in full. JEA's obligation to pay such amounts shall survive payment in full of the Obligations.

Except to the extent expressly modified by the Declarations to this Policy or any endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) any day on which the offices of the Custodian are closed, or (iii) any day on which banking institutions are authorized or required by law, executive order or governmental decree to be closed in the City of New York, New York.

"Holder" means, in respect of any Obligation, the person or entity who, at the time of Nonpayment, is the registered owner of an Obligation pursuant to the applicable Resolution governing the Obligation entitled to payment of principal or interest thereunder, except that Holder shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Obligations.

"Initial Subaccount" means the initial subaccount in the Debt Service Reserve Account in the Debt Service Reserve Fund established pursuant to the First Supplemental Water and Sewer System Revenue Bond Resolution of the Issuer adopted August 19, 1997.

"Insured Payments" means the Percentage set forth in the Declarations multiplied by the principal of and interest for which payment is due on the Obligations on the applicable Payment Due Date, but only after any cash and investments in the Initial Subaccount on the Date of Demand under this Policy have been applied to amounts due under the Obligations on that Payment Due Date. Insured Payments shall not include any additional amounts owing by the Issuer solely as a result of the failure by the Trustee to pay such amount when due and payable, including without limitation any such additional amounts as may be attributable to penalties or to interest accruing at a default rate, to amounts payable in respect of indemnification, or to any other additional amounts payable by the Trustee by reason of such failure.

"Late Payment Rate" means, the lesser of (a) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (the "Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus three percent interest plus fifty basis points per annum starting twelve months after any draw is made and increasing by fifty basis points per annum every twelve months any draw remains unpaid, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment rate shall be computed on the basis of the actual number of days elapsed over a year of 365 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as BHAC shall specify.

"Nonpayment" means, in respect of an Obligation, the failure of the Issuer to have provided sufficient funds to the Trustee for payment in full of all principal and interest due on such Obligation on the applicable Payment Due Date.

"Obligations" mean the bonds described in the Declarations which are outstanding under the terms of the Resolution.

"Payment Due Date" means (i) when referring to the principal of an Obligation, the stated

maturity date thereof, or the date on which such Obligation shall have been duly called for mandatory sinking fund redemption, and does not refer to any earlier date on which payment is due by reason of a call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BHAC in its sole discretion elects to make any principal payment, in whole or in part, on such earlier date) and (ii) when referring to interest on an Obligation, the stated date for payment of such interest.

"Receipt" or "Received" means actual receipt of notice of or, if notice is given by overnight or other delivery service, or by certified or registered United States mail, by a delivery receipt signed by a person authorized to accept delivery on behalf of the person to whom the notice was given. Notices to BHAC may be mailed by certified mail or may be delivered by telecopier to facsimile number 203 363 5221, attn: Bond Insurance Claims, or to such other address as shall be specified by BHAC to the Trustee in writing.

"Resolution" means the Water and Sewer System Revenue Bond Resolution of the Issuer adopted February 18, 1997, the First Supplemental Water and Sewer System Revenue Bond Resolution of the Issuer adopted August 19, 1997 and any further supplemental resolution issued subject to the foregoing resolutions.

"Trustee" means the trustee or paying agent, as set forth in the applicable Resolution of the Issuer governing the Obligations.

All capitalized terms used in this Policy and not otherwise defined in this Policy shall have the meaning given them in the applicable Resolution governing the Obligations.

To the fullest extent permitted by applicable law, BHAC hereby waives, in each case for the benefit of the Holders only, all rights and defenses of any kind (including, without limitation, the defense of fraud in the inducement or in fact or any other circumstance that would have the effect of discharging a surety, guarantor or any other person in law or in equity) that may be available to BHAC to deny or avoid payment of amounts due under this Policy in accordance with the express provisions hereof, and BHAC furthermore hereby expressly waives any claim for set-off or other counterclaim against payment hereunder. Nothing in this paragraph will be construed (i) to waive, limit or otherwise impair, and BHAC expressly reserves, BHAC's rights and remedies, including, without limitation; its right to assert any claim or to pursue recoveries (based on contractual rights, securities law violations, fraud or other causes of action) against any person or entity, in each case, whether directly or acquired as a subrogee, assignee or otherwise, subsequent to making any payment to the Trustee, in accordance with the express provisions hereof, and/or (ii) to require payment by BHAC of any amounts that have been previously paid or that are not otherwise due in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of BHAC with respect to the subject matter hereof, and shall not be modified, altered or affected by any other agreement or instrument, including without limitation, any modification or amendment thereto, unless the modification or amendment is agreed to by the Custodian of the Obligations. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAWS OR THE FLORIDA INSURANCE GUARANTY ASSOCIATION SPECIFIED IN THE FLORIDA INSURANCE GUARANTY ASSOCIATION ACT. Payments under this Policy may not be accelerated except at the sole option of BHAC.

Premium is due from the Issuer not later than the Effective Date.

This Policy will be governed by, and shall be construed in accordance with, the laws of the State of Florida.

- - IN WITNESS WHEREOF, BHAC has caused this Policy to be executed on its behalf by its duly-----
authorized officer, and to become effective and binding upon BHAC by virtue of such signature.

BERKSHIRE HATHAWAY ASSURANCE CORPORATION

Exhibit A

Policy No. _____

NOTICE OF NONPAYMENT

_____, 20__

BERKSHIRE HATHAWAY ASSURANCE CORPORATION
100 First Stamford Place
Stamford, CT 06902

Attention:

Reference is made to the Policy No. _____ (the "Policy") issued by Berkshire Hathaway Assurance Corporation ("BHAC"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Policy unless the context otherwise requires.

The Paying Agent hereby certifies that:

1. On the Payment Due Date of _____, 20__ \$_____ [became] [will become] due for payment on the following Obligations: [list of Obligations]_____.
2. The amount on deposit in the Debt Service Account of the Debt Service Fund and the Initial Subaccount of the Debt Service Reserve Account of the Debt Service Fund available to pay such amount is \$_____, which is \$_____ less than the amount due (the "Deficiency Amount");
3. The Paying Agent hereby demands payment of \$_____ which amount does not exceed the lesser of (i) the Percentage multiplied by the Deficiency Amount and (ii) the amount available to be drawn under the Policy which in no event shall exceed the Insured Limit;
4. The Paying Agent has not heretofore made demand under the Policy for the amount specified in 3. above or any portion thereof; and
5. The Paying Agent hereby requests that payment of the amount specified in 3. above be made by BHAC under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy: _____ [Paying Agent's Account].

[Paying Agent]

By: _____

D-43

Exhibit B

Policy No. _____

NOTICE OF REINSTATEMENT

_____, 20____

[Paying Agent]

[Address]

Reference is made to the Policy No. _____ (the "Policy") issued by Berkshire Hathaway Assurance Corporation ("BHAC"). The terms which are capitalized herein and not otherwise defined have the meanings specified in the Policy unless the context otherwise requires.

BHAC hereby delivers notice that it is in receipt of payment from the Issuer pursuant to Article 2 of the Financial Guaranty Agreement relating to the Policy and as of the date hereof the Insured Limit is \$_____.

BERKSHIRE HATHAWAY ASSURANCE CORPORATION

Authorized Officer

Attest: _____

Title:

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED WATER AND SEWER SYSTEM RESOLUTION

The following is a summary of certain provisions of the Subordinated Water and Sewer System Resolution. Summaries of certain definitions contained in the Subordinated Water and Sewer System Resolution are set forth below. Other terms defined in the Subordinated Water and Sewer System Resolution for which summary definitions are not set forth are indicated by capitalization. The summary does not purport to be a complete description of the terms of the Subordinated Water and Sewer System Resolution and, accordingly, is qualified by reference thereto and subject to the full text thereof.

The Subordinated Water and Sewer System Resolution, as heretofore amended, is available for viewing and downloading on JEA's website at https://www.jea.com/About/Investor_Relations/Bonds/. Copies of the Subordinated Water and Sewer System Resolution also may be obtained from JEA; provided that a reasonable charge may be imposed for the cost of reproduction. The term "Subordinated Bonds" as used in the Subordinated Water and Sewer System Resolution and in this summary, has the same meaning as the term "Subordinated Water and Sewer System Bonds" as used in the Annual Disclosure Report to which this summary is attached.

Definitions

The following are summaries of certain definitions in the Subordinated Water and Sewer System Resolution:

Accreted Value means, as of any date of computation with respect to any Water and Sewer System Capital Appreciation Subordinated Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Subordinated Resolution authorizing such Water and Sewer System Capital Appreciation Subordinated Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Water and Sewer System Capital Appreciation Subordinated Bonds set forth in the Supplemental Subordinated Resolution authorizing such Subordinated Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Subordinated Resolution authorizing such Water and Sewer System Capital Appreciation Subordinated Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

Additional Parity Subordinated Indebtedness means any obligation incurred by JEA subsequent to the date of adoption of the Subordinated Water and Sewer System Resolution in respect of amounts payable by JEA in repayment of draws under any surety bond, insurance policy,

letter of credit or other similar obligation that is deposited, in lieu of a cash deposit thereto, to any subaccount in the Debt Service Reserve Account in the Debt Service Fund established pursuant to the Water and Sewer System Resolution, and all expenses with respect thereto and interest thereon, and that is designated as such by an Authorized Officer of JEA in a certificate filed with the records of JEA on the date of the deposit of such surety bond, insurance policy, letter of credit or other similar obligation to such subaccount.

Adjusted Aggregate Debt Service shall have the meaning assigned to such term in the Water and Sewer System Resolution.

Adjusted Aggregate Subordinated Debt Service for any period shall mean, as of any date of calculation, the Aggregate Subordinated Debt Service for such period except that (a) if any Refundable Subordinated Principal Installment for any Series of Subordinated Bonds is included in Aggregate Subordinated Debt Service for such period, Adjusted Aggregate Subordinated Debt Service shall mean Aggregate Subordinated Debt Service determined (i) in the case of Refundable Subordinated Principal Installments with respect to Subordinated Bonds other than Commercial Paper Notes and Medium-Term Notes, as if each such Refundable Subordinated Principal Installment had been payable, over a period extending from the due date of such Subordinated Principal Installment through the earlier of (x) the 40th anniversary of the issuance of such Series of Subordinated Bonds or (y) the 30th anniversary of the due date of such Refundable Subordinated Principal Installment, in installments which would have required equal annual payments of principal and interest over such period and (ii) in the case of Refundable Subordinated Principal Installments with respect to Commercial Paper Notes or Medium-Term Notes, in accordance with the then current Commercial Paper Payment Plan or Medium-Term Note Payment Plan, as applicable, with respect thereto and (b) the principal and interest portions of the Accreted Value of Water and Sewer System Capital Appreciation Subordinated Bonds or the Appreciated Value of Water and Sewer System Deferred Income Subordinated Bonds shall be included in the calculation of Adjusted Aggregate Subordinated Debt Service at the times and in the manner provided in the provisions of the Subordinated Water and Sewer System Resolution. Interest deemed payable in any Fiscal Year after the actual due date of any Refundable Subordinated Principal Installment of any Series of Subordinated Bonds shall be calculated at such rate of interest as JEA, or a banking or financial institution or financial advisory firm selected by JEA, determines would be a reasonable estimate of the rate of interest that would be borne on Subordinated Bonds maturing at the times determined in accordance with the provisions of clause (a) of the preceding sentence, determined as of such date of calculation.

Aggregate Subordinated Debt Service for any period shall mean, as of any date of calculation, the sum of the amounts of Subordinated Debt Service for such period with respect to all Series; *provided, however*, that (a) for purposes of estimating Aggregate Subordinated Debt Service for any future period (i) any Variable Rate Subordinated Bonds, Commercial Paper Notes and Medium-Term Notes Outstanding during such period shall be assumed to bear interest during such period at the Stipulated Interest Rate applicable thereto, determined as of such date of calculation and (ii) any Option Subordinated Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof and (b) the principal and interest portions of the Accreted Value of Water and Sewer System Capital Appreciation Subordinated Bonds or the Appreciated Value of Water and Sewer System Deferred Income Subordinated Bonds shall be

included in the calculation of Aggregate Subordinated Debt Service at the times and in the manner provided in the Subordinated Water and Sewer System Resolution.

Alternate Variable Rate Taxable Index means such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is not excluded from gross income for federal income tax purposes, as determined by an Authorized Officer of JEA.

Alternate Variable Rate Tax-Exempt Index means such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is excluded from gross income for federal income tax purposes, as determined by an Authorized Officer of JEA.

Appreciated Value means, with respect to any Water and Sewer System Deferred Income Subordinated Bond, (i) as of any date of computation prior to the Current Interest Commencement Date with respect to such Water and Sewer System Deferred Income Subordinated Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Subordinated Resolution authorizing such Water and Sewer System Deferred Income Subordinated Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Water and Sewer System Deferred Income Subordinated Bonds set forth in the Supplemental Subordinated Resolution authorizing such Subordinated Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Subordinated Resolution authorizing such Water and Sewer System Deferred Income Subordinated Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

Average Annual Adjusted Aggregate Debt Service means, as of any date of calculation, the arithmetic average of the Adjusted Aggregate Debt Service for the then current and each future Bond Year.

Average Annual Adjusted Aggregate Subordinated Debt Service means, as of any date of calculation, the arithmetic average of the Adjusted Aggregate Subordinated Debt Service for the then current and each future Bond Year.

Bearer Commercial Paper Note means any Commercial Paper Note that, in accordance with the Supplemental Subordinated Resolution authorizing the Series of which such Commercial Paper Note is a part, is issued in bearer form, not registrable as to principal or face amount.

BMA Municipal Swap Index means the rate determined on the basis of an index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by Municipal Market Data or any successor indexing agent which meets specific criteria established by The Bond Market Association.

Build America Bonds means any Subordinated Bonds with respect to which JEA has irrevocably elected, pursuant to Section 54AA(g) of the Code, or any similar federal program creating subsidies for municipal borrowers for which JEA qualifies, to receive cash subsidy payments from the U.S. Treasury equal to a portion of the interest payable on such Subordinated Bonds.

Code means the Internal Revenue Code of 1986, or any successor, and the applicable regulations (including final, temporary and proposed) promulgated by the United States Department of the Treasury thereunder, including Treasury Regulations issued pursuant to Sections 103 and 141 through 150, inclusive, of said Internal Revenue Code of 1986.

Commercial Paper Note means any Subordinated Bond which (a) has a maturity date which is not more than 365 days after the date of issuance thereof and (b) is designated as a Commercial Paper Note in the Supplemental Subordinated Resolution authorizing such Subordinated Bond.

Commercial Paper Payment Plan means, with respect to any Series of Commercial Paper Notes and as of any time, the then current Commercial Paper Payment Plan for such Notes contained in a certificate of an Authorized Officer of JEA setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Commercial Paper Notes; *provided, however*, that if any Commercial Paper Payment Plan provides for the refunding of any Commercial Paper Note with proceeds of (a) Subordinated Bonds other than Commercial Paper Notes or Medium-Term Notes or (b) Water and Sewer System Bonds, in either such case, that JEA intends to pay from Revenues, the principal of such Commercial Paper Notes shall, for purposes of the Commercial Paper Payment Plan, be assumed to come due over a period commencing with the due date of the Commercial Paper Note and ending not later than the earlier of (x) the 40th anniversary of the first issuance of Commercial Paper Notes of such Series or (y) the 30th anniversary of the due date of the Commercial Paper Note to be refunded, in installments such that the principal and interest payable on such Commercial Paper Notes in each Fiscal Year in such period will be equal to the principal and interest payable on such Commercial Paper Notes in each other Fiscal Year in such period.

Credit Enhancement means, with respect to the Water and Sewer System Bonds of a Series, a maturity within a Series or an interest rate within a maturity or the Subordinated Bonds of a Series, a maturity within a Series or an interest rate within a maturity, the issuance of an insurance policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by JEA or otherwise, the principal of and interest on such Water and Sewer System Bonds or Subordinated Bonds, as the case may be.

Credit Enhancer means any person or entity which, pursuant to a Supplemental Subordinated Resolution, is designated as a Credit Enhancer and which provides Credit

Enhancement for the Water and Sewer System Bonds of a Series, a maturity within a Series or an interest rate within a maturity or the Subordinated Bonds of a Series, a maturity within a Series or an interest rate within a maturity.

Current Interest Commencement Date means, with respect to any particular Water and Sewer System Deferred Income Subordinated Bonds, the date specified in the Supplemental Subordinated Resolution authorizing such Water and Sewer System Deferred Income Subordinated Bonds (which date must be prior to the maturity date for such Water and Sewer System Deferred Income Subordinated Bonds) after which interest accruing on such Water and Sewer System Deferred Income Subordinated Bonds shall be payable periodically on dates specified in such Supplemental Subordinated Resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

Defeasance Securities have the meaning given to such term in the Water and Sewer Resolution except that (a) the references therein to "Bonds of a Series" and "the Supplemental Resolution authorizing such Bonds" shall be deemed to refer to "Subordinated Bonds of a Series" and "the Supplemental Subordinated Resolution authorizing such Subordinated Bonds," respectively and (b) the reference in clause (g) thereof to subsection 6 of Section 1201 of the Water and Sewer Resolution shall be deemed to refer to subsection 6 of Section 12.01 of the Subordinated Water and Sewer Resolution.

Designated Swap Obligation means, to the extent from time to time permitted by law, any interest rate swap transaction (i) which is entered into by JEA for the purpose of converting synthetically the interest rate on any particular Water and Sewer System Bonds or Subordinated Bonds from a fixed rate to a variable rate or from a variable rate to a fixed rate (regardless of whether such Designated Swap Obligation shall have a term equal to the remaining term of such Water and Sewer System Bonds or Subordinated Bonds, as the case may be) and (ii) which has been designated in a certificate of an Authorized Officer of JEA filed with the records of JEA as such (which certificate shall specify the Water and Sewer System Bonds or Subordinated Bonds, as applicable, with respect to which such Designated Swap Obligation is entered into).

Designated Swap Obligation Provider means any person with whom JEA enters into a Designated Swap Obligation.

Event of Default when used with respect to the Subordinated Bonds, shall mean any event specified as such in the Water and Sewer System Resolution and any other event specified as such in the Subordinated Water and Sewer System Resolution.

Existing Parity Subordinated Indebtedness means (i) the Reimbursement Obligations of JEA under (and as defined in) the Debt Service Reserve Fund Policy Agreement, dated as of January 4, 2001, between JEA and Financial Guaranty Insurance Company ("FGIC"), (ii) the Reimbursement Obligations of JEA under (and as defined in) the Debt Service Reserve Fund Policy Agreement, dated as of April 11, 2002, between JEA and FGIC and (iii) the Reimbursement Obligations of JEA under (and as defined in) the Debt Service Reserve Fund Policy Agreement, dated as of October 24, 2002, between JEA and FGIC.

Initial Subordinated Debt Service Reserve Fund means the Fund by that name that is established in the Third Supplemental Subordinated Water and Sewer System Resolution.

Medium-Term Note means any Subordinated Bond which (a) has a maturity date which is more than 365 days, but not more than 15 years, after the date of issuance thereof and (b) is designated as a Medium-Term Note in the Supplemental Subordinated Resolution authorizing such Subordinated Bond.

Medium-Term Note Payment Plan means, with respect to any Series of Medium-Term Notes and as of any time, the then current Medium-Term Note Payment Plan for such Notes contained in a certificate of an Authorized Officer of JEA setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Medium-Term Notes; *provided, however*, that if any Medium-Term Note Payment Plan provides for the refunding of any Medium-Term Note with proceeds of (a) Subordinated Bonds other than Commercial Paper Notes or Medium-Term Notes or (b) Water and Sewer System Bonds, in either such case, that JEA intends to pay from Revenues, the principal of such Medium-Term Notes shall, for purposes of the Medium-Term Note Payment Plan, be assumed to come due over a period commencing with the due date of the Medium-Term Note and ending not later than the earlier of (x) the 40th anniversary of the first issuance of Medium-Term Notes of such Series or (y) the 30th anniversary of the due date of the Medium-Term Note to be refunded, in installments such that the principal and interest payable on such Medium-Term Notes in each Fiscal Year in such period will be equal to the principal and interest payable on such Medium-Term Notes in each other Fiscal Year in such period.

One-Month LIBOR Rate means, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 A.M., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

Option Subordinated Bonds means Subordinated Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment by JEA prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

Refundable Subordinated Principal Installment means any Subordinated Principal Installment for any Series of Subordinated Bonds which JEA intends to pay with moneys which are not Revenues; *provided, however*, that (i) in the case of Subordinated Bonds other than Commercial Paper Notes or Medium-Term Notes, such intent shall have been expressed in the Supplemental Subordinated Resolution authorizing such Series of Subordinated Bonds, (ii) in the case of Commercial Paper Notes, such intent shall be expressed in the then current Commercial Paper Payment Plan for such Commercial Paper Notes and (iii) in the case of Medium-Term Notes, such intent shall be expressed in the then current Medium-Term Note Payment Plan for such Medium-Term Notes; *and provided, further*, that such Subordinated Principal Installment shall be a Refundable Subordinated Principal Installment only through the penultimate day of the month preceding the month in which such Principal Installment comes due or such earlier time as JEA no longer intends to pay such Subordinated Principal Installment with moneys which are not Revenues.

Stipulated Interest Rate means, as of any date of determination:

(i) with respect to (A) any Commercial Paper Notes or Medium-Term Notes or (B) any Variable Rate Subordinated Bonds maturing on a particular date, in either of the foregoing cases, that were, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (1) the average of the Variable Rate Tax-Exempt Index for the five years preceding such date of determination and (2) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes, Variable Rate Subordinated Bonds or Water and Sewer System Variable Rate Bonds, as the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes, Variable Rate Subordinated Bonds or Water and Sewer System Variable Rate Bonds, as the case may be, are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (i) shall be the rate determined pursuant to the foregoing subclause (1) and

(ii) with respect to (A) any Commercial Paper Notes or Medium-Term Notes or (B) any Variable Rate Subordinated Bonds maturing on a particular date, in either of the foregoing cases, that were not, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (a) the average of the Variable Rate Taxable Index for the five years preceding such date of determination and (b) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes, Variable Rate Subordinated Bonds or Water and Sewer System Variable Rate Bonds, as the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes, Variable Rate Subordinated Bonds or Water and Sewer System Variable Rate Bonds, as the case may be, are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (ii) shall be the rate determined pursuant to the foregoing subclause (a).

Subordinated Bonds means any bonds, notes or other obligations or evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to the Subordinated Water and Sewer System Resolution, which shall constitute "Subordinated Indebtedness," and shall not constitute "Water and Sewer System Bonds," for purposes of the Water and Sewer System Resolution.

Subordinated Debt Service for any period shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of:

(i) interest accruing during such period on the Subordinated Bonds of such Series, except to the extent that such interest is to be paid from the proceeds of Water and

Sewer System Bonds, Subordinated Bonds or other evidences of indebtedness of JEA, provided, that in the event that the Subordinated Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then in respect of the interest payable on such Subordinated Bonds, for purposes of this definition, the interest on the Subordinated Bonds of such Series shall be calculated net of the amount of cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Subordinated Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), for purposes of this definition, the interest on the Subordinated Bonds of such Series shall be calculated without regard to such subsidy, and

(ii) that portion of each Subordinated Principal Installment for such Series which would accrue during such period if such Subordinated Principal Installment were deemed to accrue daily in equal amounts from the next preceding Subordinated Principal Installment due date for such Series (or, (x) in the case of Subordinated Bonds other than Subordinated Reimbursement Obligations, if (1) there shall be no such preceding Subordinated Principal Installment due date or (2) such preceding Subordinated Principal Installment due date is more than one year prior to the due date of such Subordinated Principal Installment, then, from a date one year preceding the due date of such Subordinated Principal Installment or from the date of issuance of the Subordinated Bonds of such Series, whichever date is later, and (y) in the case of Subordinated Reimbursement Obligations, in accordance with the terms thereof and the Supplemental Subordinated Resolution authorizing such Subordinated Reimbursement Obligations), except to the extent that such Subordinated Principal Installment is paid or to be paid from the proceeds of Water and Sewer System Bonds, Subordinated Bonds or other evidences of indebtedness of JEA.

Such interest and Subordinated Principal Installments for such Series shall be calculated on the assumption that (x) no Subordinated Bonds (except for Option Subordinated Bonds actually tendered for payment prior to the stated maturity thereof and paid, or to be paid, from Revenues) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Subordinated Principal Installment on the due date thereof, (y) the principal amount of Option Subordinated Bonds tendered for payment before the stated maturity thereof, and paid, or to be paid, from Revenues, shall be deemed to accrue on the date required to be paid pursuant to such tender and (z) the principal and interest portions of the Accreted Value of Water and Sewer System Capital Appreciation Subordinated Bonds or the Appreciated Value of Water and Sewer System Deferred Income Subordinated Bonds shall be included in the calculation of Subordinated Debt Service at the times and in the manner provided in the Subordinated Water and Sewer System Resolution.

Notwithstanding anything to the contrary contained in the Subordinated Water and Sewer System Resolution, (a) if JEA has in connection with any Subordinated Bonds entered into a Designated Swap Obligation which provides that, in respect of a notional amount equal to the Outstanding principal amount of such Subordinated Bonds, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a variable rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a fixed rate of interest, then, for purposes of calculating Subordinated Debt Service with respect to such Subordinated Bonds for the purposes of the rates, fees and charges covenant of JEA in the

Subordinated Water and Sewer System Resolution and the issuance of additional Subordinated Bonds, it will be assumed that such Subordinated Bonds bear interest at a rate equal to the sum of (1) the lesser of (A) the average of the variable rate payable by JEA pursuant to such Designated Swap Obligation for the five years preceding the date of determination, calculating such rate based upon the method, formula or index with respect thereto set forth in such Designated Swap Obligation and (B) the average of the actual rates paid by JEA pursuant to such Designated Swap Obligation for the 12 months preceding such date of determination; *provided, however*, if such Designated Swap Obligation shall not have been in effect for 12 months, then the rate of interest determined pursuant to this clause (1) shall be the rate determined pursuant to the foregoing subclause (A) and (2) the difference (whether positive or negative) between (X) the fixed rate of interest on such Subordinated Bonds and (Y) the fixed rate of interest payable to JEA pursuant to such Designated Swap Obligation and (b) if JEA has in connection with any Variable Rate Subordinated Bonds, Commercial Paper Notes or Medium-Term Notes entered into a Designated Swap Obligation which provides that, in respect of a notional amount equal to the Outstanding principal amount of such Variable Rate Subordinated Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a fixed rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a variable rate of interest, then, for purposes of calculating Subordinated Debt Service with respect to such Variable Rate Subordinated Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, it will be assumed that such Variable Rate Subordinated Bonds, Commercial Paper Notes or Medium-Term Notes, as applicable, bear interest at the fixed rate of interest payable by JEA pursuant to such Designated Swap Obligation.

Subordinated Debt Service Reserve Requirement as of any date of calculation and with respect to the Initial Subordinated Debt Service Reserve Fund, shall have the meaning assigned to such term in the Third Supplemental Subordinated Water and Sewer System Resolution hereinafter referred to (see "Initial Subordinated Debt Service Reserve Fund" discussion below).

For the purpose of the calculation of the Subordinated Debt Service Reserve Requirement in the event that the Subordinated Bonds of any Series shall constitute Build America Bonds, then until such time, if any, as JEA, for whatever reason, no longer receives cash subsidy payments from the U.S. Treasury in respect of the interest payable on such Subordinated Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), the interest on such Subordinated Bonds shall be calculated net of the amount of such subsidy; provided, however, that if at any time the specified percentage of the interest payable on such Subordinated Bonds represented by such subsidy shall be permanently reduced, then the amount of such Subordinated Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Subordinated Bonds that no longer is payable to JEA by the U.S. Treasury, and the amount of such increase shall be required to be funded in equal semiannual installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which such specified percentage is so reduced, except that if at any time from the commencement of such funding, either (x) any of such Subordinated Bonds shall cease to be Outstanding or (y) the amount of such Subordinated Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Subordinated Bonds that remain Outstanding and

the amount (if any) of such reduction in such Subordinated Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period and provided, further, that in the event that JEA, for whatever reason, ceases to receive cash subsidy payments from the U.S. Treasury in respect of the interest payable on any such Subordinated Bonds (other than as a result of the U.S. Treasury reducing a particular payment by offsetting an amount due from JEA to it), then the amount of such Subordinated Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Subordinated Bonds, and such increase shall be required to be funded in equal semiannual installments over a five (5)-year period, with the first such installment becoming due on the first April 1 or October 1 that is at least six (6) months following the date on which JEA does not receive the first such cash subsidy payment that it theretofore was qualified to receive, except that if at any time from the commencement of such funding, either (x) any of such Subordinated Bonds shall cease to be Outstanding or (y) the amount of such Subordinated Debt Service Reserve Requirement shall be reduced for any reason whatsoever, then the obligation of JEA to make deposits during the balance of such period shall be redetermined (taking into account the amount (if any) of such Subordinated Bonds that remain Outstanding and the amount (if any) of such reduction in such Subordinated Debt Service Reserve Requirement) and the resulting reduction in the amount required to be deposited to the Initial Subaccount shall be evenly apportioned over the remainder of such five (5)-year period. Notwithstanding any other provision of this resolution, any one or more installments of any increase in the Subordinated Debt Service Reserve Requirement with respect to the Initial Subaccount in the Debt Service Reserve Account in the Sinking Fund provided for in the preceding sentence may be prepaid at any time in whole or in part by JEA by designating in JEA's records that such payment(s) is (or are) to be treated as a prepayment.

Subordinated Principal Installment means, as of any date of calculation and with respect to any Series, so long as any Subordinated Bonds thereof are Outstanding, (i) the principal amount of Subordinated Bonds (including, in the case of any Option Subordinated Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof and paid, or to be paid, from Revenues) of such Series due (or so tendered for payment and paid, or to be so paid) on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for Subordinated Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Subordinated Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Subordinated Bonds of such Series, the sum of such principal amount of Subordinated Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Subordinated Reimbursement Obligations means all Subordinated Bonds issued pursuant to the Subordinated Water and Sewer System Resolution, concurrently with (a) the issuance of the Water and Sewer System Bonds of a Series authorized pursuant to the provisions of the Water and Sewer System Resolution for which Credit Enhancement or liquidity support is being provided with respect to such Water and Sewer System Bonds (or a maturity or maturities or interest rate within a maturity thereof) by a third-party or (b) the issuance of the Subordinated Bonds of a Series authorized pursuant to the provisions of the Subordinated Water and Sewer System Resolution for which Credit Enhancement or liquidity support is being provided with respect to such

Subordinated Bonds (or a maturity or maturities or interest rate within a maturity thereof) by a third-party, for the purpose of evidencing JEA's obligation to repay any advances or loans made to, or on behalf of, JEA in connection with such Credit Enhancement or liquidity support, and any Subordinated Bonds thereafter authenticated and delivered in lieu of or in substitution for such Subordinated Bonds.

Subordinated Water and Sewer System Resolution means the Water and Sewer System Subordinated Revenue Bond Resolution, supplemental to the Water and Sewer System Resolution, as from time to time amended or supplemented by Supplemental Subordinated Resolutions in accordance with the terms of the Water and Sewer System Resolution and the terms of the Water and Sewer System Subordinated Revenue Bond Resolution. The Water and Sewer System Subordinated Revenue Bond Resolution shall constitute a "Supplemental Resolution" within the meaning of the Water and Sewer System Resolution.

Supplemental Subordinated Resolution means any resolution supplemental to the Subordinated Water and Sewer System Resolution adopted by JEA in accordance with the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution.

U.S. Treasury means the U.S. Treasury or any party designated by the federal government to issue cash subsidy payments on Build America Bonds.

Variable Rate Subordinated Bond means any Subordinated Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of initial issuance of the Series of Subordinated Bonds of which such Subordinated Bond is one.

Variable Rate Taxable Index means the One-Month LIBOR Rate or, if the One-Month LIBOR Rate no longer shall be available, the Alternate Variable Rate Taxable Index.

Variable Rate Tax-Exempt Index means the BMA Municipal Swap Index or, if the BMA Municipal Swap Index no longer shall be available, the Alternate Variable Rate Tax-Exempt Index.

Water and Sewer System Capital Appreciation Subordinated Bonds means any Subordinated Bonds issued under the Subordinated Water and Sewer System Resolution as to which interest is (i) compounded periodically on dates that are specified in the Supplemental Subordinated Resolution authorizing such Water and Sewer System Capital Appreciation Subordinated Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Subordinated Water and Sewer System Resolution or the Supplemental Subordinated Resolution authorizing such Water and Sewer System Capital Appreciation Subordinated Bonds.

Water and Sewer System Deferred Income Subordinated Bonds means any Subordinated Bonds issued under the Subordinated Water and Sewer System Resolution as to which interest accruing prior to the Current Interest Commencement Date is (i) compounded periodically on dates specified in the Supplemental Subordinated Resolution authorizing such Water and Sewer System Deferred Income Subordinated Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Subordinated Water and Sewer System Resolution or the

Supplemental Subordinated Resolution authorizing such Water and Sewer System Deferred Income Subordinated Bonds.

Pledge

The Subordinated Bonds are special obligations of JEA payable from and secured as to the payment of the principal or Redemption Price, if any, thereof, and interest thereon, in accordance with their terms and the provisions of the Subordinated Water and Sewer System Resolution by (i) the amounts on deposit in the Subordinated Indebtedness Fund established pursuant to the Water and Sewer System Resolution as may from time to time be available therefor, *subject, however,* to the pledge of the Trust Estate created by the Water and Sewer System Resolution as security for the Water and Sewer System Bonds and (ii) amounts on deposit in the Funds established under the Subordinated Water and Sewer System Resolution, subject only to the provisions of the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution. The Subordinated Bonds shall be "Subordinated Indebtedness" within the meaning of such term contained in the Water and Sewer System Resolution.

Deposit of Revenues

Pursuant to the Subordinated Water and Sewer System Resolution, as soon as practicable in each month following the payment of the Cost of Operation and Maintenance of the Water and Sewer System and the making of all required deposits pursuant to the Water and Sewer System Resolution in respect of debt service on, and required reserves for, the Water and Sewer System Bonds, JEA is to pay out of the Revenue Fund established under the Water and Sewer System Resolution to the extent permitted by the Water and Sewer System Resolution and to the extent that the amount in the Revenue Fund is available therefor and deposit in the Subordinated Indebtedness Fund established pursuant to the Water and Sewer System Resolution (a) in each month such amounts as shall be provided (i) in the then current annual budget or as otherwise determined by JEA to be deposited in the Subordinated Indebtedness Fund for the payment of the principal or sinking fund redemption price, if any, of, and interest on, the Subordinated Bonds and other Subordinated Indebtedness on the next succeeding payment date with respect to such bonds and indebtedness and (ii) in any event, on any date that any principal or sinking fund redemption price, if any, of, and interest on, any Subordinated Bonds or other Subordinated Indebtedness shall become due and payable, an amount which, together with (A) other amounts then on deposit in such Subordinated Indebtedness Fund, including the proceeds of the sale of the Subordinated Bonds or Subordinated Indebtedness (exclusive of amounts, if any, set aside in said Fund for the payment of interest on Subordinated Indebtedness on a future date or as a reserve for the payment of the principal or redemption price, if any, of, and interest on, Subordinated Indebtedness), (B) in the case of Subordinated Bonds of any Series for which a separate fund or account has been established pursuant to the Subordinated Water and Sewer System Resolution, the amounts then on deposit in such separate account (exclusive of amounts, if any, set aside in said fund or account for the payment of interest on the Subordinated Bonds of such Series on a future date) and (C) in the case of any other issue of Subordinated Indebtedness for which a separate fund or account has been established as a source of moneys for the payment of the Subordinated Indebtedness of such issue, the amounts available in such fund or account (exclusive of amounts, if any, set aside in said

fund or account for the payment of interest on the Subordinated Indebtedness of such issue on a future date or as a reserve for the payment of the principal or redemption price, if any, of, and interest on, the Subordinated Indebtedness of such issue), will be sufficient and available to make such payment in full on such payment date.

During any period in which the Subordinated Debt Service with respect to any Series of Subordinated Bonds containing Build America Bonds shall be calculated in the manner provided in the proviso of the first paragraph of the definition thereof, no later than each interest payment date for such Build America Bonds then Outstanding, JEA shall withdraw from the Revenue Fund and transfer to the Subordinated Bond Fund an amount equal to the amount of the cash subsidy payment payable to JEA by the U.S. Treasury in respect of the interest payable on such Build America Bonds on such interest payment date, without regard to any reduction thereto made by the U.S. Treasury for the purpose of offsetting any amount due from JEA to it. Any cash subsidy payment received by JEA from the U.S. Treasury in respect of the interest payable on any Build America Bonds shall be deposited by JEA upon the receipt thereof in the Revenue Fund, but not such payment shall constitute Revenues for any purpose of the Electric System Resolution or this Subordinated Resolution.

Subordinated Indebtedness Fund

Subject to the provisions of the Water and Sewer System Resolution, amounts in the Subordinated Indebtedness Fund shall be applied to the payment of the principal or sinking fund Redemption Price, if any, of, and interest on, the Subordinated Bonds. In addition, JEA may apply such amounts to the purchase or redemption of Subordinated Bonds to satisfy sinking fund requirements.

The Subordinated Water and Sewer System Resolution also provides that, in the event of the refunding or defeasance of any Subordinated Bonds, JEA may withdraw from the Subordinated Indebtedness Fund all or any portion of the amounts accumulated therein and deposit such amounts with the Escrow Agent for the Subordinated Bonds being refunded or defeased to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Subordinated Bonds being refunded or defeased; *provided, however*, that such withdrawal shall not be made unless (a) immediately thereafter the Subordinated Bonds being refunded or defeased shall be deemed to have been paid pursuant to the provisions of the Subordinated Water and Sewer System Resolution, and (b) the amount remaining in the Subordinated Indebtedness Fund, after giving effect to the issuance of any obligations being issued to refund any Subordinated Bonds being refunded and the disposition of the proceeds thereof, shall not be less than the requirement of such Account. In the event of such refunding or defeasance, JEA may also withdraw from the Subordinated Indebtedness Fund all or any portion of the amounts accumulated therein and deposit such amounts in any Fund or Account under the Water and Sewer System Resolution or any fund or account established thereunder; *provided, however*, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied; and *provided, further*, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Water and Sewer System Resolution or any fund or account held under the Subordinated Water and Sewer System Resolution.

Subordinated Bond Construction Fund

The Subordinated Water and Sewer System Resolution establishes a Subordinated Bond Construction Fund into which shall be deposited the amount required to be paid by the provisions of any Supplemental Subordinated Resolution and as may be paid into the Subordinated Bond Construction Fund, at the option of JEA, any moneys received for or in connection with the Water and Sewer System by JEA from any other source, unless required to be otherwise applied as provided by the Water and Sewer System Resolution or the Subordinated Water and Sewer System Resolution. Amounts on deposit in the Subordinated Bond Construction Fund shall be withdrawn, used and applied by JEA solely for the payment of costs of the Water and Sewer System or any other lawful purpose of JEA relating to the Water and Sewer System.

Subordinated Bond Rate Stabilization Fund

The Subordinated Water and Sewer System Resolution establishes a Subordinated Bond Stabilization Fund. As soon as practicable in each month following the application of Revenues to make the deposits required by the Water and Sewer System Resolution, but in any case not later than the last day of such month, JEA shall pay out of the amounts remaining in the Revenue Fund to the extent permitted by the Water and Sewer System Resolution, and to the extent that the amount in the Revenue Fund is available therefor, for deposit into the Subordinated Bond Rate Stabilization Fund, the amount, if any, budgeted for deposit into such Fund for the then current month as set forth in the then current annual budget, or the amount otherwise determined by JEA to be deposited to such Fund for the month.

Each month JEA shall transfer from the Subordinated Bond Rate Stabilization Fund to the Subordinated Indebtedness Fund the amount budgeted for transfer into such Fund for the then current month as set forth in the then current annual budget, or the amount otherwise determined by JEA to be deposited into such Fund for the month. JEA may also from time to time withdraw amounts currently on deposit in the Subordinated Bond Rate Stabilization Fund and (i) transfer such amounts to any other Fund or Account established under the Water and Sewer System Resolution or any fund or account established under the Subordinated Water and Sewer System Resolution, (ii) use such amounts to purchase or redeem Water and Sewer System Bonds or Subordinated Bonds, (iii) use such amounts to otherwise provide for the payment of Water and Sewer System Bonds or Subordinated Bonds or (iv) use such amounts for any lawful purpose of JEA relating to the Water and Sewer System. If JEA determines that amounts on deposit in the Subordinated Bond Rate Stabilization Fund are to be used to pay the principal or Redemption Price of, or interest on, or to otherwise provide for the payment of, Water and Sewer System Bonds or Subordinated Bonds, JEA may designate the particular Water and Sewer System Bonds or Subordinated Bonds for which such amounts are to be so used, and such amounts shall, subject only to the other provisions of the Subordinated Water and Sewer System Resolution permitting or requiring the application thereof, be used for such purpose.

At any time and from time-to-time JEA may transfer for deposit in the Subordinated Bond Rate Stabilization Fund from any source such amounts as JEA deems necessary or desirable; such amounts shall be applied for purposes of the Subordinated Bond Rate Stabilization Fund in accordance with the preceding paragraph.

Notwithstanding anything to the contrary contained in the Subordinated Water and Sewer System Resolution, whenever the amounts available therefor under the Water and Sewer System Resolution shall not be sufficient to pay the principal or Redemption Price of, or interest on, the Water and Sewer System Bonds then due, JEA shall withdraw from the Subordinated Bond Rate Stabilization Fund an amount equal to the amount of such deficiency (or the entire amount on deposit therein, if less than the amount of such deficiency), and shall deposit such amount in the Debt Service Fund established under the Water and Sewer System Resolution.

Establishment of Additional Funds

If and to the extent provided in a Supplemental Subordinated Resolution, JEA may establish one or more additional funds or accounts with respect to the Subordinated Bonds of one or more Series as shall be specified in such Supplemental Subordinated Resolution and, if and to the extent provided in any such Supplemental Subordinated Resolution, amounts on deposit in any such fund or account, including the investments, if any, thereof may be pledged for the payment of the principal or Redemption Price, if any, of, and interest on, any or all of such Subordinated Bonds. In such event, deposits to and withdrawals from any such fund or account shall be governed by the provisions of such Supplemental Subordinated Resolution; *provided, however*, that in the event that any such Supplemental Subordinated Resolution shall provide for the deposit of Revenues into any such fund or account, such deposit shall not be made in any month until after the deposits required pursuant to the provisions of the Water and Sewer System Resolution shall have been made for such month, and such deposits shall be made pro rata with the deposits of Revenues to the Subordinated Bond Rate Stabilization Fund provided for in the provisions of the Subordinated Water and Sewer System Resolution; and *provided, further*, that if the amount on deposit in the Revenue Fund shall not be sufficient to make all such deposits so required to be made with respect to all such funds and accounts in any month, then such amount on deposit in the Revenue Fund shall be applied ratably, in proportion to the amount necessary for deposit into each such fund and account.

Initial Subordinated Debt Service Reserve Fund

Pursuant to the Third Supplemental Water and Sewer System Revenue Subordinated Bond Resolution adopted by JEA on July 15, 2003 (the "Third Supplemental Subordinated Water and Sewer System Resolution"), authorizing JEA's Water and Sewer System Subordinated Revenue Bonds, 2003 Series C (the "2003 Series C Subordinated Bonds") JEA established an additional fund under the Subordinated Water and Sewer System Resolution, the "Initial Subordinated Debt Service Reserve Fund." The 2003 Series C Subordinated Bonds were additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund, including the investments and investment income, if any, thereof, which amounts were pledged as additional security for the payment of the principal or sinking fund redemption price of, and interest on, the 2003 Series C Subordinated Bonds, subject only to the provisions of the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution. The Initial Subordinated Debt Service Reserve Fund may, at the option of JEA, secure additional Subordinated Bonds of any series thereafter issued. As of the date of the Annual Disclosure Report to which this Appendix

is attached, the Initial Subordinated Debt Service Reserve Fund also secures JEA's Water and Sewer System Subordinated Revenue Bonds, 2017 Series A and 2020 Series A.

Pursuant to the Subordinated Water and Sewer System Resolution, the Subordinated Bonds of any series are not required to be additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund. However, JEA may provide, at its option, in the Supplemental Subordinated Resolution authorizing the Subordinated Bonds of any series that the Subordinated Bonds of such series will be additionally secured by amounts on deposit in any Initial Subordinated Debt Service Reserve Fund. In the event that the Subordinated Bonds of a series hereafter issued are to be additionally secured by amounts on deposit in the Initial Subordinated Debt Service Reserve Fund, it will be a condition to the issuance of such Subordinated Bonds that the amount on deposit in the Initial Subordinated Debt Service Reserve Fund, after giving effect to the issuance of such Subordinated Bonds, equals the Subordinated Debt Service Reserve Requirement.

The Subordinated Water and Sewer System Resolution requires JEA to deposit and maintain in the Initial Subordinated Debt Service Reserve Fund moneys, Investment Securities and/or reserve fund credit instruments (hereinafter defined) in an amount equal to the Subordinated Debt Service Reserve Requirement. The Subordinated Debt Service Reserve Requirement for the Initial Subordinated Debt Service Reserve Fund is defined in the Third Supplemental Subordinated Water and Sewer System Resolution, as of any date of calculation, as an amount equal to the lowest of (a) ten percent of the original principal amount of the Subordinated Bonds of all issues (as defined for federal income tax purposes) secured thereby (or, if the Subordinated Bonds of any such issue are issued at an issue price (as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, ten percent of such issue price), (b) the maximum Aggregate Subordinated Debt Service on the Subordinated Bonds of all series secured thereby then outstanding for the current or any future Bond Year (excluding interest (other than accrued interest paid in connection with the initial issuance thereof) on such Subordinated Bonds to be paid from deposits in the Subordinated Indebtedness Fund made from the proceeds of Subordinated Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA) or (c) 125 percent of the average annual Subordinated Debt Service on the Subordinated Bonds of all series secured thereby then outstanding for the then current and each future Bond Year (excluding interest (other than accrued interest paid in connection with the initial issuance thereof) on such Subordinated Bonds to be paid from deposits in the Subordinated Indebtedness Fund made from the proceeds of Subordinated Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); *provided, however*, that in no event may an increase in the Subordinated Debt Service Reserve Requirement for the Initial Subordinated Debt Service Reserve Fund resulting from the issuance of an additional issue (as defined for federal income tax purposes) of Subordinated Bonds exceed ten percent of the original principal amount of the Subordinated Bonds of such issue (or, if the Subordinated Bonds of such issue are issued at an issue price (as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, ten percent of such issue price).

Amounts in the Initial Subordinated Debt Service Reserve Fund in excess of the Subordinated Debt Service Reserve Requirement, after giving effect to any reserve fund credit instrument, will be credited to the Revenue Fund.

The Third Supplemental Subordinated Water and Sewer System Resolution provides that in lieu of maintaining moneys or investments in the Initial Subordinated Debt Service Reserve Fund, JEA at any time may cause to be deposited therein for the benefit of the Holders of the Subordinated Bonds secured thereby an irrevocable surety bond, an insurance policy or a letter of credit satisfying the conditions set forth therein (a "reserve fund credit instrument"), in an amount equal to the difference between the Subordinated Debt Service Reserve Requirement and the sums of money or value of Investment Securities then on deposit in the Initial Subordinated Debt Service Reserve Fund, if any. The following is a summary of the provisions of the Third Supplemental Subordinated Water and Sewer System Resolution relating to the deposit of reserve fund credit instruments to the Initial Subordinated Debt Service Reserve Fund:

(a) A surety bond or insurance policy issued by a company (a "municipal bond insurer") licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Subordinated Bonds that are additionally secured by the Initial Subordinated Debt Service Reserve Fund (the "Initial Subordinated Debt Service Reserve Fund Additionally Secured Bonds") may be deposited in the Initial Subordinated Debt Service Reserve Fund to meet the Subordinated Debt Service Reserve Requirement or if the claims paying ability of the issuer thereof shall be rated "AAA" or "Aaa" by Standard & Poor's Credit Market Services, a business of Standard & Poor's Financial Services LLC, a limited liability company, organized and existing under the laws of the State of Delaware ("S&P"), or Moody's Investors Service ("Moody's"), respectively.

(b) An unconditional irrevocable letter of credit issued by a bank may be deposited in the Initial Subordinated Debt Service Reserve Fund if the issuer thereof is rated at least "AA" by S&P and if such letter of credit shall be payable in one or more draws upon presentation by the beneficiary thereof of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Subordinated Bonds secured by the Initial Subordinated Debt Service Reserve Fund. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify JEA and the beneficiary thereof, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

(c) If such notice indicates that the expiration date shall not be extended, JEA shall deposit in the Initial Subordinated Debt Service Reserve Fund an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subordinated Debt Service Reserve Fund, together with any other qualifying reserve fund credit instruments, to equal the Subordinated Debt Service Reserve Requirement, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the reserve fund credit instrument is replaced by a reserve fund credit instrument meeting the requirements in either of clauses (a) or (b) above. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The beneficiary of the letter

of credit shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Initial Subordinated Debt Service Reserve Fund is fully funded in its required amount.

(d) The obligation to reimburse the issuer of a reserve fund credit instrument for any fees, expenses, claim or draws upon such reserve fund credit instrument shall be subordinate to the payment of debt service on the Subordinated Bonds. Subject to the second and third succeeding sentences, the right of the issuer of a reserve fund credit instrument to payment or reimbursement for claims or draws under such reserve fund credit instrument and to payment or reimbursement of its fees and expenses shall be on a parity with the cash replenishment of the Initial Subordinated Debt Service Reserve Fund. The reserve fund credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the reserve fund credit instrument to reimbursement will be subordinated to cash replenishment of the Initial Subordinated Debt Service Reserve Fund to an amount equal to the difference between the full original amount available under the reserve fund credit instrument and the amount then available for further draws or claims. If (i) the issuer of a reserve fund credit instrument becomes insolvent or (ii) the issuer of a reserve fund credit instrument defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the insurance policy or surety bond falls below a S&P "AAA" or a Moody's "Aaa" or (iv) the rating of the issuer of the letter of credit falls below a S&P "AA", the obligation to reimburse the issuer of the reserve fund credit instrument shall be subordinate to the cash replenishment of the Initial Subordinated Debt Service Reserve Fund.

(e) If (i) the revolving reinstatement feature described in the preceding clause (d) is suspended or terminated or (ii) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below a S&P "AAA" or a Moody's "Aaa" or (iii) the rating of the issuer of the letter of credit falls below a S&P "AA", JEA shall either (X) deposit into the Initial Subordinated Debt Service Reserve Fund an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subordinated Debt Service Reserve Fund to equal the Subordinated Debt Service Reserve Requirement, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in either of clauses (a) or (b) above within six months of such occurrence. In the event (1) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (2) the rating of the issuer of the letter of credit falls below "A" or (3) the issuer of the reserve fund credit instrument defaults in its payment obligations or (4) the issuer of the reserve fund credit instrument becomes insolvent, JEA shall either (X) deposit into the Initial Subordinated Debt Service Reserve Fund an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subordinated Debt Service Reserve Fund to equal to Subordinated Debt Service Reserve Requirement, such amount to

be paid over the ensuing year in equal installments on at least a monthly basis or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in either of clauses (a) or (b) above within six months of such occurrence. Where applicable, the amount for draws or claims under the reserve fund credit instrument may be reduced by the amount of cash or value of Investment Securities deposited in the Initial Subordinated Debt Service Reserve Fund pursuant to clause (X) of the penultimate sentence of this clause (e).

(f) In the event that a reserve fund credit instrument shall be deposited into the Initial Subordinated Debt Service Reserve Fund as aforesaid, any amounts owed by JEA to the issuer of such reserve fund credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the Subordinated Water and Sewer System Resolution for purposes of the additional bonds test and rate covenant contained in the Subordinated Water and Sewer System Resolution.

(g) The beneficiary of any reserve fund credit instrument shall ascertain the necessity for a claim or draw upon such reserve fund credit instrument and provide notice to the issuer of the reserve fund credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the reserve fund credit instrument) prior to each interest payment date for the Subordinated Bonds of any Series additionally secured by the Initial Subordinated Debt Service Reserve Fund.

(h) Cash on deposit in the Initial Subordinated Debt Service Reserve Fund shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any reserve fund credit instrument. If and to the extent that more than one reserve fund credit instrument is deposited in the Initial Subordinated Debt Service Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

On April 8, 2004, simultaneously with the issuance of JEA's Water and Sewer System Subordinated Revenue Bonds, 2004 Series A, JEA caused FGIC to issue its Municipal Bond Debt Service Reserve Fund Policy (the "FGIC Subordinated Reserve Policy") for deposit to the credit of the Initial Subordinated Debt Service Reserve Fund. The FGIC Subordinated Reserve Policy is in the amount of \$2,292,670.54, is non-cancelable, terminates on October 1, 2034 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Third Supplemental Subordinated Water and Sewer System Resolution at the time of its deposit to the Initial Subordinated Debt Service Reserve Fund. Because of a rating downgrade of FGIC, JEA has made deposits to the Initial Subordinated Debt Service Reserve Fund in the amount of the FGIC Subordinated Reserve Policy.

On September 22, 2004, simultaneously with the issuance of JEA's Water and Sewer System Subordinated Revenue Bonds, 2004 Series B, JEA caused Assured Guaranty Municipal Corp., previously known as Financial Security Assurance Inc. ("FSA") to issue its Debt Service Reserve Insurance Policy (the "FSA Subordinated Reserve Policy") for deposit to the credit of the Initial Subordinated Debt Service Reserve Fund. The FSA Subordinated Reserve Policy is in the amount of \$1,076,155.73, is non-cancelable, terminates on October 1, 2025 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Third Supplemental Subordinated Water and Sewer System Resolution at the time of its deposit to the Initial Subordinated Debt Service Reserve Fund. Because of a rating downgrade of FSA, JEA has made deposits to the Initial Subordinated Debt Service Reserve Fund in the amount of the FSA Subordinated Reserve Policy.

On June 6, 2005, JEA caused MBIA Insurance Corporation ("MBIA") to issue its Debt Service Reserve Surety Bond (the "MBIA Subordinated Surety Bond") for deposit to the credit of the Initial Subordinated Debt Service Reserve Fund. The MBIA Subordinated Surety Bond is in the amount of \$3,957,054.21, is non-cancelable, terminates on October 1, 2043 and satisfied the requirements with respect to a reserve fund credit instrument contained in the Third Supplemental Subordinated Water and Sewer System Resolution at the time of its deposit to the Initial Subordinated Debt Service Reserve Fund.

Effective as of January 1, 2009, MBIA Inc., parent company of MBIA, restructured MBIA; such restructuring involved the reinsurance and assignment of MBIA's obligations under the MBIA Subordinated Surety Bond to National Public Finance Guarantee Corporation ("NPFGC") which is a subsidiary of MBIA Inc. Because of a rating downgrade of MBIA, JEA has made deposits to the Initial Subordinated Debt Service Reserve Fund in the amount of the MBIA Subordinated Surety Bond.

Additional Subordinated Bonds; Conditions to Issuance

JEA may issue additional Subordinated Bonds for any lawful purpose of the Water and Sewer System, including providing funds for the refunding of Outstanding Water and Sewer System Bonds or Outstanding Subordinated Bonds and evidencing JEA's obligation to repay any advances or loans made to, or on behalf of, JEA in connection with Credit Enhancement or liquidity support. All such additional Subordinated Bonds will be payable from amounts on deposit in the Subordinated Indebtedness Fund and secured thereby on a parity with all other Subordinated Bonds. Set forth below are certain conditions applicable to the issuance of additional Subordinated Bonds. The Subordinated Water and Sewer System Resolution provides that a Series of Subordinated Bonds may be issued at one time or from time to time. If the Subordinated Bonds of a Series are to be issued from time to time, the Subordinated Water and Sewer System Resolution requires that the conditions set forth below be satisfied only prior to the issuance of the first Subordinated Bonds of such Series to be issued.

Debt Service Coverage Test: The issuance of any Series of additional Subordinated Bonds (except for Refunding Subordinated Bonds and Subordinated Reimbursement Obligations) is conditioned upon the delivery by an Authorized Officer of JEA of a certificate to the effect that either (a) the difference between Net Revenues and Capacity Charges for each of the three full Bond Years succeeding the date of issuance of the Subordinated Bonds of the Series with respect

to which such certificate is being given, as such Net Revenues and Capacity Charges are estimated in accordance with the Subordinated Water and Sewer System Resolution, are at least equal to the sum of (i) the Adjusted Aggregate Debt Service for each such Bond Year, (ii) 120 percent of the Adjusted Aggregate Subordinated Debt Service for each such Bond Year and (iii) all amounts payable by JEA for each such Bond Year with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness, or (b) the Net Revenues for any 12 consecutive month period within the 24 consecutive months immediately preceding the date of issuance of the Subordinated Bonds of the Series with respect to which such certificate is being given is at least equal to the greater of (X) the sum of (i) the Average Annual Adjusted Aggregate Debt Service, (ii) 110 percent of the Average Annual Adjusted Aggregate Subordinated Debt Service and (iii) all amounts payable by JEA during such 12 month period with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness and (Y) the sum of (i) the Average Annual Adjusted Aggregate Debt Service, (ii) the Average Annual Adjusted Aggregate Subordinated Debt Service, (iii) all amounts payable by JEA during such 12 month period with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness and (iv) the amount most recently determined to be required to be deposited in the Renewal and Replacement Fund for the then current, or a previous, Fiscal Year.

No Default: In addition, additional Subordinated Bonds (except for Refunding Subordinated Bonds and Subordinated Reimbursement Obligations) may be issued only if an Authorized Officer of JEA certifies that upon the issuance of such Series JEA will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Water and Sewer System Resolution or in the Subordinated Water and Sewer System Resolution.

Redemption

In the case of any redemption of Subordinated Bonds, JEA shall give written notice to the Subordinated Bond Registrar(s) therefor and the Subordinated Bond Paying Agents of the redemption date, of the Series, and of the principal amounts of the Subordinated Bonds of each maturity of such Series and of the Subordinated Bonds of each interest rate within a maturity to be redeemed (which Series, maturities, interest rates within a maturity and principal amounts thereof to be redeemed shall be determined by JEA in its sole discretion, subject to any limitations with respect thereto contained in the Subordinated Water and Sewer System Resolution or any Supplemental Subordinated Resolution authorizing the Series of which such Subordinated Bonds are a part). Such notice shall be filed with such Subordinated Bond Registrars and the Subordinated Bond Paying Agents for the Subordinated Bonds to be redeemed at least 35 days prior to the redemption date (or such shorter period (a) as may be specified in the Supplemental Subordinated Resolution authorizing the Series of the Subordinated Bonds to be redeemed or (b) as shall be acceptable to such Subordinated Bond Registrars and Subordinated Bond Paying Agents). In the event notice of redemption shall have been given, and unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, there shall be paid on or prior to the redemption date to the appropriate Subordinated Bond Paying Agents an amount which, in addition to other moneys, if any, available therefor held by such Subordinated Bond Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Subordinated Bonds to be redeemed.

Rate Covenant

Under the Subordinated Water and Sewer System Resolution, JEA shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the Water and Sewer System which shall be sufficient to provide Revenues in each Bond Year in an amount at least equal to the amount required to satisfy either clause (i) or clause (ii) below:

(i) the difference between (a) Net Revenues in each Bond Year and (b) Capacity Charges in such Bond Year shall be at least equal to the sum of (X) the Aggregate Debt Service for such Bond Year; *provided, however*, that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such Principal Installment from sources other than Revenues, (Y) the Aggregate Subordinated Debt Service for such Bond Year; *provided, however*, that any Subordinated Principal Installment which is a Refundable Subordinated Principal Installment may be excluded from Aggregate Subordinated Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such Subordinated Principal Installment from sources other than Revenues and (Z) all amounts payable by JEA during such Bond Year with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness; or

(ii) Net Revenues in each Bond Year shall be at least equal to the sum of (X) the Aggregate Debt Service for such Bond Year; *provided, however*, that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such Principal Installment from sources other than Revenues, (Y) 120 percent of the Aggregate Subordinated Debt Service for such Bond Year; *provided, however*, that any Subordinated Principal Installment which is a Refundable Subordinated Principal Installment may be excluded from Aggregate Subordinated Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such Subordinated Principal Installment from sources other than Revenues and (Z) all amounts payable by JEA during such Bond Year with respect to all Existing Parity Subordinated Indebtedness and any Additional Parity Subordinated Indebtedness.

Creations of Liens

JEA will not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Water and Sewer System Bonds and the Subordinated Bonds, payable out of or secured by a security interest in or pledge of the Subordinated Indebtedness Fund, including the funds, moneys and securities contained therein; *provided, however*, that nothing contained in the Subordinated Water and Sewer System Resolution shall prevent JEA from issuing or incurring, if and to the extent permitted by law and the Water and Sewer System Resolution, (a) Additional Parity Subordinated Indebtedness and (b) Subordinated Indebtedness that is expressly made subordinate in right of payment to the Subordinated Bonds and for which any

pledge of such amounts in the Subordinated Indebtedness Fund as may from time to time be available therefor shall be, and shall be expressed to be, subordinate in all respects to the pledge and lien created under the Subordinated Water and Sewer System Resolution as security for the Subordinated Bonds.

Amendment of Subordinated Water and Sewer System Resolution

The Subordinated Water and Sewer System Resolution and the rights and obligations of JEA and of the Holders of the Subordinated Bonds may be amended by a Supplemental Subordinated Resolution, with the written consent (i) of the Holders of not less than a majority in principal amount of the Subordinated Bonds affected by such modification or amendment and (ii) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of the Subordinated Bonds of the particular Series and maturity entitled to such Sinking Fund Installment. No such modification or amendment may (A) permit a change in the terms of redemption or maturity of the principal of any Outstanding Subordinated Bond or of any installment of interest thereon or a reduction in the principal amount, Redemption Price or rate of interest thereon without the consent of each affected Holder, or (B) reduce the percentages or otherwise affect the classes of Subordinated Bonds the consent of the Holders of which is required to effect any such modification or amendment. For purposes of the foregoing, (a) a change in the terms of redemption of any Outstanding Subordinated Bond shall be deemed only to affect such Subordinated Bond, and shall be deemed not to affect any other Subordinated Bond and (b) the Holders of Subordinated Bonds may include the initial Holders thereof, regardless of whether such Subordinated Bonds are being held for resale.

The Subordinated Water and Sewer System Resolution provides that, if not in default in respect of any of its obligations with respect to Credit Enhancement for Subordinated Bonds of a Series, or a maturity within a Series, the Credit Enhancer for, and not the actual Holders of, Subordinated Bonds of a Series, or a maturity within a Series, for which such Credit Enhancement is being provided will be deemed to be the Holder of such Subordinated Water and Sewer System Bonds of any Series, or a maturity within a Series, at all times for the purpose of giving any approval or consent to the effectiveness of any Supplemental Subordinated Resolution or any amendment, change or modification of the Subordinated Water and Sewer System Resolution which requires the written approval or consent of Holders, except that the foregoing provisions will not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Subordinated Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Subordinated Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. See "Action by Credit Enhancer When Action by Holders of Subordinated Bonds Required" herein.

The Supplemental Subordinated Resolutions authorizing JEA's Variable Rate Water and Sewer System Subordinated Revenue Bonds, 2008 Series A and 2008 Series B (collectively, the "Prior Series Variable Rate Water and Sewer System Subordinated Bonds") provide that in the event that JEA shall adopt any Supplemental Subordinated Resolution making any amendment to

the Subordinated Water and Sewer System Resolution for which the consent of the Holders of the Prior Series Variable Rate Water and Sewer System Subordinated Bonds of a particular Series shall be required (hereinafter in this paragraph referred to as an "Amending Resolution"), an authorized officer of JEA may deliver to the Tender Agent for the Prior Series Variable Rate Water and Sewer System Subordinated Bonds of such Series a certificate requiring that the Prior Series Variable Rate Water and Sewer System Subordinated Bonds of such Series be subject to mandatory tender for purchase at the time and in the manner provided in said Supplemental Subordinated Resolutions. Following the date on which such mandatory tender shall occur, all subsequent Holders of the Prior Series Variable Rate Water and Sewer System Subordinated Bonds of such Series shall be deemed to have consented to such Amending Resolution, notwithstanding anything to the contrary contained in the Subordinated Water and Sewer System Resolution. JEA intends to include this provision in each Supplemental Subordinated Resolution it may adopt in the future authorizing the issuance of any Series of additional Variable Rate Subordinated Bonds.

Without the consent of the Holders of the Subordinated Bonds, JEA may adopt a Supplemental Subordinated Resolution which (i) closes the Subordinated Water and Sewer System Resolution against, or provides additional conditions to, the issuance of Subordinated Bonds or other evidences of indebtedness; (ii) adds covenants and agreements of JEA; (iii) adds limitations and restrictions to be observed by JEA; (iv) authorizes Subordinated Bonds of an additional Series; (v) provides for the issuance of Subordinated Bonds in coupon form payable to bearer or in uncertificated form; and makes any modification which is to be effective only after all Subordinated Bonds of each Series Outstanding as of the date of the adoption of such Supplemental Subordinated Resolution cease to be Outstanding.

Defeasance

The pledge of moneys and securities created by the Subordinated Water and Sewer System Resolution and all covenants, agreements and other obligations of JEA to the Holders of Subordinated Bonds will cease, terminate and become void and be discharged and satisfied whenever all Subordinated Bonds and interest due or to become due thereon are paid in full. If any Subordinated Bonds are paid in full, such Subordinated Bonds shall cease to be entitled to any lien, benefit or security under the Subordinated Water and Sewer System Resolution, and all covenants, agreements and obligations of JEA to the Holders of such Subordinated Bonds will cease, terminate and become void and be discharged and satisfied. Subordinated Bonds are deemed to have been paid and are not entitled to the lien, benefit and security of the Subordinated Water and Sewer System Resolution whenever the following conditions (or such other conditions as may be set forth in the Supplemental Subordinated Resolution authorizing such Subordinated Bonds) are met: (i) in case any Subordinated Bonds are to be redeemed prior to their maturity, JEA has given to the Escrow Agent therefor instructions to give notice of redemption therefor, (ii) there has been deposited with such Escrow Agent either moneys or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with other moneys, if any, also deposited, will be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Subordinated Bonds, and (iii) in the event such Subordinated Bonds are not to be redeemed or paid at maturity within the next succeeding 60 days, JEA has given such Escrow Agent instructions to give a notice to the Holders of such Subordinated Bonds that the above deposit has been made and that such Subordinated

Bonds are deemed to have been paid and stating the maturity or redemption date upon which moneys are expected to be available for the payment of the principal or Redemption Price, if applicable, on said Subordinated Bonds.

In addition, any Outstanding Subordinated Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid if (a) there shall have been deposited with the Escrow Agent therefor, Water and Sewer System Bonds issued pursuant to Article II of the Water and Sewer System Resolution of the type described in Section 12.01, subsection 1 of the Subordinated Water and Sewer System Resolution (hereinafter, "Senior Bonds"), (b) in the event said Subordinated Bonds do not by their terms mature within the next succeeding 60 days, JEA shall have given such Escrow Agent in form satisfactory to it instructions to give, as soon as practicable, by first-class mail, postage paid, to the Holders of such Subordinated Bonds at their last addresses appearing on the books of JEA kept at the office of the Subordinated Bond Registrar(s) therefor a notice that the deposit required by clause (a) above has been made with such Escrow Agent and that said Subordinated Bonds are deemed to have been paid and (c) JEA and such Escrow Agent shall have entered into an agreement in writing whereby such Escrow Agent agrees, among other things, to perform the duties required to be performed by it set forth in the Water and Sewer System Resolution. Senior Bonds deposited for purposes of clause (a) above (i) shall be payable to such Escrow Agent as the registered owner thereof, (ii) shall provide, with respect to the giving of any notice by or on behalf of JEA, for the giving of such notice to such Escrow Agent no later than 2 business days prior to the earliest date required or permitted under the Subordinated Water and Sewer System Resolution for the giving of notice of the corresponding event with respect to the Subordinated Bonds, (iii) shall be payable in immediately available funds and (iv) shall be identical (except as provided in clauses (ii) and (iii) above), as to aggregate principal amount, maturity dates, interest rates and redemption features, to the Subordinated Bonds deemed to have been paid by reason of the deposit of such Senior Bonds.

Events of Default; Remedies

Events of default under the Subordinated Water and Sewer System Resolution include (i) failure to pay the principal or Redemption Price of any Subordinated Bond when due; (ii) failure to pay any installment of interest on any Subordinated Bond on the unsatisfied balance of any Sinking Fund Installment when due; (iii) failure by JEA to perform or observe any other covenants, agreements or conditions contained in the Subordinated Water and Sewer System Resolution or the Subordinated Bonds and continuation thereof for a period of 60 days after written notice thereof; (iv) certain events of bankruptcy or insolvency or (v) an Event of Default pursuant to the provisions of the Water and Sewer System Resolution. Upon the happening of any such Event of Default the Holders of not less than 25 percent in principal amount of the Subordinated Bonds then Outstanding may declare the principal of all the Subordinated Bonds then Outstanding, and the interest accrued thereon, due and payable (subject to a rescission of such declaration upon the curing of such default before the Subordinated Bonds have matured).

The Subordinated Water and Sewer System Resolution provides that, if not in default in respect of any of its obligations with respect to Credit Enhancement for Subordinated Bonds, the Credit Enhancer for, and not the actual Holders of, Subordinated Bonds for which such Credit Enhancement is being provided will be deemed to be the Holder of such Subordinated Bonds at all times for the purposes of giving any approval or consent, exercising any remedies or taking any

other actions in respect of the occurrence of an Event of Default. See "Action by Credit Enhancer When Action by Holders of Subordinated Bonds Required" herein.

During the continuance of an Event of Default under the Subordinated Water and Sewer System Resolution, JEA is to apply all moneys, securities and funds held or received by JEA with respect to the Subordinated Bonds as follows and in the following order: (i) to the extent required in the Water and Sewer System Resolution, to the payment of the interest and principal or redemption price due on the Water and Sewer System Bonds and (ii) to the interest and principal or Redemption Price due on the Subordinated Bonds.

Subordinated Bond Paying Agents

The Subordinated Water and Sewer System Resolution requires the appointment by JEA of one or more Subordinated Bond Paying Agent(s) for the Subordinated Bonds of each Series. Any Subordinated Bond Paying Agent may resign on 60 days' notice and may at any time be removed with or without cause by JEA. Successor Subordinated Bond Paying Agents will be appointed by JEA, and will be an officer of JEA, a transfer agent duly registered pursuant to the Securities Exchange Act of 1934, as amended, or a bank, trust company or national banking association having capital stock, surplus and undivided earnings aggregating at least \$25,000,000 if there be such an entity willing to accept appointment.

Action by Credit Enhancer When Action by Holders of Subordinated Bonds Required

Except as otherwise provided in a Supplemental Subordinated Resolution authorizing Subordinated Bonds for which Credit Enhancement is being provided, if not in default in respect of any of its obligations with respect to Credit Enhancement for the Subordinated Bonds of a Series, or a maturity within a Series, the Credit Enhancer for, and not the actual Holders of, the Subordinated Bonds of a Series, or a maturity within a Series, for which such Credit Enhancement is being provided, shall be deemed to be the Holder of Subordinated Bonds of any Series, or maturity within a Series, as to which it is the Credit Enhancer at all times for the purpose of (i) giving any approval or consent to the effectiveness of any Supplemental Subordinated Resolution or any amendment, change or modification of the Subordinated Water and Sewer System Resolution which requires the written approval or consent of Holders; *provided, however*, that the foregoing shall not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Subordinated Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Subordinated Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Subordinated Bond Fiduciary without its written assent thereto and (ii) giving any approval or consent, exercising any remedies or taking any other action following the occurrence of an Event of Default under the Subordinated Water and Sewer System Resolution.

Special Provisions Relating to Water and Sewer System Capital Appreciation Subordinated Bonds, Water and Sewer System Deferred Income Subordinated Bonds and Subordinated Reimbursement Obligations

The principal and interest portions of the Accreted Value of Water and Sewer System Capital Appreciation Subordinated Bonds or the Appreciated Value of Water and Sewer System Deferred Income Subordinated Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments made under the definitions of Subordinated Debt Service, Aggregate Subordinated Debt Service, Adjusted Aggregate Subordinated Debt Service and Average Annual Adjusted Aggregate Subordinated Debt Service only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

For the purposes of (i) receiving payment of the Redemption Price if a Water and Sewer System Capital Appreciation Subordinated Bond is redeemed prior to maturity, or (ii) receiving payment of a Water and Sewer System Capital Appreciation Subordinated Bond if the principal of all Subordinated Bonds is declared immediately due and payable following an Event of Default or (iii) computing the principal amount of Subordinated Bonds held by the Holder of a Water and Sewer System Capital Appreciation Subordinated Bond in giving to JEA any notice, consent, request, or demand pursuant to the Subordinated Water and Sewer System Resolution for any purpose whatsoever, the principal amount of a Water and Sewer System Capital Appreciation Subordinated Bond shall be deemed to be its then current Accreted Value.

For the purposes of (i) receiving payment of the Redemption Price if a Water and Sewer System Deferred Income Subordinated Bond is redeemed prior to maturity, or (ii) receiving payment of a Water and Sewer System Deferred Income Subordinated Bond if the principal of all Subordinated Bonds is declared immediately due and payable following an Event of Default or (iii) computing the principal amount of Subordinated Bonds held by the Holder of a Water and Sewer System Deferred Income Subordinated Bond in giving to JEA any notice, consent, request, or demand pursuant to the Subordinated Water and Sewer System Resolution for any purpose whatsoever, the principal amount of a Water and Sewer System Deferred Income Subordinated Bond shall be deemed to be its then current Appreciated Value.

Notwithstanding anything to the contrary contained in the Subordinated Water and Sewer System Resolution, in the event that any Variable Rate Subordinated Bonds contain provisions that allow the principal amount thereof to be repaid on an accelerated basis in the event that such Subordinated Bonds are purchased by the Credit Enhancer therefor or the provider of liquidity support therefor and, in either such case, are not remarketed, for purposes of the additional bonds test contained in the Subordinated Water and Sewer System Resolution, such accelerated repayment shall not be taken into account, and compliance with such test shall be determined based upon the scheduled due date(s) of the Subordinated Principal Installments for such Subordinated Bonds, irrespective of any such accelerated repayment.

Except as otherwise provided in the Supplemental Subordinated Resolution authorizing a Series of Subordinated Reimbursement Obligations, for the purposes of (i) receiving payment of a Subordinated Reimbursement Obligation, whether at maturity, upon redemption or if the principal of all Subordinated Bonds is declared immediately due and payable following an Event of Default or (ii) computing the principal amount of Subordinated Bonds held by the Holder of a Subordinated Reimbursement Obligation in giving to JEA any notice, consent, request, or demand pursuant to the Subordinated Water and Sewer System Resolution for any purpose whatsoever, the principal amount of a Subordinated Reimbursement Obligation shall be deemed to be the actual principal amount that JEA shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, JEA in connection with the Water and Sewer System Bonds or Subordinated Bonds, as the case may be, of the Series or maturity or interest rate within a maturity for which such Subordinated Reimbursement Obligation has been issued to evidence JEA's obligation to repay any advances or loans made in respect of the Credit Enhancement or liquidity support provided for such Water and Sewer System Bonds or Subordinated Bonds, as the case may be, less any prior repayments thereof.

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APPENDIX D**SUMMARY OF CERTAIN PROVISIONS OF
THE DISTRICT ENERGY SYSTEM RESOLUTION**

The following is a summary of certain provisions of the District Energy System Resolution. Summaries of certain definitions contained in the District Energy System Resolution are set forth below. Other terms defined in the District Energy System Resolution for which summary definitions are not set forth are indicated by capitalization. The summary does not purport to be a complete description of the terms of the District Energy System Resolution and, accordingly, is qualified by reference thereto and subject to the full text thereof.

The District Energy System Resolution, as heretofore amended, is available for viewing and downloading on JEA's website at https://www.jea.com/About/Investor_Relations/Bonds/. Copies of the District Energy System Resolution also may be obtained from JEA; provided that a reasonable charge may be imposed for the cost of reproduction. The term "Bonds" as used in the District Energy System Resolution and in this summary, has the same meaning as the term "District Energy System Bonds" as used in the Annual Disclosure Report to which this summary is attached.

Excluded Provisions

The Third Supplemental Resolution provides that solely with respect to the rate covenant set forth in Section 710 of the District Energy System Resolution (summarized below under the caption "Covenant as to Rates, Fees and Charges"), clause (iii) of Section 801, Events of Default, of the District Energy System Resolution shall not be applicable to the 2013 Series A Bonds and shall not be enforceable by the Holders of the 2013 Series A Bonds so long as JEA remains in compliance with its obligations to make deposits to the 2013 Series A Bonds Subaccount in the Debt Service Reserve Account in the Debt Service Reserve Fund from Available Water and Sewer System Revenues as provided in the Third Supplemental Resolution and described below under "Debt Service Fund - Debt Service Reserve Account and 2013 Series A Bonds Subaccount - 2013 Series A Bonds Subaccount".

Definition of Terms

The following are summaries of certain definitions in the District Energy System Resolution:

Accreted Value shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Capital Appreciation Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original

issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series, calculating the accrued Debt Service with respect to each Series at an amount equal to the sum of (i) interest on the Bonds of such Series accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installments for such Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month; *provided, however*, that (i) there shall be excluded from the calculation of Accrued Aggregate Debt Service any Principal Installments which are Refundable Principal Installments, (ii) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Accrued Aggregate Debt Service at the times and in the manner provided in the District Energy System Resolution and (iii) if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund takes into account Accrued Aggregate Debt Service, then, for purposes of such calculation, Accrued Aggregate Debt Service shall be calculated only with respect to the Bonds of the Series secured thereby.

Additionally Secured Series shall mean a Series of Bonds for which the payment of the principal or sinking fund Redemption Price, if any, of, and interest on, the Bonds of such Series shall be secured, in addition to the pledge created pursuant to the District Energy System Resolution in favor of all of the Bonds, by amounts on deposit in a separate subaccount to be designated therefor in the Debt Service Reserve Account in the Debt Service Fund.

Adjusted Aggregate Debt Service for any period shall mean, as of any date of calculation, the Aggregate Debt Service for such period except that (a) if any Refundable Principal Installment for any Series of Bonds is included in Aggregate Debt Service for such period, Adjusted Aggregate Debt Service shall mean Aggregate Debt Service determined (i) in the case of Refundable Principal Installments with respect to Bonds other than Commercial Paper Notes and Medium-Term Notes, as if each such Refundable Principal Installment had been payable, over a period extending from the due date of such Principal Installment through the later of (x) the 30th anniversary of the issuance of such Series of Bonds or (y) the 10th anniversary of the due date of such Refundable Principal Installment, in installments which would have required equal annual payments of principal and interest over such period and (ii) in the case of Refundable Principal Installments with respect to Commercial Paper Notes or Medium-Term Notes, in accordance with the then current Commercial Paper Payment Plan or Medium-Term Note Payment Plan, as applicable, with respect thereto, and (b) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Adjusted Aggregate Debt Service at the times and in the manner provided in the District Energy System Resolution. Interest deemed payable in any Fiscal Year after the actual due date of any Refundable Principal Installment of any Series of Bonds shall be calculated at such rate of interest as JEA, or a banking or financial institution or financial advisory firm selected by JEA, determines would be a reasonable estimate of the rate of interest that would

be borne on Bonds maturing at the times determined in accordance with the provisions of the preceding sentence, determined as of the date of such calculation.

Aggregate Debt Service for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series; *provided, however*, that (a) for purposes of estimating Aggregate Debt Service for any future period (i) any Variable Rate Bonds, Commercial Paper Notes and Medium-Term Notes Outstanding during such period shall be assumed to bear interest during such period at the greater of (X) the actual rate of interest then borne by such Variable Rate Bonds or (Y) the Certified Interest Rate applicable thereto and (ii) any Option Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof and (b) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Aggregate Debt Service at the times and in the manner provided in the District Energy System Resolution; and *provided, further*, that if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund takes into account Aggregate Debt Service, then, for purposes of such calculation, Aggregate Debt Service shall be calculated only with respect to the Bonds of the Series secured thereby.

Annual Net Revenues shall mean, with respect to any Fiscal Year, the Revenues during such Fiscal Year, determined on an accrual basis, minus the sum of (a) Operation and Maintenance Expenses during such Fiscal Year, determined on an accrual basis, to the extent paid or to be paid from Revenues, (b) the Aggregate Debt Service with respect to such Fiscal Year, and (c) debt service payable during such Fiscal Year with respect to all other obligations issued by JEA (including, without limitation, Subordinated Indebtedness) in connection with the System, determined on an accrual basis.

Appreciated Value shall mean, with respect to any Deferred Income Bond, (i) as of any date of computation prior to the Current Interest Commencement Date with respect to such Deferred Income Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Deferred Income Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Deferred Income Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Deferred Income Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

Average Annual Adjusted Aggregate Debt Service shall mean, as of any date of calculation, the arithmetic average of the Adjusted Aggregate Debt Service for the then current and each future Bond Year.

Bond or *Bonds* shall mean any bonds, notes or other obligations or evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to the District Energy System Resolution but shall not mean Subordinated Indebtedness or Bond Anticipation Notes.

Bond Anticipation Notes shall mean notes or other evidences of indebtedness from time to time issued in anticipation of the issuance of Bonds, the proceeds of which have been or are required to be applied to one or more of the purposes for which Bonds may be issued, the payment of which notes is to be made from the proceeds of the Bonds in anticipation of the issuance of which said notes are issued.

Bond Year shall mean the 12 month period commencing on October 1 in any year and ending on September 30 of the following year.

Capital Lease Obligations shall mean all Bonds issued pursuant to the District Energy System Resolution as capital lease obligations and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the District Energy System Resolution and the Supplemental Resolution authorizing such Capital Lease Obligations.

Certified Interest Rate shall mean, as of any date of determination:

(i) with respect to (A) any Commercial Paper Notes or Medium-Term Notes or (B) any Variable Rate Bonds maturing on a particular date that were, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (1) the average of the Variable Rate Tax-Exempt Index for the five years preceding such date of determination and (2) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (i) shall be the rate determined pursuant to the foregoing subclause (1),

(ii) with respect to (A) any Commercial Paper Notes or Medium-Term Notes or (B) any Variable Rate Bonds maturing on a particular date that were not, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the lesser of (a) the average of the Variable Rate Taxable Index for the five years preceding such date of determination and (b) the average rate of interest borne by such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as

the case may be, for the 12 months preceding such date of determination; *provided, however*, if such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, are then being issued or shall not have been Outstanding for 12 months, then the rate of interest determined pursuant to this clause (ii) shall be the rate determined pursuant to the foregoing subclause (a); and

(iii) for purposes of calculating the Debt Service Reserve Requirement for any particular subaccount in the Debt Service Reserve Account in the Debt Service Fund and with respect to (A) any Commercial Paper Notes or Medium-Term Notes or (B) any Variable Rate Bonds maturing on a particular date, the interest rate set forth in a certificate of an Authorized Officer of JEA executed on or prior to the date of the initial issuance of such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may, as determined as follows: a Certified Interest Rate shall be that rate of interest determined by JEA, or a banking or financial institution or financial advisory firm selected by JEA, as the rate of interest such Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, would bear if, assuming the same maturity date, terms and provisions (other than interest rate) as such proposed Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, and on the basis of JEA's credit ratings with respect to the Bonds (other than Bonds for which credit enhancement is provided by a third party), such proposed Commercial Paper Notes, Medium-Term Notes or Variable Rate Bonds, as the case may be, were issued at a fixed interest rate.

Commercial Paper Payment Plan shall mean, with respect to any Series of Commercial Paper Notes and as of any time, the then current Commercial Paper Payment Plan for such Notes contained in a certificate of an Authorized Officer of JEA setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Commercial Paper Notes; *provided, however*, that if any Commercial Paper Payment Plan provides for the refunding of any Commercial Paper Note with proceeds of Bonds other than Commercial Paper Notes or Medium-Term Notes that JEA intends to pay from Revenues, the principal of such Commercial Paper Notes shall, for purposes of the Commercial Paper Payment Plan, be assumed to come due over a period commencing with the due date of the Commercial Paper Note and ending not later than the earlier of (x) the 40th anniversary of the first issuance of Commercial Paper Notes of such Series or (y) the 30th anniversary of the due date of the Commercial Paper Note to be refunded, in installments such that the principal and interest payable on such Commercial Paper Notes in each Fiscal Year in such period will be equal to the principal and interest payable on such Commercial Paper Notes in each other Fiscal Year in such period.

Contract Debts shall mean any obligations of JEA under a contract, lease, installment sale agreement, bulk purchase agreement or otherwise to make payments out of Revenues for property, services or commodities whether or not the same are made available, furnished or received.

Costs shall mean, the costs, expenses and liabilities paid or incurred or to be paid or incurred by JEA in connection with the planning, engineering, designing, acquiring, constructing, installing, financing, repairing, extending, improving, reconstructing, retiring and disposing of the System or any part thereof and the obtaining of all governmental approvals, certificates,

permits and licenses with respect thereto (including, for this purpose, any acquisition by JEA of an interest in an existing facility), including, but not limited to, any good faith or other similar payment or deposits required in connection with the acquisition or construction of such part of the System, the cost of acquisition by or for JEA of real and personal property or any interests therein, costs of physical construction or acquisition of such part of the System, and costs of JEA incidental to such construction or acquisition, all costs relating to injury and damage claims relating to such part of the System, all costs relating to the settlement or renegotiation of any contract entered into in connection with any such part of the System, the cost of any indemnity or surety bonds and premiums on insurance, preliminary investigation and development costs, engineering fees and expenses, contractors' fees and expenses, the costs of labor, materials, equipment and utility services and supplies, legal and financial advisory fees and expenses, interest and financing costs, including, without limitation, bank commitment and letter of credit fees, bond insurance and indemnity premiums, discounts to the underwriters or other purchasers thereof, if any, amounts required to be paid under any interest rate exchanges or swaps, cash flow exchanges, options, caps, floors or collars, in each case made in connection with the issuance of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA relating to the System, fees and expenses of the Fiduciaries, administration and general overhead expense and costs of keeping accounts and making reports required by the District Energy System Resolution, amounts, if any, required by the District Energy System Resolution to be paid into the Debt Service Fund to provide, among other things, for interest accruing on Bonds and to provide for the Debt Service Reserve Requirement or to be paid into the Revenue Fund or the Renewal and Replacement Fund for any of the respective purposes thereof, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of JEA, including Bonds, Bond Anticipation Notes and Subordinated Indebtedness, issued to finance or refinance any of the foregoing, and all federal, state and local taxes and payments in lieu of taxes in connection with the System, or any part thereof, and working capital and reserves for any of the foregoing and shall include reimbursements to JEA for any of the above items theretofore paid by or on behalf of JEA. It is intended that this definition be broadly construed to encompass all costs, expenses and liabilities of JEA related to the System which on the date of the District Energy System Resolution or in the future shall be permitted to be funded with the proceeds of Bonds pursuant to the provisions of Florida law.

Credit Enhancement shall mean, with respect to the Bonds of a Series, a maturity within a Series or an interest rate within a maturity, the issuance of an insurance policy, letter of credit, surety bond or any other similar obligation, whereby the issuer thereof becomes unconditionally obligated to pay when due, to the extent not paid by JEA or otherwise, the principal of and interest on such Bonds.

Credit Enhancer shall mean any person or entity which, pursuant to a Supplemental Resolution, is designated as a Credit Enhancer and which provides Credit Enhancement for the Bonds of a Series, a maturity within a Series or an interest rate within a maturity.

Current Interest Commencement Date shall mean, with respect to any particular Deferred Income Bonds, the date specified in the Supplemental Resolution authorizing such Deferred Income Bonds (which date must be prior to the maturity date for such Deferred Income Bonds) after which interest accruing on such Deferred Income Bonds shall be payable periodically on

dates specified in such Supplemental Resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

Debt Service for any period shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits into the Debt Service Account in the Debt Service Fund made from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund) and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, (x) in the case of Bonds other than Reimbursement Obligations, if (1) there shall be no such preceding Principal Installment due date or (2) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the Date of Issuance of Bonds of such Series, whichever date is later, and (y) in the case of Reimbursement Obligations, in accordance with the terms thereof and the Supplemental Resolution authorizing such Reimbursement Obligations), except to the extent that such Principal Installment is paid or to be paid from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA. Such interest and Principal Installments for such Series shall be calculated on the assumption that (x) no Bonds (except for Option Bonds actually tendered for payment prior to the stated maturity thereof and paid, or to be paid, from Revenues) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, (y) the principal amount of Option Bonds tendered for payment before the stated maturity thereof and paid, or to be paid, from Revenues, shall be deemed to accrue on the date required to be paid pursuant to such tender and (z) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Debt Service at the times and in the manner provided in the District Energy System Resolution; *provided, however*, that if the calculation of the Debt Service Reserve Requirement for any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund takes into account Debt Service, then, for purposes of such calculation, Debt Service shall be calculated only with respect to the Bonds of the Series secured thereby.

Notwithstanding anything to the contrary contained in the District Energy System Resolution, (a) if JEA has in connection with any Bonds entered into a Designated Swap Obligation which provides that, in respect of a notional amount corresponding to the principal amount or issue price of such Bonds, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a variable rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a fixed rate of interest, then, for purposes of calculating Debt Service with respect to such Bonds for purposes of the additional bonds test and the rate covenant contained in the District Energy System Resolution, it will be assumed that such Bonds bear interest at a rate equal to the sum of (1) the lesser of (A) the average of the variable rate payable by JEA pursuant to such Designated Swap Obligation for the five years preceding the date of determination, calculating such rate based upon the method, formula or index with respect thereto set forth in such Designated Swap Obligation and (B) the average of the actual rates paid by JEA pursuant to such Designated Swap Obligation for the 12 months preceding such date of determination; *provided, however*, if such Designated Swap Obligation

shall not have been in effect for 12 months, then the rate of interest determined pursuant to this clause (1) shall be the rate determined pursuant to the foregoing subclause (A) and (2) the difference (whether positive or negative) between (X) the fixed rate of interest on such Bonds and (Y) the fixed rate of interest payable to JEA pursuant to such Designated Swap Obligation and (b) if JEA has in connection with any Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes entered into a Designated Swap Obligation which provides that, in respect of a notional amount of such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, JEA is to pay to a Designated Swap Obligation Provider an amount determined based upon a fixed rate of interest and the Designated Swap Obligation Provider is to pay to JEA an amount determined based upon a variable rate of interest, then, for purposes of calculating Debt Service with respect to such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, for purposes of the additional bonds test and the rate covenant contained in the District Energy System Resolution, it will be assumed that such Variable Rate Bonds, Commercial Paper Notes or Medium-Term Notes, as the case may be, bear interest at the fixed rate of interest payable by JEA pursuant to such Designated Swap Obligation.

Debt Service Reserve Requirement shall mean, with respect to each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund, unless otherwise specified in the Supplemental Resolution establishing such subaccount, as of any date of calculation, an amount equal to the lesser of (a) 10 percent of the original principal amount of the Bonds of all issues (as defined for federal income tax purposes) secured thereby (or, if the Bonds of any such issue are issued at an issue price (as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, ten percent of such issue price), and (b) the maximum amount of interest included in Aggregate Debt Service on the Bonds of all Series secured thereby then Outstanding for the current or any future Bond Year (excluding interest (other than accrued interest paid in connection with the initial issuance thereof) on such Bonds to be paid from deposits in the Debt Service Account in the Debt Service Fund made from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); *provided, however*, that in no event may an increase in the Debt Service Reserve Requirement for any subaccount resulting from the issuance of an additional issue (as defined for federal income tax purposes) of Bonds exceed ten percent of the original principal amount of the Bonds of such issue (or, if the Bonds of such issue are issued at an issue price (as computed for federal income tax purposes) of greater than 102 percent or less than 98 percent of the principal amount thereof, ten percent of such issue price).

Defeasance Securities shall mean, unless otherwise provided with respect to the Bonds of a Series in the Supplemental Resolution authorizing such Bonds, (a) any bonds or other obligations which constitute direct obligations of, or as to principal and interest are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies set forth in clause (c) below to the extent unconditionally guaranteed by the United States of America, which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given

to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) above on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate and (iv) which at the time of their purchase hereunder are rated "AAA" by Standard & Poor's Credit Market Services, a business of Standard & Poor's Financial Services LLC, a limited liability company, organized and existing under the laws of the State of Delaware ("S&P"), and, if rated by Moody's Investors Service ("Moody's"), are rated "Aaa" by such agency, (c) obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision which are not callable for redemption prior to maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall also be specified in such instructions, and which shall be rated in the highest whole rating category by two nationally recognized rating agencies, (d) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in clauses (a) and (c) of this definition provided that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination by federal, state, or territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$50,000,000, or obligations described in the foregoing clause (c), in any such case, which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or as to which an irrevocable notice of redemption of such obligations on a specified redemption date has been given and such obligations are not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (e) deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by obligations described in clause (a) or clause (b) of the definition to the extent not insured by the Federal Deposit Insurance Corporation, (f) agreements or contracts with insurance companies or other financial institutions, or subsidiaries or affiliates thereof (hereinafter in this paragraph referred to as "Providers"), (i) whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations or (ii) whose obligations under such agreements or contracts shall

be unconditionally guaranteed by another insurance company or other financial institution, or subsidiary or affiliate thereof, whose outstanding unsecured senior indebtedness or claims-paying ability, as the case may be, shall be rated, or who shall have a "financial programs rating" or other equivalent rating, in the highest whole rating category by at least two nationally recognized statistical rating organizations, pursuant to which agreements or contracts the Provider shall be absolutely, unconditionally and irrevocably obligated to repay the moneys invested by JEA and interest thereon at a guaranteed rate, without any right of recoupment, counterclaim or set off. The Provider may have the right to assign its obligations under any Investment Agreement to any other insurance company or other financial institution, or subsidiary or affiliate thereof; *provided, however*, that such assignee also shall be an insurance company or other financial institution, or subsidiary or affiliate thereof, satisfying the requirements set forth in either clause (i) or clause (ii) of the preceding sentence, and (g) upon compliance with the applicable provisions of the District Energy System Resolution, such securities (I) as are described in clause (a) of this definition and (II) as are described in clause (d) of this definition so long as such securities evidence ownership of the right to payments of principal and/or interest on obligations described in clause (a) of such definition; in each case *provided* that, notwithstanding such clauses, such securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

Deferred Income Bonds shall mean any Bonds issued under the District Energy System Resolution as to which interest accruing prior to the Current Interest Commencement Date is (i) compounded periodically on dates specified in the Supplemental Resolution authorizing such Deferred Income Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the District Energy System Resolution or the Supplemental Resolution authorizing such Deferred Income Bonds.

Designated Swap Obligation shall mean, to the extent from time to time permitted by law, any interest rate swap transaction (i) which is entered into by JEA for the purpose of converting synthetically the interest rate on any particular Bonds from a fixed rate to a variable rate or from a variable rate to a fixed rate (regardless of whether such Designated Swap Obligation shall have a term equal to the remaining term of such Bonds) and (ii) which has been designated in a certificate of an Authorized Officer of JEA filed with the records of JEA as such (which certificate shall specify the Bonds with respect to which such Designated Swap Obligation is entered into).

Highest Rating Category shall mean (i) if the Bonds are rated by a Rating Agency, that each Rating Agency has assigned a rating in the highest rating given by that Rating Agency for that general category of security or obligation, and (ii) if the Bonds are not rated (and, consequently, there is no Rating Agency), that Standard and Poor's or Moody Ratings Service has assigned a rating in the highest rating given by that rating agency for that general category of security or obligation.

Investment Securities shall mean and include any securities, obligations or investments that, at the time, shall be permitted by Florida law for investment of JEA's funds.

Medium-Term Note Payment Plan shall mean, with respect to any Series of Medium-Term Notes and as of any time, the then current Medium-Term Note Payment Plan for such Notes contained in a certificate of an Authorized Officer of JEA delivered pursuant to the District Energy

Resolution and setting forth the sources of funds expected to be utilized by JEA to pay the principal of and interest on such Medium-Term Notes; *provided, however*, that if any Medium-Term Note Payment Plan provides for the refunding of any Medium-Term Note with proceeds of Bonds other than Commercial Paper Notes or Medium-Term Notes, that JEA intends to pay from Revenues, the principal of such Medium-Term Notes shall, for purposes of the Medium-Term Note Payment Plan, be assumed to come due over a period commencing with the due date of the Medium-Term Note and ending not later than the earlier of (x) the 40th anniversary of the first issuance of Medium-Term Notes of such Series or (y) the 30th anniversary of the due date of the Medium-Term Note to be refunded, in installments such that the principal and interest payable on such Medium-Term Notes in each Fiscal Year in such period will be equal to the principal and interest payable on such Medium-Term Notes in each other Fiscal Year in such period.

Net Revenues shall mean, for any period, the Revenues during such period, determined on an accrual basis, minus the Operation and Maintenance Expenses during such period, determined on an accrual basis, to the extent paid or to be paid from Revenues.

One-Month LIBOR Rate shall mean, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 A.M., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

Operation and Maintenance Expenses shall mean the current expenses, paid or accrued, of operation, maintenance and repair of the System, including administration costs, as calculated in accordance with generally accepted accounting principles, and shall include all Contract Debts. Notwithstanding the foregoing, Operation and Maintenance Expenses shall not include any reserve for renewals or replacements or any allowance for depreciation or amortization and there shall be included in Operation and Maintenance Expenses only that portion of the total administrative, general and other expenses of JEA which are properly allocable to the System.

Option Bonds shall mean Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment by JEA prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

Principal Installment shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds (including, in the case of any Option Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof and paid, or to be paid, from Revenues) of such Series due (or so tendered for payment and paid, or to be so paid) on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the District Energy System Resolution) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Refundable Principal Installment shall mean any Principal Installment for any Series of Bonds which JEA intends to pay with moneys which are not Revenues; *provided* that (i) in the case of Bonds other than Commercial Paper Notes or Medium-Term Notes, such intent shall have been expressed in the Supplemental Resolution authorizing such Series of Bonds, (ii) in the case of Commercial Paper Notes, such intent shall be expressed in the then current Commercial Paper Payment Plan for such Commercial Paper Notes and (iii) in the case of Medium-Term Notes, such intent shall be expressed in the then current Medium-Term Note Payment Plan for such Medium-Term Notes; and *provided, further*, that such Principal Installment shall be a Refundable Principal Installment only through the penultimate day of the month preceding the month in which such Principal Installment comes due or such earlier time as JEA no longer intends to pay such Principal Installment with moneys which are not Revenues.

Reimbursement Obligations shall mean all Bonds issued to evidence JEA's obligation to repay any advances or loans made to, or on behalf of, JEA in connection with any Credit Enhancement or liquidity support for the Bonds of a Series (or a maturity or maturities or interest rate within a maturity thereof).

Renewal and Replacement Requirement shall mean, at any date of calculation, either (i) an amount equal to 10 percent of the sum of (a) the aggregate amount of Bonds Outstanding under the District Energy System Resolution, and (b) the aggregate amount of all other obligations issued by JEA in connection with the System (including, without limitation, Subordinated Indebtedness) outstanding and unpaid (or as to which provision for payment has not been made in accordance with the terms thereof) or (ii) such greater or lesser amount as the Consulting Engineer shall certify as reasonable and necessary for the purposes of the Renewal and Replacement Fund.

Revenues shall mean (i) all revenues, income, rents, service fees and receipts properly allocable to the System resulting from ownership and operation of the System, excluding customer deposits and any other deposits subject to refund unless such deposits have become property of JEA, (ii) the proceeds of any insurance covering business interruption loss relating to the System and (iii) interest received or to be received on any moneys or securities held pursuant to the District Energy System Resolution and paid or required to be paid into the Revenue Fund. For any purpose of the District Energy System Resolution that requires the computation of Revenues with respect to any period of time, "Revenues" shall include such amounts resulting, received or to be received, as the case may be, during such period, determined on an accrual basis, plus (x) the amounts, if any, paid from the Rate Stabilization Fund into the Revenue Fund during such period, but only to the extent provided that such amounts originally were deposited to the Rate Stabilization Fund from Revenues (excluding from (x) amounts included in the Revenues for such period representing interest earnings transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the District Energy System Resolution and minus (y) the amounts, if any, paid from the Revenue Fund into the Rate Stabilization Fund during such period.

Second Highest Rating Category shall mean (i) if the Bonds are rated by a Rating Agency, that each Rating Agency has assigned a rating not lower than the second highest rating category given by that Rating Agency for that general category of security or obligation and (ii) if the Bonds are not rated (and, consequently, there is no Rating Agency), that Standard and Poor's or Moody Ratings Service has assigned a rating not lower than the second highest rating given by that rating agency for that general category of security or obligation.

System shall mean each and every part of the district energy facilities owned and operated by JEA for supply, transmission and distribution of chilled water, process steam or similar thermal energy, now existing or hereafter acquired by lease, contract, purchase or otherwise or constructed, including any interest or participation of JEA in any facilities in connection with said system, together with all additions, betterments, extensions and improvements to said system or any part thereof hereafter constructed or acquired and together with all lands, easements, licenses and rights of way and all other works, property or structures and contract rights and other tangible and intangible assets now or hereafter owned or used in connection with or related to said System; *provided, however*, that upon compliance with the provisions of the District Energy System Resolution, the term System shall be deemed to include other utility functions added to the System that are, in accordance with Prudent Utility Practice, reasonably related to the services provided by the System. Notwithstanding the foregoing definition of the term System, such term shall not include the existing electric system or water and sewer system owned by JEA or any bulk power supply utilities or systems now owned or hereafter acquired by JEA (other than facilities transferred from the existing system upon establishment of the district energy system as provided by District Energy System Resolution of JEA), nor shall it include any properties or interests in properties of JEA (a) which JEA determines shall not constitute a part of the System for the purpose of the District Energy System Resolution at the time of the acquisition thereof by JEA or (b) as to which there shall be filed with the records of JEA a certificate of the Consulting Engineer stating, in its opinion, that the exclusion of such properties or interests in properties from the System will not materially impair the ability of JEA to comply during the current or any future Fiscal Year with the provisions of Section 710.

Trust Estate shall mean (i) the proceeds of the sale of the Bonds, (ii) the Revenues, and (iii) all Funds and Accounts established by the District Energy System Resolution (other than the Debt Service Reserve Account in the Debt Service Fund and the Renewal and Replacement Fund), including the investments and investment income, if any, thereof.

Variable Rate Bond shall mean any Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of issuance of the Series of Bonds of which such Bond is one.

Variable Rate Taxable Index shall mean the One-Month LIBOR Rate or, if the One-Month LIBOR Rate no longer shall be available, the Alternate Variable Rate Taxable Index.

Variable Rate Tax-Exempt Index shall mean the BMA Municipal Swap Index or, if the BMA Municipal Swap Index no longer shall be available, the Alternate Variable Rate Tax-Exempt Index.

Pledge

The Bonds are special obligations of JEA payable from and secured by the funds pledged therefor. Pursuant to the District Energy System Resolution, there is pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of the District Energy System Resolution, subject only to the provisions of the District Energy System Resolution permitting or requiring the application thereof for the purposes

and on the terms and conditions set forth in the District Energy System Resolution, the Trust Estate.

Pursuant to the District Energy System Resolution, there are also pledged, as additional security for the payment of the principal or sinking fund Redemption Price, if any, of, and interest on, the Bonds of each Additionally Secured Series secured thereby, subject only to the provisions of the District Energy System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the District Energy System Resolution, amounts on deposit in any separate subaccount established in the Debt Service Reserve Account in the Debt Service Fund, including the investments and investment income, if any, thereof.

Application of Revenues

Revenues are pledged by the District Energy System Resolution to payment of principal of and interest and redemption premium on the Bonds of all series, subject to the provisions of the District Energy System Resolution permitting application for other purposes. For application of the Revenues, the District Energy System Resolution establishes a Revenue Fund; Debt Service Fund, which shall consist of a Debt Service Account and a Debt Service Reserve Account, and within such Debt Service Reserve Account an Initial Subaccount; Subordinated Indebtedness Fund; Rate Stabilization Fund; and Renewal and Replacement Fund; all of such funds are held by JEA; *provided* that if and to the extent provided in a Supplemental Resolution authorizing Subordinated Indebtedness, the Subordinated Indebtedness Fund shall be held by the entity specified in such Supplemental Resolution.

Revenues and Revenue Fund. Pursuant to the District Energy System Resolution, Revenues are to be deposited promptly by JEA to the credit of the Revenue Fund.

After payment of Operation and Maintenance Expenses, the District Energy System Resolution provides that the Revenue Fund should be applied monthly to the extent available in the following order:

- (a) in the Debt Service Fund, (i) for credit to the Debt Service Account, an amount at least equal to the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service as of the last day of the then current month; provided that (A) for the purposes of computing the amount to be deposited in said Account, there shall be excluded from the balance in said Account the amount, if any, set aside in said Account from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund) for the payment of interest on Bonds less that amount of such proceeds to be applied in accordance with the District Energy System Resolution to the payment of interest accrued and unpaid and to accrue on Bonds to the last day of the then current calendar month; and (B) any amount deposited into said Account during any month that is in excess of the minimum amount required to be deposited therein during such month may, upon written determination of an Authorized Officer of JEA, be deemed to be accumulated therein with respect to (1) any Sinking Fund Installment or (2) any principal amount of Bonds (including, in the case of any

Option Bond, the principal amount thereof tendered for payment prior to the stated maturity thereof) due (or so tendered for payment) on a certain future date for which no Sinking Fund Installments have been established or (3) some combination of (1) and (2), and interest thereon; and (ii) thereafter, for deposit in each separate subaccount in the Debt Service Reserve Account, the amount, if any, required so that the balance in each such subaccount shall equal the Debt Service Reserve Requirement related thereto as of the last day of the then current month (or, if the amount on deposit in the Revenue Fund shall not be sufficient to make the deposits required to be made pursuant to this clause (ii) with respect to all of the separate subaccounts in the Debt Service Reserve Account, then such amount on deposit in the Revenue Fund shall be applied ratably, in proportion to the amount necessary for deposit into each such subaccount);

(b) in the Subordinated Indebtedness Fund, an amount at least equal to the amount, if any, as shall be required to be deposited therein in the then current month to pay principal or sinking fund installments of and premiums, if any, and interest on each issue of Subordinated Indebtedness coming due in such month, whether as a result of maturity or prior call for redemption, and to provide reserves therefor, as required by the Supplemental Resolution authorizing such issue of Subordinated Indebtedness;

(c) in the Rate Stabilization Fund, the amount, if any, budgeted for deposit into such Fund for the then current month as set forth in the then current Annual Budget or the amount otherwise determined by JEA to be credited to such Fund for the month; and

(d) in the Renewal and Replacement Fund, an amount at least equal to the sum of (i) one-twelfth (1/12th) of 10 percent of the Annual Net Revenues of the System for the preceding Fiscal Year and (ii) such additional amount as shall make the total annual payment into such Fund during the Fiscal Year of which such month shall be a part equal to at least five percent of the Revenues of the System for the preceding Fiscal Year; *provided, however*, that so long as there shall be held in the Renewal and Replacement Fund an amount which shall be at least equal to the Renewal and Replacement Requirement, no deposits shall be required to be made into the Renewal and Replacement Fund; and *provided, further*, however, that the failure of JEA to make such payment into the Renewal and Replacement Fund in any month shall not constitute an Event of Default under the District Energy System Resolution; *provided* that any deficiencies therefor shall have been restored prior to the end of the Fiscal Year of which such month shall be a part; and *provided, further*, that the full amount required to be deposited in said Renewal and Replacement Fund in such Fiscal Year shall have been deposited therein by the end of such Fiscal Year.

The balance of any moneys remaining in the Revenue Fund after the above required payments have been made may be used by JEA for any lawful purpose of JEA (including, but not limited to, (a) the purchase, redemption or provision for payment of any of the Bonds and (b) transfers to any utility system owned and/or operated by JEA currently or in the future) not

otherwise prohibited by the District Energy System Resolution; *provided, however*, that none of the remaining moneys shall be used for any purpose other than those specified above unless all current payments, including all deficiencies in prior payments, if any, have been made in full and unless JEA shall have complied fully with all the covenants and provisions of the District Energy System Resolution.

Notwithstanding the provisions above, so long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), no deposits shall be required to be made into the Debt Service Fund.

Construction Fund. There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of any Supplemental Resolution and there may be paid into the Construction Fund, at the option of JEA, any moneys received for or in connection with the System by JEA from any other source, unless required to be otherwise applied as provided by the District Energy System Resolution. Amounts in the Construction Fund shall be applied to the payment of the Costs of the System in the manner provided in the District Energy System Resolution or for any other lawful purpose of JEA relating to the System.

The proceeds of insurance maintained pursuant to the District Energy System Resolution against physical loss of or damage to the System or of contractors' performance bonds or other assurances of completion with respect thereto, pertaining to the period of construction or acquisition thereof, shall, upon receipt by JEA, be paid into the Construction Fund.

JEA shall withdraw amounts from the Construction Fund for the payment of amounts due and owing on account of the Costs of the System upon determination of an Authorized Officer of JEA (or such officer's designee) that an obligation in the amount to be paid from the Construction Fund has been incurred by JEA and that each item thereof is a proper and reasonable charge against the Construction Fund, and that such amount has not been paid theretofore.

To the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of the principal of and interest on the Bonds when due.

Amounts credited to the Construction Fund which JEA determines at any time to be in excess of the amounts required for the purposes thereof shall be deposited in the Debt Service Reserve Account in the Debt Service Fund, if and to the extent necessary to make the amount in any separate subaccount therein equal to the Debt Service Reserve Requirement related thereto (or, if such excess shall be less than the amount necessary to make up the deficiencies with respect to all of the separate subaccounts in the Debt Service Reserve Account, then such excess shall be applied ratably, in proportion to the deficiency in each such subaccount), and any balance of such excess, upon written determination of an Authorized Officer of JEA, shall be deposited in the Revenue Fund and may be used by JEA for any lawful purpose of JEA, subject to the limitations contained in the District Energy System Resolution; *provided, however*, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the District Energy System Resolution.

JEA may permanently discontinue the acquisition or construction of any portion of the System, the Costs of which are at the time being paid out of the Construction Fund, if the Governing Body determines by resolution that such discontinuance is necessary or desirable in the conduct of the business of JEA and not disadvantageous to the Holders of the Bonds.

Debt Service Fund - Debt Service Reserve Account and 2013 Series A Bonds Subaccount

Debt Service Reserve Account

There shall be established in the Debt Service Reserve Account in the Debt Service Fund one or more separate subaccounts, each of which subaccounts shall be for the benefit and security of one or more Series of Bonds, in the manner and to the extent provided in the District Energy System Resolution or the Supplemental Resolution establishing such subaccount, as the case may be.

If on any day on which the principal or sinking fund Redemption Price of or interest on the Bonds shall be due the amount on deposit in the Debt Service Account in the Debt Service Fund (exclusive of amounts, if any, set aside in said Account from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund) for the payment of interest on Bonds on a future date) shall be less than the amount required to pay such principal, Redemption Price or interest, then JEA shall apply amounts from each separate subaccount in the Debt Service Reserve Account to the extent necessary to cure the deficiency that exists with respect to the Additionally Secured Series of the Bonds secured thereby.

Whenever the moneys on deposit in any subaccount established in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement related thereto, and after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount in accordance with the provisions of the Supplemental Resolution establishing such subaccount or the District Energy System Resolution, as the case may be, such excess shall be deposited in the Revenue Fund and applied for any lawful purpose of JEA, subject to the limitations contained in the District Energy System Resolution; *provided, however*, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the District Energy System Resolution.

Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated to the extent necessary in order to provide for the timely payment of principal or Redemption Price, if applicable, and interest on the Bonds.

In the event of the refunding or defeasance of any Bonds of an Additionally Secured Series, JEA may withdraw from the separate subaccount in the Debt Service Reserve Account established for the benefit of the Bonds of such Additionally Secured Series all or any portion of the amounts

accumulated therein and deposit such amounts with the Escrow Agent for the Bonds being refunded or defeased to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; *provided* that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded or defeased shall be deemed to have been paid pursuant to the District Energy System Resolution, and (b) the amount remaining in such separate subaccount in the Debt Service Reserve Account, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation that may be credited to such subaccount in accordance with the provisions of the Supplemental Resolution establishing such subaccount, and after giving effect to the issuance of any obligations being issued to refund any Bonds being refunded and the disposition of the proceeds thereof, shall not be less than the Debt Service Reserve Requirement related thereto. In the event of such refunding or defeasance, JEA may also withdraw from such separate subaccount in the Debt Service Reserve Account all or any portion of the amounts accumulated therein and deposit such amounts in any Fund or Account under the District Energy System Resolution; *provided* that such withdrawal shall not be made unless items (a) and (b) referred to above have been satisfied; and *provided, further*, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the District Energy System Resolution.

In addition to or in lieu of maintaining moneys or investments in a subaccount in the Debt Service Reserve Account JEA, in the Supplemental Resolution or Supplemental Resolutions authorizing the Series of Bonds additionally secured by such subaccount, may provide for the deposit into such subaccount of other available monies of JEA, from the sources and otherwise subject to such limitations as shall be provided in such Supplemental Resolution or Supplemental Resolutions.

2013 Series A Bonds Subaccount

The payment of the principal of and interest on the 2013 Series A Bonds is additionally payable from amounts on deposit in the 2013 Series A Bonds Subaccount established in the Debt Service Reserve Account. Amounts on deposit in the 2013 Series A Bonds Subaccount shall be pledged solely for the benefit of the 2013 Series A Bonds. The 2013 Series A Bonds Subaccount will be funded under the circumstances described below solely from amounts on deposit in the Revenue Fund established under the Water and Sewer System Resolution and available for use by JEA pursuant to the provisions of the Water and Sewer System Resolution from the amounts remaining in the Revenue Fund (as defined in the Water and Sewer System Resolution) (collectively, "Available Water and Sewer System Revenues").

JEA has 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. "Aggregate DES Debt Service Deficiency" is defined under the Third Supplemental Resolution to mean an amount equal to Accrued Aggregate Debt Service for the 2013 Series A Bonds less the sum of (a) the amount on deposit in the Debt Service Account in the Debt Service Fund to be applied to the payment of Debt Service on the 2013 Series A Bonds

and (b) the amount on deposit in the 2013 Series A Bonds Subaccount in the Debt Service Reserve Account in the Debt Service Fund.

If on the last Business Day of the month preceding any date on which principal or Sinking Fund Installments of and Redemption Price, including premium, if any, and interest on 2013 Series A Bonds is due and payable the amount on deposit in the Debt Service Account in the Debt Service Fund shall be less than Accrued Aggregate Debt Service with respect to the 2013 Series A Bonds, JEA shall withdraw from the 2013 Series A Bonds Subaccount for transfer to the Debt Service Account in the Debt Service Fund monies in an amount sufficient to make the balance in said Debt Service Account equal the Accrued Aggregate Debt Service as of the last day of the then current month.

The Third Supplemental Resolution provides that Section 710 of the District Energy System Resolution (summarized below under the caption "Covenant as to Rates, Fees and Charges") is not applicable to the 2013 Series A Bonds so long as JEA is obligated under the Third Supplemental Resolution and remains in compliance with its obligations to make deposits of Available Water and Sewer System Revenues to the 2013 Series A Bonds Subaccount in the Debt Service Reserve Account of the Debt Service Fund.

There is no Debt Service Reserve Requirement with respect to the 2013 Series A Bonds, and the 2013 Series A Bonds do not constitute an Additionally Secured Series under the District Energy System Resolution.

Establishment of Initial Subaccount in the Debt Service Reserve Account and Application Thereof

The District Energy System Resolution establishes an Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund. Amounts held by JEA in the Initial Subaccount shall constitute a trust fund for the benefit of the Holders of the Bonds of any Series, if and to the extent that the Supplemental Resolution authorizing such Bonds provides that such Bonds shall be additionally secured by amounts on deposit in the Initial Subaccount; *provided, however*, that if the Bonds of any Series hereafter issued are to be additionally secured by amounts on deposit in the Initial Subaccount, then it shall be a condition precedent to the authentication and delivery of such Bonds that the amount on deposit in the Initial Subaccount, after giving effect to any surety bond, insurance policy or letter of credit that may be credited to the Initial Subaccount in accordance with the provisions of paragraph 3 of this Section, and after giving effect to the issuance of such Bonds, shall not be less than the Debt Service Reserve Requirement for the Initial Subaccount. The Bonds of any Series that are additionally secured by amounts on deposit in the Initial Subaccount as aforesaid are referred to collectively as the "Initial Subaccount Additionally Secured Bonds."

The 2013 Series A Bonds are not additionally secured by amounts on deposit in the Initial Subaccount.

If on any day on which the principal or sinking fund Redemption Price of or interest on the Bonds shall be due the amount on deposit in the Debt Service Account in the Debt Service Fund (exclusive of amounts, if any, set aside in said Account from the proceeds of Bonds,

Subordinated Indebtedness or other evidences of indebtedness of JEA (including amounts, if any, transferred thereto from the Construction Fund) for the payment of interest on Bonds on a future date) shall be less than the amount required to pay such principal, Redemption Price or interest, then JEA shall apply amounts from the Initial Subaccount to the extent necessary to cure the deficiency that exists with respect to the Initial Subaccount Additionally Secured Bonds.

In lieu of maintaining moneys or investments in the Initial Subaccount, JEA at any time may cause to be deposited into the Initial Subaccount for the benefit of the Holders of the Initial Subaccount Additionally Secured Bonds an irrevocable surety bond, an insurance policy or a letter of credit (referred to in the District Energy System Resolution as a "reserve fund credit instrument") satisfying the requirements set forth below in an amount equal to the difference between the Debt Service Reserve Requirement for the Initial Subaccount and the sums of moneys or value of Investment Securities then on deposit in the Initial Subaccount, if any.

(a) A surety bond or insurance policy issued by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Initial Subaccount Additionally Secured Bonds (a "municipal bond insurer") may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount if the claims paying ability of the issuer thereof shall be rated in the Highest Rating Category by each Rating Agency.

(b) A surety bond or insurance policy issued by an entity other than a municipal bond insurer may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount.

(c) An unconditional irrevocable letter of credit issued by a bank may be deposited in the Initial Subaccount to meet the Debt Service Reserve Requirement for the Initial Subaccount if the issuer thereof is rated at least the Second Highest Rating Category by each Rating Agency. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary thereof of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Initial Subaccount Additionally Secured Bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify JEA and the beneficiary thereof, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

(d) If such notice indicates that the expiration date shall not be extended, JEA shall deposit in the Initial Subaccount an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subaccount, together with any other qualifying reserve fund credit instruments, to equal the Debt Service Reserve Requirement for the Initial Subaccount, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the reserve fund credit instrument is replaced by a reserve fund credit instrument meeting the requirements in any of clauses (a) through (c) above. The

letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The beneficiary of the letter of credit shall draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Initial Subaccount is fully funded in its required amount.

(e) The use of any reserve fund credit instrument pursuant to this paragraph 3 shall be subject to receipt of an opinion of counsel to JEA as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to JEA and the Credit Enhancer, if any, for the Bonds Additionally Secured by the Initial Subaccount and in form and substance satisfactory to JEA and the Credit Enhancer, if any, for the Bonds Additionally Secured by the Initial Subaccount to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against JEA.

(f) The obligation to reimburse the issuer of a reserve fund credit instrument for any fees, expenses, claim or draws upon such reserve fund credit instrument shall be subordinate to the payment of debt service on the Bonds. Subject to the second and third succeeding sentences, the right of the issuer of a reserve fund credit instrument to payment or reimbursement for claims or draws under such reserve fund credit instrument and to payment or reimbursement of its fees and expenses shall be on a parity with the cash replenishment of the Initial Subaccount. The reserve fund credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the reserve fund credit instrument to reimbursement will be subordinated to cash replenishment of the Initial Subaccount to an amount equal to the difference between the full original amount available under the reserve fund credit instrument and the amount then available for further draws or claims. If (i) the issuer of a reserve fund credit instrument becomes insolvent or (ii) the issuer of a reserve fund credit instrument defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the insurance policy or surety bond falls below the Highest Rating Category (as rated by any Rating Agency) or (iv) the rating of the issuer of the letter of credit falls below the Second Highest Rating Category (as rated by any Rating Agency), the obligation to reimburse the issuer of the reserve fund credit instrument shall be subordinate to the cash replenishment of the Initial Subaccount.

(g) If (i) the revolving reinstatement feature described in the preceding clause (f) is suspended or terminated or (ii) the rating of the claims paying ability

of the issuer of the surety bond or insurance policy falls below the Highest Rating Category (as rated by any Rating Agency) or (iii) the rating of the issuer of the letter of credit falls below the Second Highest Rating Category (as rated by any Rating Agency), JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subaccount to equal the Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of clauses (a) through (c) above within six months of such occurrence. In the event (1) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "A" or (2) the rating of the issuer of the letter of credit falls below "A" or (3) the issuer of the reserve fund credit instrument defaults in its payment obligations or (4) the issuer of the reserve fund credit instrument becomes insolvent, JEA shall either (X) deposit into the Initial Subaccount an amount sufficient to cause the cash or Investment Securities on deposit in the Initial Subaccount to equal to Debt Service Reserve Requirement for the Initial Subaccount, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (Y) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of clauses (a) through (c) above within six months of such occurrence.

(h) Where applicable, the amount available for draws or claims under the reserve fund credit instrument may be reduced by the amount of cash or value of Investment Securities deposited in the Initial Subaccount pursuant to clause (X) of the final sentence of the preceding clause (g).

(i) In the event that a reserve fund credit instrument shall be deposited into the Initial Subaccount as aforesaid, any amounts owed by JEA to the issuer of such reserve fund credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of debt service requirements required to be made pursuant to the District Energy System Resolution for purposes of the additional bonds test and the rate covenant contained in the District Energy System Resolution.

(j) The beneficiary of any reserve fund credit instrument shall ascertain the necessity for a claim or draw upon such reserve fund credit instrument and provide notice to the issuer of the reserve fund credit instrument in accordance with its terms prior to each interest payment date for the Bonds of any Initial Subaccount Additionally Secured Bonds.

(k) Cash on deposit in the Initial Subaccount shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any reserve fund credit instrument. If and to the extent that more than one reserve fund credit instrument is deposited in the Initial Subaccount, drawings thereunder and repayments of costs associated

therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Rate Stabilization Fund

Each month JEA shall transfer from the Rate Stabilization Fund to the Revenue Fund the amount budgeted for transfer into such Fund for the then current month as set forth in the then current Annual Budget or the amount otherwise determined by JEA to be deposited into such Fund for the month.

At any time and from time to time JEA may transfer for deposit in the Rate Stabilization Fund from any source such amounts as JEA deems necessary or desirable; such amounts to be applied for purposes of the Rate Stabilization Fund in accordance with the District Energy System Resolution; *provided, however*, any such amounts deposited into the Rate Stabilization Fund pursuant to this paragraph shall not constitute or be deemed to constitute Revenues for any purpose of the District Energy System Resolution.

JEA may, from time to time, withdraw amounts on deposit in the Rate Stabilization Fund and (i) transfer such amounts to any other Fund or Account established under the District Energy System Resolution, (ii) use such amounts to purchase or redeem Bonds, or (iii) use such amounts to otherwise provide for the payment of Bonds or interest thereon.

Renewal and Replacement Fund

Amounts in the Renewal and Replacement Fund shall be applied to the Costs of the System, the payment of extraordinary operation and maintenance costs and contingencies and payments with respect to the prevention or correction of any unusual loss or damage in connection with all or part of the System, all to the extent not paid as Operation and Maintenance Expenses or from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA. Amounts in the Renewal and Replacement Fund also may be applied (a) to the purchase, redemption, payment or provision for payment of Bonds or interest thereon or (b) upon determination of the Governing Body, to the payment of the costs of enlargements, extensions, improvements and replacements of capital assets of any other utility system owned and operated by JEA and not constituting a part of the System.

If and to the extent provided in the Supplemental Resolution Authorizing Bonds of a Series or Subordinated Indebtedness, amounts from the proceeds of such Bonds or Subordinated Indebtedness may be deposited in the Renewal and Replacement Fund for any purpose of such Fund.

No payments shall be made from the Renewal and Replacement Fund if and to the extent that the proceeds of insurance or other moneys recoverable as the result of damage, if any, are available to pay the costs otherwise payable from such Fund.

If at any time the amounts in the Debt Service Account or any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund shall be less than the current requirements of such Account or subaccount, respectively, then JEA shall transfer from the Renewal and Replacement Fund for deposit in the Debt Service Account or such separate subaccount(s) in the

Debt Service Reserve Account, as the case may be, the amount necessary to make up such deficiency (or, if the amount in said Fund shall be less than the amount necessary to make up the deficiencies with respect to the Debt Service Account and all of the separate subaccounts in the Debt Service Reserve Account, then the amount in said Fund shall be applied first to make up the deficiency in the Debt Service Account, and any balance remaining shall be applied ratably to make up the deficiencies with respect to the separate subaccounts in the Debt Service Reserve Account, in proportion to the deficiency in each such subaccount).

If at any time the amounts in the Subordinated Indebtedness Fund shall be less than the current requirement of such Fund and the amounts on deposit in the Debt Service Account and each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund shall equal the current requirements of such Account and subaccounts, respectively, and such amounts are not required for the payment of Operation and Maintenance Expenses, then JEA shall transfer from the Renewal and Replacement Fund for deposit in the Subordinated Indebtedness Fund the amount necessary (or all the moneys in the Renewal and Replacement Fund if less than the amount necessary) to make up such deficiency.

Additional Bonds

JEA may issue one or more series of additional Bonds for any lawful purpose of JEA relating to the System. All such Bonds will be payable from the Trust Estate pledged pursuant to the District Energy System Resolution and secured thereby on a parity with all other Bonds. In addition, each series of Bonds may be additionally secured by amounts on deposit in a separate subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the District Energy System Resolution (which may be the Initial Subaccount therein). Set forth below are certain conditions applicable to the issuance of additional Bonds:

Certificates of Authorized Officers. The issuance of each series of additional Bonds (other than Refunding Bonds and Reimbursement Obligations) is conditioned upon the execution by an Authorized Officer of JEA of a certificate: (1) setting forth the amounts of Net Revenues for any 12 consecutive month period within the 24 consecutive months immediately preceding the date of issuance of the additional Bonds of the series with respect to which such certificate is being given; and (2) stating that such Net Revenues for such 12 consecutive month period is at least equal to the greater of (X) 115 percent of the Average Annual Aggregate Adjusted System Debt Service (calculating such Average Annual Aggregate Adjusted System Debt Service with respect to the Bonds of all series then Outstanding and the additional Bonds of the series with respect to which such certificate is given) or (Y) the sum of (i) the Average Annual Aggregate Adjusted Debt Service (calculated as aforesaid) and (ii) the amount most recently determined to be required to be deposited in the Renewal and Replacement Fund for the then current, or a previous, Fiscal Year; *provided, however*, that the Net Revenues for such 12 month period may be adjusted for the purposes of such certificate (a) to reflect for such period revisions in the rates, fees, rentals and other charges of JEA for the product and services of the System made after the commencement of such period and preceding the date of issuance of such additional Bonds; (b) to reflect any increase in Net Revenues due to any new facilities of the System having been placed into use and operation subsequent to the commencement of such period and prior to the date of issuance of such additional Bonds; and (c) to include an amount equal to the average annual contribution to Net Revenues for the first three full Fiscal Years commencing after the date of

acquisition thereof, estimated to be made by facilities anticipated to be acquired and expected to be placed into use and operation within two years of the date of such certificate.

Debt Service Reserve. If, at JEA's option, any series of additional Bonds is to be additionally secured by amounts on deposit in the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund established under the District Energy System Resolution, the issuance of the additional Bonds of such series is further conditioned upon the deposit to the Initial Subaccount of moneys or reserve fund credit instruments, or a combination thereof, in an amount such that the balance in such Subaccount equals the Debt Service Reserve Requirement for such Subaccount calculated immediately after the delivery of such Bonds.

No Default. In addition, Bonds of any series other than Refunding Bonds may be issued only if JEA certifies that upon the issuance of such series JEA will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the District Energy System Resolution.

Subordinated Indebtedness

JEA may, at any time, or from time to time, issue Subordinated Indebtedness for any lawful purpose of JEA related to the System, which Subordinated Indebtedness shall be payable out of, and may be secured by a pledge of, such amounts in the Subordinated Indebtedness Fund as may from time to time be available for the purpose of payment thereof; *provided, however*, that any pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge of the Trust Estate created by the District Energy System Resolution as security for the Bonds.

Investment of Certain Funds

Unless further limited as to maturity by the provisions of a Supplemental Resolution, moneys held in the Funds and Accounts established under the District Energy System Resolution may be invested and reinvested by JEA in Investment Securities which will provide moneys not later than such times as shall be needed for payments to be made from such Funds and Accounts. In making any investment in any Investment Securities with moneys in any Fund or Account established under the District Energy System Resolution and held by JEA, JEA may combine such moneys with moneys in any other Fund or Account held by JEA, but solely for purposes of making such investment in such Investment Securities.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned on any moneys or investments in such Funds and Accounts, other than the Construction Fund, shall be paid into the Revenue Fund. Interest earned on any moneys or investments in the Construction Fund shall be held in such Fund for the purposes thereof or, upon written determination of an Authorized Officer of JEA, paid into the Revenue Fund.

Nothing contained in the District Energy System Resolution shall prevent JEA, to the extent permitted by law, from entering into securities lending agreements or bonds borrowed agreements ("lending agreements") with banks which are members of the Federal Deposit Insurance Corporation, having capital stock, surplus and undivided earnings aggregating at least \$25,000,000 and government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, secured by securities, which are obligations described in the definition of

Investment Securities; *provided* that each such lending agreement (i) is in commercially reasonable form and is for a commercially reasonable period, and (ii) results in a transfer to JEA of legal title to, or a grant to JEA of a prior perfected security interest in, identified securities which are obligations described in the definition of Investment Securities and which are free and clear of any claims by third parties and are segregated in a custodial or trust account held by a third party (other than the borrower) as the agent solely of, or in trust solely for the benefit of, JEA; *provided* that such securities acquired or pledged pursuant to such lending agreements shall have a current market value not less than 102 percent of the market value of the securities loaned by JEA under such agreement. Any Investment Securities loaned by JEA under any such agreement shall be released from the lien of the pledge of the Trust Estate created under the District Energy System Resolution, but only if all rights of JEA under the lending agreement (including, but not limited to, the monetary obligations to JEA of the bank and/or government bond dealer party to such agreement) and any related collateral agreement and all rights of JEA to the identified securities transferred or pledged to JEA in connection therewith are substituted for the securities loaned, and such rights of JEA are declared to be subject to the lien of the pledge of the Trust Estate created under the District Energy System Resolution to the same extent that the loaned Investment Securities formerly were subject.

Redemption

In the case of any redemption of Bonds, JEA shall give written notice to the Bond Registrar(s) therefor and the Paying Agents of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series and of the Bonds of each interest rate within a maturity to be redeemed (which Series, maturities, interest rates within a maturity and principal amounts thereof to be redeemed shall be determined by JEA in its sole discretion, subject to any limitations with respect thereto contained in the District Energy System Resolution or any Supplemental Resolution authorizing the Series of which such Bonds are a part). Such notice shall be filed with such Bond Registrars and the Paying Agents for the Bonds to be redeemed at least 40 days prior to the redemption date (or such shorter period (a) as shall be specified in the Supplemental Resolution authorizing the Series of the Bonds to be redeemed or (b) as shall be acceptable to such Bond Registrars and Paying Agents). In the event notice of redemption shall have been given, and unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed.

Covenant as to Rates, Fees and Other Charges

JEA shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System which shall be sufficient to provide Net Revenues in each Bond Year which shall be at least equal to the greater of (i) 115 percent of the Aggregate Debt Service for such Bond Year; *provided, however*, that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Service for purposes of the foregoing but only to the extent that JEA intends to pay such Principal Installment from sources other than Revenues, and (ii) the amount which, together with other

available funds, shall be sufficient for the payment of: (a) the amount to be paid during such Bond Year into the Debt Service Account in the Debt Service Fund (other than amounts required to be paid into such Account out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); (b) the amount, if any, to be paid during such Bond Year into each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund (other than amounts required to be paid into any such subaccount out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); (c) the amount, if any, to be paid during such Bond Year into the Subordinated Indebtedness Fund (other than amounts required to be paid into such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); (d) the amount, if any, to be paid during such Bond Year into the Renewal and Replacement Fund (other than amounts required to be paid into such Fund out of the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of JEA); and (e) all other charges and liens whatsoever payable out of Revenues during such Bond Year.

JEA will not furnish or supply or cause to be furnished or supplied any use, output, capacity or service of the System, free of charge to any person, firm or corporation, public or private. However, JEA shall not be required to charge the City, including its departments, agencies or instrumentalities, for any use, output, capacity or service of the System to the extent (and only to the extent) that the cost of such use, output, capacity or service is included in the rates, fees or charges imposed by JEA on all customers of the System or a specified class or classes or category or categories thereof. Except as provided in the preceding sentence, whenever the City, including its departments, agencies and instrumentalities, shall avail itself of the product, facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged to the City and any such department, agency or instrumentality. Such charges shall be paid as they accrue, and the City shall transfer to JEA sufficient sums to pay such charges. Such charges shall be paid as they accrue, and the City shall transfer to JEA sufficient sums to pay such charges. Whenever JEA shall avail itself of the product, facilities or services provided by the System, or any part thereof, for the use or benefit of another of JEA's utility systems JEA shall fairly allocate the costs of such product, facilities or services and charge to such other utility system such costs. The revenues so received from the City or charged by JEA to such other utility system shall be deemed to be Revenues derived from the operation of the System, and shall be applied, deposited and accounted for in the same manner as other Revenues derived from operation of the System.

The rate covenant provision of the District Energy System Resolution described above will not apply to the 2013 Series A Bonds prior to certain events. See "Excluded Provisions" herein.

Certain Other Covenants

Creation of Liens and Sales and Lease of Property. JEA shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a security interest in or pledge of the Trust Estate or any portion thereof, any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund or other moneys, securities or funds held or set aside by JEA or by the Fiduciaries under the District Energy System Resolution and shall not create or cause to be created any lien or charge on the Trust Estate or any portion thereof, any separate subaccount in the Debt Service Reserve Account in the Debt

Service Fund or such moneys, securities or funds; *provided, however*, that nothing contained in the District Energy System Resolution shall prevent JEA from issuing, if and to the extent permitted by law, (a) Bond Anticipation Notes or other evidences of indebtedness payable out of, and which may be secured by a pledge of (i) the proceeds of sale of Bonds or investment income therefrom, or (ii) amounts in the Construction Fund derived from the proceeds of sale of said Bond Anticipation Notes or investment income therefrom as may from time to time be available for payment of such Bond Anticipation Notes or other evidences of indebtedness (including redemption premiums, if any, and interest thereon) as part of the Costs of the System, or (iii) Revenues to be derived on and after such date as the pledge of the Revenues provided in the District Energy System Resolution shall be discharged and satisfied as provided in the District Energy System Resolution, or (b) Subordinated Indebtedness.

No part of the System shall be sold, mortgaged, leased or otherwise disposed of, except as follows:

(a) JEA may dispose of, sell or exchange at any time and from time to time any property or facilities constituting part of the System only if (i) JEA shall determine that such property or facilities are not needed or useful in the operation of the System, or (ii) the net book value of the property or facilities disposed of, sold or exchanged is not more than 15 percent of the net book value of the property and facilities of the System, or (iii) there shall be filed with the records of JEA a certificate of the Consulting Engineer stating, in its opinion, that the disposal, sale or exchange of such property or facilities will not materially impair the ability of JEA to comply during the current or any future Fiscal Year with the rate covenant described under "Covenant as to Rates, Fees and Other Charges." The proceeds of any sale or exchange of any property or facilities constituting a part of the System not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith be deposited in the Revenue Fund; *provided, however*, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the District Energy System Resolution;

(b) JEA may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System; *provided* that any such lease, contract, license, arrangement, easement or right (i) does not impede the operation by JEA or its agents of the System and (ii) does not materially adversely affect the rights or security of the Holders of the Bonds under the District Energy System Resolution. Any payments received by JEA under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues.

(c) The limitations imposed upon JEA by clauses (a) and (b) above shall not apply to any disposition of property by JEA where: (i) such property is leased back to JEA under a lease having a term of years (including renewal options) (X) of not less than 75 percent of the remaining useful life of the property as estimated by JEA computed from the date of disposition and lease if such property is disposed

of by sale or a lease for more than 90 percent of the remaining estimated useful life or any other means of disposition except as set forth in the following clause (Y), or (Y) 75 percent of the term of the lease out by JEA if such property is disposed of by a lease for less than 90 percent of the useful life of the property so estimated, (ii) fair value to JEA (as determined by JEA) is received by JEA for the property subject to such transaction, and (iii) there shall have been delivered to the Governing Body a Counsel's Opinion to the effect that the disposition and lease will not have a material adverse effect on the interests of the Holders of Outstanding Bonds (in rendering such opinion, such counsel may rely on such certifications of (a) any banking or financial institution serving as financial advisor to JEA, as to financial and economic matters, (b) the Consulting Engineer, as to matters within its field of expertise and (c) such other experts, as to matters within their fields of expertise as it, in its reasonable judgment, determines necessary or appropriate). The proceeds of any such transaction not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith be deposited in the Revenue Fund; *provided, however*, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the District Energy System Resolution;

(d) JEA may permanently discontinue the acquisition or construction of any portion of the System as provided in the District Energy System Resolution; and

(e) JEA may acquire by lease or lease purchase additions and improvements to the System. The agreement pursuant to which such lease or lease purchase is made may provide that upon termination of such lease or lease purchase JEA shall be obligated to return the property subject to such lease or lease purchase, or such portion thereof as has not been fully paid for, to the lessor or its designee.

Insurance. JEA shall at all times keep or cause to be kept the properties of the System which are of an insurable nature and of the character usually insured by those operating properties similar to such properties of the System insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained. JEA shall at all times maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of the System. JEA shall also use its best efforts to maintain or cause to be maintained any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Holders of the Bonds. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to JEA.

Reconstruction; Application of Insurance Proceeds; Condemnation Awards. If any useful portion of the System shall be damaged or destroyed or taken by any governmental authority under the power of eminent domain or otherwise ("Condemnation"), JEA shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the reconstruction or replacement thereof, unless there shall be filed with the records of JEA a certificate of an Authorized Officer of JEA setting forth a determination by JEA that, taking into account all relevant facts and

circumstances, including, if and to the extent JEA deems appropriate, the advice of the Consulting Engineer as to engineering matters, its attorneys as to legal matters and other consultants and advisors, such reconstruction or replacement is not in the interest of JEA and the Holders of the Bonds. Except as provided in the District Energy System Resolution, the proceeds of any insurance paid or award received on account of such damage, destruction (other than any business interruption loss insurance or insurance proceeds deposited in the Construction Fund pursuant to the District Energy System Resolution) or Condemnation shall be held by JEA in a special account and made available for, and to the extent necessary be applied to, the cost of such reconstruction or replacement. Pending such application, such proceeds may be invested by JEA in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such costs of reconstruction or replacement. Interest earned on such account or investments shall be deposited in the Revenue Fund. Any such proceeds not applied within 36 months after receipt thereof by JEA to repairing or replacing damaged, destroyed or taken property, or in respect of which notice in writing of intention to apply the same to the work of repairing or replacing the property damaged, destroyed or taken shall not have been filed with the records of JEA within such 36 months, or which JEA shall at any time determine are not to be so applied, unless otherwise applied, shall, upon written determination of an Authorized Officer of JEA, be deposited in the Revenue Fund; *provided, however*, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for any purpose of the District Energy System Resolution. Notwithstanding the foregoing, in the event that payments for any such repairing or replacing of property damaged, destroyed or taken prior to the availability of proceeds of insurance or Condemnation therefor are made from the Renewal and Replacement Fund, or from other funds of JEA not held in any Fund or Account established pursuant to the District Energy System Resolution, such proceeds when received shall be deposited in the Renewal and Replacement Fund to the extent of such payments therefrom, or shall be paid over to JEA, free and clear of any trust, lien or pledge securing the Bonds or otherwise existing under the District Energy System Resolution, as appropriate.

If the proceeds of insurance or Condemnation authorized by this Section to be applied to the reconstruction or replacement of any portion of the System are insufficient for such purpose, the deficiency may be supplied out of moneys in the Renewal and Replacement Fund.

The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund.

Additional Utility Functions. JEA may expand the utility functions of the System as permitted by the proviso contained in the definition of "System," only if JEA files with the books and records of JEA a certified copy of resolutions of the Governing Body to the effect that the addition of such utility functions (a) will not impair the ability of JEA to comply during the current or any future Fiscal Year with the provisions of the District Energy System Resolution, including specifically the rate covenant described under "Covenant as to Rates, Fees and other Charges" above and (b) will not materially adversely affect the rights of the Holders of the Bonds. In making the determinations to be set forth in such resolutions, the Governing Body may rely upon such certificates and opinions of its Consulting Engineer, independent certified public accountants, bond counsel, financial advisors or other appropriate advisors as the Governing Body shall deem necessary or appropriate.

Events of Defaults; Remedies

If one or more of the following Events of Default shall happen: (i) if default shall be made in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise (determined without giving effect to any payments made with funds provided by any Credit Enhancer pursuant to any Credit Enhancement); (ii) if default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable (determined without giving effect to any payments made with funds provided by any Credit Enhancer pursuant to any Credit Enhancement) and such default shall continue for a period of 30 days; (iii) if default shall be made by JEA in the performance or observance of any other of the covenants, agreements or conditions on its part in the District Energy System Resolution or in the Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to JEA by the Holders of not less than 10 percent in principal amount of the Bonds Outstanding; (iv) if there shall occur the dissolution (without a successor being named to assume the rights and obligations) or liquidation of JEA or the filing by JEA of a voluntary petition in bankruptcy, or adjudication of JEA as a bankrupt, or assignment by JEA for the benefit of its creditors, or the entry by JEA into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to JEA in any proceeding for its reorganization instituted under the provisions of the Bankruptcy Code, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted; or (v) if an order or decree shall be entered, with the consent or acquiescence of JEA, appointing a receiver or receivers of the System, or any part thereof, or of the rents, fees, charges or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of JEA, shall not be vacated or discharged or stayed within 90 days after the entry thereof; then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, the Holders of not less than 25 percent in principal amount of the Bonds Outstanding (by notice in writing to JEA), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything contained to the contrary in the District Energy System Resolution or in any of the Bonds notwithstanding; *provided, however*, that in the event that a Supplemental Resolution authorizing Bonds for which Credit Enhancement is being provided provides that the principal of such Bonds, and the accrued interest thereon, may not be declared due and payable immediately (nor such declaration be rescinded and annulled, as provided in the following sentence) without the consent in writing of the Credit Enhancer therefor, then such Bonds, and the interest accrued thereon, shall not become due and payable immediately as aforesaid (nor may such declaration be rescinded and annulled, as provided in the following sentence) without such written consent, and, in that event, the remedies available to the Holders of such Bonds (or such Credit Enhancer, on behalf of such Holders) shall be limited to those set forth in the District Energy System Resolution. The right of the Holders of not less than 25 percent in principal amount of the Bonds to make such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and all other sums then

payable by JEA under the District Energy System Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of JEA or provision shall be made for such payment, and all defaults under the Bonds or under the District Energy System Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or adequate provision shall be made therefor, then and in every such case the Holders of 25 percent in principal amount of the Bonds Outstanding, by written notice to JEA, may rescind such declaration and annul such default in its entirety, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon. See "Action by Credit Enhancer When Action by Holders of Bonds Required" herein.

During the continuance of an Event of Default, JEA, shall apply all moneys, securities, funds and Revenues held or received by JEA under the District Energy System Resolution (other than amounts on deposit in any separate subaccount in the Debt Service Reserve Account in the Debt Service Fund) as follows and in the following order: (i) to the payment of the amounts required for Operation and Maintenance Expenses and for the reasonable renewals, repairs and replacements of the System necessary in the judgment of JEA to prevent a loss of Revenues; (ii) to the payment of the interest and principal or Redemption Price then due on the Bonds, as follows: (a) unless the principal of all the Bonds shall have become or have been declared due and payable (1) first to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and (2) second to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; or (b) if the principal of all the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and (iii) to the payment of principal, redemption price and interest then due on Subordinated Indebtedness in accordance with the Supplemental Resolution(s) authorizing such Subordinated Indebtedness.

During the continuance of an Event of Default, JEA shall apply all amounts on deposit in each separate subaccount in the Debt Service Reserve Account in the Debt Service Fund as follows and in the following order: (a) unless the principal of all of the Bonds shall have become or have been declared due and payable, (1) first to the payment to the persons entitled thereto of all installments of interest then due on the Bonds of each Additionally Secured Series secured by such separate subaccount in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds of such Additionally Secured Series theretofore called for

redemption, and, if the amount available shall not be sufficient to pay in full any such installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and (2) second to the payment to the persons entitled thereto of the unpaid principal or sinking fund Redemption Price of any Bonds of such Additionally Secured Series which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all such Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or sinking fund Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; or (b) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds of each Additionally Secured Series secured by such separate subaccount without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in such Bonds.

If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Fiduciaries, and all other sums payable by JEA under the District Energy System Resolution including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of JEA, and all defaults under the District Energy System Resolution or the Bonds shall be made good, JEA and the Holders shall be restored, respectively, to their former positions and rights under the District Energy System Resolution. No such restoration of JEA and the Holders to their former positions and rights shall extend to or affect any subsequent default under the District Energy System Resolution or impair any right consequent thereon.

Powers of Amendment

Any modification or amendment of the District Energy System Resolution and of the rights and obligations of JEA and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the District Energy System Resolution (i) of the Holders of not less than a majority in principal amount of the Bonds affected by such modification or amendment Outstanding at the time such consent is given, and (ii) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes

of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purpose of this Section, a Series shall be deemed to be affected by a modification or amendment of the District Energy System Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. JEA may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity or any particular Commercial Paper Notes or Medium-Term Notes would be affected by any modification or amendment of the District Energy System Resolution and any such determination shall, absent manifest error, be binding and conclusive on JEA and all Holders of Bonds. For the purpose of this Section, a change in the terms of redemption of any Outstanding Bond shall be deemed only to affect such Bond and shall be deemed not to affect any other Bond. For the purpose of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale. See "Action by Credit Enhancer When Action by Holders of Bonds Required" herein.

Amendment to District Energy System Resolution

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of JEA may be adopted, which, upon its adoption and compliance with the applicable provisions of the District Energy System Resolution, shall be fully effective in accordance with its terms: (a) to close the District Energy System Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the District Energy System Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness; (b) to add to the covenants and agreements of JEA in the District Energy System Resolution other covenants and agreements to be observed by JEA which are not contrary to or inconsistent with the District Energy System Resolution as theretofore in effect; (c) to add to the limitations and restrictions in the District Energy System Resolution other limitations and restrictions to be observed by JEA which are not contrary to or inconsistent with the District Energy System Resolution as theretofore in effect; (d) to authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the District Energy System Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds; (e) to provide for the issuance, execution, delivery, authentication, payment, registration, transfer and exchange of Bonds in coupon form payable to bearer or in uncertificated form, and, in connection therewith, to specify and determine any matters and things relative thereto; (f) to confirm, as further assurance, any security interest or pledge under, and the subjection to any security interest or pledge created or to be created by, the District Energy System Resolution of the Revenues or of any other moneys, securities or funds; (g) if and to the extent authorized in a Supplemental Resolution authorizing an Additionally Secured Series of Bonds, to specify the qualifications of any provider of an obligation similar to a surety bond, insurance policy or letter of credit for deposit into the particular subaccount in the Debt Service Reserve Account securing the Bonds of such Additionally Secured Series; (h) to modify any of the provisions of the District Energy System Resolution in any other respect whatever; *provided* that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of

all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof; and (j) to authorize Subordinated Indebtedness and, in connection therewith, specify and determine any matters and things relative to such Subordinated Indebtedness which are not contrary to or inconsistent with the District Energy System Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Subordinated Indebtedness.

Supplemental Resolutions Effective Upon Delivery of Counsel's Opinion as to No Material Adverse Effect

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) delivery of a Counsel's Opinion to the effect that the provisions of such Supplemental Resolution will not have a material adverse effect on the interests of the Holders of Outstanding Bonds (in rendering such opinion, such counsel may rely on such certifications of (a) any banking or financial institution serving as financial advisor to JEA, as to financial and economic matters, (b) the Consulting Engineer, as to matters within its field of expertise and (c) such other experts, as to matters within their fields of expertise as it, in its reasonable judgment, determines necessary or appropriate) and (ii) compliance with the applicable provision of the District Energy System Resolution, shall be fully effective in accordance with its terms: to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the District Energy System Resolution; to insert such provisions clarifying matters or questions arising under the District Energy System Resolution as are necessary or desirable and are not contrary to or inconsistent with the District Energy System Resolution as theretofore in effect; or to make any other modification to or amendment of the District Energy System Resolution which such counsel in its reasonable judgment shall determine will not have a material adverse effect on the interests of Holders of the Bonds.

Notwithstanding any other provision of the District Energy System Resolution, in determining whether the interests of the Holders of Outstanding Bonds are materially adversely affected, such counsel shall consider the effect on the Holders of any Bonds for which Credit Enhancement has been provided without regard to such Credit Enhancement.

Defeasance

The pledge of moneys and securities created by the District Energy System Resolution and all covenants, agreements and other obligations of JEA to the Holders will cease, terminate and become void and be discharged and satisfied whenever all Bonds and interest due or to become due thereon are paid in full. If any Bonds are paid in full, such Bonds shall cease to be entitled to any lien, benefit or security under the District Energy System Resolution, and all covenants, agreements and obligations of JEA to the Holders of such Bonds will cease, terminate and become void and be discharged and satisfied. Bonds are deemed to have been paid and are not entitled to the lien, benefit and security of the District Energy System Resolution whenever the following conditions (or such other conditions as may be set forth in the Supplemental Subordinated Resolution authorizing such Bonds) are met: (i) in case any Bonds are to be redeemed prior to their maturity, JEA has given to the Escrow Agent therefor instructions to give notice of redemption therefor, (ii) there has been deposited with such Escrow Agent either moneys or Defeasance Securities the principal of and interest on which when due will provide

moneys which, together with other moneys, if any, also deposited, will be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds, and (iii) in the event such Bonds are not to be redeemed or paid at maturity within the next succeeding 60 days, JEA has given such Escrow Agent instructions to give a notice to the Holders of such Bonds that the above deposit has been made and that such Bonds are deemed to have been paid and stating the maturity or redemption date upon which moneys are expected to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with the provisions of the District Energy System Resolution, the interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Escrow Agent for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the Escrow Agent on such date in respect of such Variable Rate Bonds in order to satisfy the provisions of the District Energy System Resolution, the Escrow Agent shall, if requested by JEA, pay the amount of such excess to JEA free and clear of any trust, lien or pledge securing the Bonds or otherwise existing under the provisions of the District Energy System Resolution.

Option Bonds shall be deemed to have been paid in accordance with the provisions of the District Energy System Resolution only if, in addition to satisfying the requirements described in clauses (i) and (ii) of the first paragraph hereof, there shall have been deposited with the Escrow Agent moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Escrow Agent pursuant to provisions of the District Energy System Resolution, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph. If any portion of the moneys deposited with the Escrow Agent for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose the Escrow Agent shall, if requested by JEA, pay the amount of such excess to JEA free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Subordinated Electric System.

Action by Credit Enhancer When Action by Holders of Bonds Required

Except as otherwise provided in a Supplemental Resolution authorizing Bonds for which Credit Enhancement is being provided, if not in default in respect of any of its obligations with respect to Credit Enhancement for the Bonds of a Series, or a maturity within a Series, the Credit Enhancer for, and not the actual Holders of, the Bonds of a Series, or a maturity within a Series or an interest rate within a maturity, for which such Credit Enhancement is being provided, shall be deemed to be the Holder of Bonds of any Series, or maturity within a Series or an interest rate within a maturity, as to which it is the Credit Enhancer at all times for the purpose of (i) giving

any approval or consent to the effectiveness of any Supplemental Resolution or any amendment, change or modification of the District Energy System Resolution, which requires the written approval or consent of Holders; *provided, however*, that the provisions of this Section shall not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto and (ii) giving any approval or consent, exercising any remedies or taking any other action following the occurrence of an Event of Default under the District Energy System Resolution.

**Special Provisions Relating to Capital Appreciation Bonds,
Deferred Income Bonds and Reimbursement Obligations**

The principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments made under the definitions of Debt Service, Accrued Aggregate Debt Service, Adjusted Aggregate Debt Service and Aggregate Debt Service only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default or (iii) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to JEA any notice, consent, request, or demand pursuant to the District Energy System Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then current Accreted Value.

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity, or (ii) receiving payment of a Deferred Income Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default or (iii) computing the principal amount of Bonds held by the Holder of a Deferred Income Bond in giving to JEA any notice, consent, request, or demand pursuant to the District Energy System Resolution for any purpose whatsoever, the principal amount of a Deferred Income Bond shall be deemed to be its then current Appreciated Value.

Except as otherwise provided in a Supplemental Resolution authorizing a Series of Reimbursement Obligations, for the purposes of (i) receiving payment of a Reimbursement Obligation, whether at maturity, upon redemption or if the principal of all Bonds is declared immediately due and payable following an Event of Default or (ii) computing the principal amount of Bonds held by the Holder of a Reimbursement Obligation in giving to JEA any notice, consent, request, or demand pursuant to the District Energy System Resolution for any purpose

whatsoever, the principal amount of a Reimbursement Obligation shall be deemed to be the actual principal amount that JEA shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, JEA in connection with the Bonds of the Series or maturity or interest rate within a maturity for which such Reimbursement Obligation has been issued to evidence JEA's obligation to repay any advances or loans made in respect of the Credit Enhancement or liquidity support provided for such Bonds, less any prior repayments thereof.

APPENDIX E

**JEA WATER AND SEWER SYSTEM AND DISTRICT ENERGY SYSTEM BONDS
SUBJECT TO CONTINUING DISCLOSURE UNDERTAKINGS***

JEA has entered into continue disclosure undertakings with respect to the following bonds to provide certain information to the Municipal Securities Rulemaking Board not later than the June 1 following the end of each Fiscal Year.

WATER AND SEWER SYSTEM REVENUE BONDS

Water and Sewer System Revenue Bonds, 2010 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2033	\$27,550,000	6.210%	46613P XS0
2044	55,565,000	6.310	46613P XT8

Water and Sewer System Revenue Bonds, 2010 Series B

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$1,730,000	5.700%	46613P YH3

Water and Sewer System Revenue Bonds, 2010 Series F

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$ 1,385,000	5.000%	46613P D29
2026	2,975,000	5.287	46613P D60
2027	3,070,000	5.487	46613P D78
2030	5,360,000	5.637	46613P D52
2040	24,305,000	5.887	46613P D37

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* Note: The CUSIP numbers listed in this APPENDIX E are provided for the convenience of bondholders. JEA is not responsible for the accuracy or completeness of such numbers.

Water and Sewer System Revenue Bonds, 2017 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number	Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$23,215,000	5.000%	46613P 3E4	2034	\$ 9,000,000	4.000%	46613P 3Q7
2026	23,490,000	5.000	46613P 3F1	2035	8,940,000	3.250	46613P 3R5
2027	24,780,000	5.000	46613P 3G9	2035	10,545,000	4.000	46613P 3S3
2028	24,665,000	5.000	46613P 3H7	2036	23,235,000	3.250	46613P 3T1
2029	26,025,000	5.000	46613P 3J3	2037	16,160,000	3.375	46613P 3U8
2030	11,435,000	5.000	46613P 3K0	2037	1,625,000	4.000	46613P 3V6
2031	17,455,000	5.000	46613P 3L8	2039	29,305,000	4.000	46613P 3W4
2032	16,175,000	5.000	46613P 3M6	2041	15,000,000	3.500	46613P 4P8
2033	11,230,000	4.000	46613P 3N4	2041	13,205,000	3.375	46613P 3X2

Water and Sewer System Revenue Bonds, 2020 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$ 1,625,000	5.000%	46615S DA3
2026	2,505,000	5.000	46615S DB1
2027	630,000	5.000	46615S DC9
2028	565,000	5.000	46615S DD7
2029	390,000	5.000	46615S DE5
2033	7,375,000	5.000	46615S DF2
2034	10,605,000	5.000	46615S DG0
2035	13,165,000	5.000	46615S DH8
2036	14,895,000	3.000	46615S DJ4
2037	15,520,000	3.000	46615S DK1
2038	10,665,000	4.000	46615S DL9
2039	11,125,000	4.000	46615S DM7
2040	7,265,000	4.000	46615S DN5

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Water and Sewer System Revenue Bonds, 2021 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number	Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$ 1,265,000	5.000%	46615S EC8	2034	1,445,000	5.000	46615S EM6
2026	2,075,000	5.000	46615S ED6	2035	3,825,000	4.000	46615S EN4
2027	3,665,000	5.000	46615S EE4	2036	6,490,000	4.000	46615S EP9
2028	4,045,000	5.000	46615S EF1	2037	9,815,000	4.000	46615S EQ7
2029	4,380,000	5.000	46615S EG9	2038	10,060,000	4.000	46615S ER5
2030	3,705,000	5.000	46615S EH7	2039	9,565,000	4.000	46615S ES3
2031	9,785,000	5.000	46615S EJ3	2040	19,495,000	3.000	46615S ET1
2032	10,600,000	5.000	46615S EK0	2041	10,295,000	3.000	46615S EU8
2033	2,610,000	5.000	46615S EL8				

Water and Sewer System Revenue Bonds, 2024 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2026	\$ 11,075,000	5.000%	46615S EW4
2027	11,185,000	5.000	46615S EX2
2028	10,910,000	5.000	46615S EY0
2029	11,685,000	5.000	46615S EZ7
2030	18,380,000	5.000	46615S FA1
2031	7,120,000	5.000	46615S FB9
2032	10,430,000	5.000	46615S FC7
2033	10,975,000	5.000	46615S FD5
2034	16,155,000	5.000	46615S FE3
2035	9,810,000	5.000	46615S FF0
2038	5,540,000	5.000	46615S FG8
2039	5,840,000	5.000	46615S FH6
2040	6,005,000	5.000	46615S FJ2
2042	9,240,000	5.000	46615S FK9
2043	16,275,000	5.000	46615S FL7
2044	17,090,000	5.000	46615S FM5
2049	135,075,000	5.250	46615S FN3
2054	175,320,000	5.500	46615S FP8

Water and Sewer System Revenue Bonds, 2025 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$ 3,755,000	5.000%	46615S FR4
2030	1,200,000	5.000	46615S FS2
2031	1,280,000	5.000	46615S FT0
2032	1,360,000	5.000	46615S FU7
2033	2,305,000	5.000	46615S FV5
2034	2,400,000	5.000	46615S FW3
2035	4,925,000	5.000	46615S FX1
2036	5,170,000	5.000	46615S FY9
2037	5,935,000	5.000	46615S FZ6
2038	9,890,000	5.000	46615S GA0
2039	10,370,000	5.000	46615S GB8
2040	10,865,000	5.000	46615S GC6
2041	11,390,000	5.000	46615S GD4
2042	23,360,000	5.000	46615S GE2
2043	24,525,000	5.000	46615S GF9
2044	25,755,000	5.000	46615S GG7
2045	27,040,000	5.000	46615S GH5
2049	122,840,000	5.250	46615S GJ1
2055	238,480,000	5.250	46615S GL6

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WATER AND SEWER SYSTEM SUBORDINATED REVENUE BONDS**Water and Sewer System Subordinated Revenue Bonds, 2017 Series A**

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$3,500,000	2.750%	46613P 4D5
2025	8,050,000	5.000	46613P 4C7
2026	1,920,000	5.000	46613P 4E3
2027	3,705,000	5.000	46613P 4F0
2028	3,770,000	5.000	46613P 4G8
2029	5,930,000	5.000	46613P 4H6
2030	2,125,000	5.000	46613P 4J2
2031	1,745,000	5.000	46613P 4K9
2032	3,595,000	5.000	46613P 4L7
2033	5,815,000	5.000	46613P 4M5

Water and Sewer System Subordinated Revenue Bonds, 2020 Series A

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$3,085,000	5.000%	46615S DQ8
2026	540,000	5.000	46615S DR6
2027	1,170,000	5.000	46615S DS4
2034	5,430,000	5.000	46615S DT2
2035	2,525,000	5.000	46615S DU9
2036	2,355,000	4.000	46615S DV7
2037	2,480,000	4.000	46615S DW5
2038	2,580,000	4.000	46615S DX3
2039	2,685,000	4.000	46615S DY1
2040	2,785,000	4.000	46615S DZ8

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DISTRICT ENERGY SYSTEM BONDS**District Energy System Refunding Revenue Bonds, 2013 Series A (Federally Taxable)**

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2025	\$ 1,995,000	3.544%	46615M AQ4
2026	2,065,000	3.694	46615M AR2
2030	9,135,000	4.238	46615M AS0
2034	10,830,000	4.538	46615M AT8

District Energy System Refunding Revenue Bonds, 2025 Series A (Federally Taxable)

Maturity Date (October 1)	Principal Amount	Interest Rate	CUSIP Number
2035	\$ 1,125,000	5.053%	46615MA U5
2036	1,185,000	5.123	46615MA V3
2037	1,245,000	5.173	46615MA W1
2038	1,310,000	5.223	46615MA X9
2039	1,375,000	5.273	46615MA Y7
2040	1,450,000	5.323	46615MA Z4
2045	8,520,000	5.501	46615MB A8
2050	11,155,000	5.551	46615MB B6
2055	14,635,000	5.601	46615MB C4

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| ~~Draft 02/25/2025~~



**ANNUAL DISCLOSURE REPORT
FOR
WATER AND SEWER SYSTEM AND DISTRICT ENERGY SYSTEM
FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2024**

**(Prepared pursuant to certain
continuing disclosure undertakings
relating to the Bonds listed
in APPENDIX E hereto)**

Filed on EMMA

**Dated as of
_____, 2025**

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JEA
225 NORTH PEARL STREET
JACKSONVILLE, FLORIDA 32202
(904) 665-7410
(<http://www.jea.com>)

JEA OFFICIALS

BOARD OF DIRECTORS

Chair
Vice Chair
Secretary

Gen. Joseph P. DiSalvo
Ricardo “Rick” Morales III
Kawanza A. Humphrey
Arthur L. Adams, Jr.⁽¹⁾
John D. Baker II
MG Orender
Vacant⁽²⁾

LEADERSHIP TEAM

Managing Director and Chief Executive Officer
Chief Electric Systems Officer
Chief Water Systems Officer
Chief Customer Experience Officer
Chief Human Resources Officer
Chief Financial Officer
Chief Administrative Officer
Chief Information Officer
Chief of Staff
Deputy Chief Financial Officer ~~and Treasurer~~

Vickie P. Cavey
Ricky Erixton
Robert Zammataro
Dr. Charles E. Moreland⁽³⁾
Diane Moser
Theodore B. Phillips
Jody L. Brooks
Bradley D. Krol
Kurt Wilson
Joseph E. Orfano

Chief Legal Officer

Regina D. Ross

GENERAL COUNSEL

Michael T. Fackler, Esq.
General Counsel of the City of Jacksonville
Jacksonville, Florida

- (1) Pursuant to Resolution 2024-952-A adopted on January 14, 2025, the Council voted to appoint Mr. Adams to the JEA Board.
- (2) On January 31, 2025, Robert L. Stein resigned from the JEA Board due to business commitments. ~~It is expected that the Council will appoint a~~ The appointment of William “Worth” McArthur to the JEA Board, in replacement for Mr. Robert L. Stein, will be considered by the Council at its meeting on March 25, 2025, pursuant to Resolution 2025-163.
- (3) Effective December 2, 2024, Dr. Charles E. Moreland succeeded Sheila E. Pressley as JEA's Chief Customer Experience Officer. Ms. Pressley retired in January 2025.

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**ANNUAL DISCLOSURE REPORT
FOR
WATER AND SEWER SYSTEM AND DISTRICT ENERGY SYSTEM
FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2024**

INTRODUCTION

General

This Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 2024 (together with the Schedule and the Appendices hereto, this “Annual Disclosure Report”) has been prepared and is being filed by JEA in connection with its annual continuing disclosure obligations as an “obligated person” (as defined in Rule 15c2-12 (“Rule 15c2-12”) of the United States Securities and Exchange Commission (the “SEC”) promulgated under the Securities Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings of JEA entered into pursuant to Rule 15c2-12 relating to those certain series of bonds more particularly identified in APPENDIX E attached hereto. Information in this Annual Disclosure Report is reported as of September 30, 2024, except where expressly indicated otherwise.

This Annual Disclosure Report is being filed with the Municipal Securities Rulemaking Board (the “MSRB”), through the MSRB’s Electronic Municipal Market Access (“EMMA”) website currently located at <https://emma.msrb.org/>.

Each of the hereinafter defined Electric System, Water and Sewer System and District Energy System is owned and operated by JEA separately. For information relating to JEA’s Electric System, see the Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2024 (the “Electric Annual Disclosure Report”), which is available on EMMA. **The revenues of each system do not constitute revenues of the other systems, and, except as described under “WATER AND SEWER SYSTEM - FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM - Debt Relating to Water and Sewer System - Water and Sewer System Support of the District Energy System Bonds” herein, revenues of each system are not pledged to the payment of any debt issued or to be issued by JEA to finance and refinance the other systems.** JEA may, however, satisfy its annual obligation to transfer funds to the City of Jacksonville, Florida (the “City”) with funds

the City transferred to JEA the City's combined water and sewer utilities system (the "Water and Sewer System"). Effective as of October 1, 2004, JEA established a separate utility system (the "District Energy System") for its local district energy facilities, including its chilled water activities and any local district heating facilities JEA may develop in the future. JEA operates and maintains its records on the basis of a fiscal year ending on each September 30th (a "Fiscal Year").

The Charter assigns responsibility for the management of JEA's utility systems, including the Water and Sewer System, to the JEA Board. The JEA Board consists of seven members. ~~The Council previously enacted an ordinance placing a referendum question on the November 3, 2020 general election ballot that asked the voters of the City to approve a change to the Charter that would require four members of the JEA Board be~~ Four members are appointed by the Council president, and three members ~~be~~ are appointed by the Mayor of the City. In all cases the appointments would have to be confirmed by the Council. One of the Council president's appointments must be a former JEA employee or a person recommended by an employee, union or group of current or former JEA employees. The ~~referendum item was supported by the majority of voters on November 3, 2020, and on December 8, 2020, the Council enacted an ordinance that codified these changes, among others, into the Charter. The~~ members serve without pay for staggered terms of four years each, with a maximum of two consecutive full terms each. Any vacancy on the JEA Board, however created, will be filled for the unexpired term in the same manner as the position was originally filled, and the person filling the vacancy is required to have and retain the qualifications prescribed for membership on the JEA Board.

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Current members of the JEA Board, their occupations and the commencement and expiration of their terms are as follows:

Member	Occupation	Term
Joseph P. DiSalvo, <i>Chair</i>	Lieutenant General, U.S. Army (Retired)	April 14, 2020 – February 28, 2026 ⁽¹⁾
Ricardo “Rick” Morales III, <i>Vice Chair</i>	President & CEO, Morales Construction Co. Inc.	September 28, 2021 – February 28, 2028
Kawanza A. Humphrey, <i>Secretary</i>	Chief Human Resources Officer, VyStar Credit Union	August 25, 2023 – February 28, 2027
Arthur L. Adams, Jr. ⁽²⁾	Senior Vice President, Sales & Marketing, CSX	January 14, 2025 – February 28, 2026
John D. Baker II	Executive Chairman, FRP Holdings, Inc.	April 14, 2020 – February 28, 2028 ⁽¹⁾
MG Orender	President, Hampton Golf	June 14, 2024 – February 28, 2027
Vacant ⁽³⁾		

⁽¹⁾ In 2020, all of the members of the JEA Board were replaced with new appointees. Accordingly, several of the terms of the current members of the JEA Board commenced on April 14, 2020.

⁽²⁾ Pursuant to Resolution 2024-952-A adopted on January 14, 2025, the Council voted to appoint Mr. Adams to the JEA Board.

⁽³⁾ On January 31, 2025, Robert L. Stein resigned from the JEA Board due to business commitments. ~~It is expected that the Council will appoint a~~ The appointment of William “Worth” McArthur to the JEA Board, in replacement for Mr. of Robert L. Stein, will be considered by the Council at its meeting on March 25, 2025, pursuant to Resolution 2025-163.

In addition, in accordance with the provisions of the interlocal agreement entered into between JEA and Nassau County, Florida (“Nassau County”) in connection with JEA’s acquisition of certain assets and franchises of a private water and sewer utility in Nassau County, Nassau County is entitled to appoint a non-voting representative to the JEA Board. The Nassau County representative is entitled to attend all JEA Board meetings and to participate in discussions concerning matters that affect the provision of water and sewer services within Nassau County. As of the date of this Annual Disclosure Report, Nassau County has not appointed its non-voting representative to the JEA Board.

The Charter authorizes JEA to construct, acquire (including acquisition by condemnation), establish, improve, extend, enlarge, maintain, repair, finance, manage, operate and promote its utilities systems (which consist of (a) the Electric System, (b) the Water and Sewer System, (c) the District Energy System and (d) any additional utilities systems which JEA may undertake in the future upon satisfaction of the conditions set forth in the Charter), and to furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized therein within and outside of the City and for said purposes to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities along all public highways and streets within and outside of the City. Should any additional utility system be undertaken by JEA in the future, such utility system may, at the option of JEA, constitute an additional utility function added to, and may become a part of, the Water and Sewer System or

the District Energy System. See “SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION - Certain Other Covenants - *Additional Utility Functions*” in APPENDIX B attached hereto. The Charter also confers upon JEA the power to sue, to enter into contracts, agreements and leases, and to sell revenue bonds to finance capital improvements and to refund previously issued evidences of indebtedness of JEA. [Additionally, on October 29, 2024, the Board approved resolution 2024-67 authorizing JEA to enter into intergovernmental support agreements with the Department of the Navy to provide utility-related services at Naval Air Station Jacksonville and Naval Station Mayport.](#)

Management and Employees

The Charter assigns responsibility for the management of JEA’s utilities systems to the JEA Board. JEA employs a Managing Director and Chief Executive Officer as its chief executive officer. The Managing Director and Chief Executive Officer, executive officers, vice presidents, directors, managers, executive assistants and other appointed staff, numbering approximately 481 persons, form the management team (the “Management Team”) and are not subject to the City’s civil service system.

Management

The following is information regarding the Managing Director and Chief Executive Officer of JEA and the leadership team.

Vickie P. Cavey, Managing Director and Chief Executive Officer. Ms. Cavey was named JEA’s interim managing director and chief executive officer in April 2024 and was appointed as permanent Managing Director and Chief Executive Officer on September 24, 2024. [At their February 25, 2025 meeting, the Board approved a three-year contract with two mutually agreed upon one-year renewals for Ms. Cavey.](#) A frequent counselor to JEA executive leadership and 32-year JEA operations veteran, Ms. Cavey brings a deep knowledge of JEA in roles that have spanned organizational lines through engagement with the Northeast Florida business community, other utilities, regulatory bodies, and elected officials.

Following her prior retirement from JEA in 2016, Ms. Cavey returned as special assistant for external affairs to interim CEO Paul McElroy in 2020, then assisted McElroy’s successor, Jay Stowe, as board liaison until January 2021. She began her JEA career in 1984 as a mechanical engineer in the power engineering division, one of JEA’s first female engineers. She then advanced to managerial roles in commercial key accounts and special projects prior to director roles overseeing strategic partnerships/acquisitions and strategy development and execution.

Ms. Cavey earned a bachelor’s degree in mechanical engineering from the University of Florida. She has a long history of involvement in the local nonprofit community, in which she currently serves as an advisory board member for the Stellar Academy of Engineering at Nease High School. She is also a past president and board member of the Rotary Club of Ponte Vedra Beach Foundation. Her volunteer service in local nonprofits spans decades, including the United Way, BEAM, Mission House, PACE Center for Girls, and many others.

degree in public administration and a doctorate in education from Nova Southeastern University. He also is a 2008 alumnus of Leadership Jacksonville.

Diane Moser, Chief Human Resources Officer. Ms. Moser joined JEA as chief human resources officer in October 2024, after serving the City of Jacksonville for more than 30 years. She is responsible for the development and implementation of organizational redesign efforts, talent acquisition, succession planning, compensation plans, and team member engagement efforts critical to JEA's efficiency and productivity.

Before joining JEA, Ms. Moser was director of employee services for the City of Jacksonville, where she oversaw talent management, employee and labor relations, and employee benefits. She served in various roles throughout her tenure with the City, including manager of personnel services. Ms. Moser also served on the City of Jacksonville Pension Board.

Ms. Moser holds a master's degree in psychology from the University of West Florida and a bachelor's degree in psychology from the University of Florida. She has been a member of various professional organizations including the Society of Human Resources Management, WorldatWork, the American Society for Training and Development, the American Library Association (ALA), and the Public Library Association (PLA).

Theodore "Ted" B. Phillips, Chief Financial Officer. Mr. Phillips joined JEA as its Chief Financial Officer in August 2021. In this role, his responsibilities include oversight of Financial Services, Treasury Services, Risk Management Services, Supply Chain, ~~Corporate Security~~, Procurement, ~~Emergency Preparedness and Business Continuity~~, Facilities and Fleet Services, and ~~Technical Services~~ Enterprise Planning and Analytics. He brings with him a wealth of experience leading finance teams for public utilities.

Prior to joining JEA, Mr. Phillips worked for 10 years with Huntsville (Ala.) Utilities, leading teams in Finance/Accounting, MIS, Technical Services, Purchasing, Stores & Warehouses, Fleet and Facilities. Previously, he spent 20 years in the public sector working for the cities of Shelby and Monroe, North Carolina, Mecklenburg County, North Carolina, and the State Auditor's office in Missouri.

Mr. Phillips received a Bachelor of Science in Business Administration from Southeast Missouri State University. He has been an active member in the communities he has called home, having served on the boards of the United Way and The Schools Foundation in Huntsville, and in various United Way campaign leadership positions. He is currently ~~serves as~~ Treasurer a member of the Salvation Army of Northeast Florida Advisory Board. He has also been a longtime ~~pack~~ leader for the Boy Scouts of America.

Jody L. Brooks, Chief Administrative Officer. Ms. Brooks returned to JEA as its Chief Administrative Officer in June 2024. Ms. Brooks, who served JEA in two previous stints, brings 30 years of legal experience and a wealth of knowledge about JEA, federal, state and local utility regulation and Florida environmental laws. She was JEA's chief administrative officer from 2021 - 2023 and the utility's first chief legal officer from 2016-2019. Previously, she supported

JEA's efforts as an attorney with the OGC (as defined herein), and most recently she operated a legal practice in Orange Park.

Prior to her public service, Ms. Brooks served as general counsel at Allen Land Group Inc. and in-house counsel with The St. Joe Company. She began her legal career as an Associate with Lewis, Longman and Walker, P.A.

Ms. Brooks holds a Juris Doctor, with honors, from the University of Florida Fredric G. Levin College of Law, along with a Certificate in Environmental Land Use Law.

Bradley D. Krol, Chief Information Officer. Brad Krol joined JEA as chief information officer in 2021. His teams oversee enterprise business systems, technology infrastructure and cybersecurity, and he provides strategic leadership and direction on new technologies to support the utility's operations.

Prior to joining JEA, Mr. Krol served as chief information officer for Expro Group, a Houston-based international oilfield services company specializing in well flow management. There he was responsible for all aspects of the organization's information technology department and developed an IT strategic vision to align technology with the needs of the organization. In his career, he has also served as information technology director, IT infrastructure and operations director and global director of information technology for private companies in Houston and Calgary, Alberta, Canada.

Mr. Krol earned a Bachelor of Science in business operations from DeVry Institute of Technology. He is a member of the advisory board for the Computing Sciences Department at the University of North Florida.

Kurt Wilson, Chief of Staff. Kurt Wilson joined JEA in 2020. As chief of staff, Mr. Wilson advances key initiatives and operations for the CEO and supports JEA's leadership team, OGC, and the board of directors. He also leads strategic working relationships with community partners, government officials, and regional agencies.

Prior to being promoted to chief of staff, Mr. Wilson served as JEA's vice president, government and community relations. Before joining JEA, he served 25 years with Jacksonville Fire & Rescue, retiring as fire chief.

Mr. Wilson holds a bachelor's degree in public administration from Flagler College.

Joseph E. Orfano, Deputy Chief Financial Officer ~~and Treasurer~~. As JEA's deputy chief financial officer ~~and treasurer~~, Mr. Orfano is responsible for supporting the chief financial officer in managing JEA finances and ensuring that the organization operates efficiently and effectively.

Mr. Orfano joined JEA in 2013 and has more than 20 years of prior experience working in electric utility companies. In previous roles with JEA, he has served as treasurer, interim chief financial officer, and vice president, financial services. Prior to joining JEA, he was director of treasury at a mining company in Scottsdale, Arizona.

differ materially from the estimates of the actuary in any actuarial valuation. However, based on the current unfunded actuarial accrued liability of the GERP, JEA expects that its annual contributions to GERP will be increasing over the near future to fund its portion of the unfunded amount. JEA does not expect that increases in its annual contributions to GERP over time will be material.

JEA also maintains a medical benefits plan that it makes available to its retirees. The medical plan is a single-employer, ~~experience-rated~~ self-funded 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.

See Note 12, Note 13 and pages 110-116 of JEA's 2024 Financial Statements attached hereto as APPENDIX A for a discussion of the pension plans, "other post-employment benefit" plan and actuarial accrued liability.

Certain Demographic Information

The information provided in this section relates to the City and the Jacksonville Metropolitan Statistical Area (the "Jacksonville MSA"). The service areas for the Water System and the Sewer System do not encompass all of the City or the Jacksonville MSA. For additional information regarding the service areas for the Water System and the Sewer System, see "WATER AND SEWER SYSTEM - WATER AND SEWER SYSTEM FUNCTIONS - Area Served - Water System" and "- Sewer System" herein.

Under Florida law, the City and Duval County are organized as a single, consolidated government. Based upon the 2020 United States Census, the consolidated City is the most populous city in the State. The City covers 840 square miles and is one of the largest cities in area in the United States.

The Jacksonville MSA is composed of Duval, Clay, Nassau, St. Johns and Baker Counties, an area covering approximately 3,202 square miles. The U.S. Census Bureau estimates that the Jacksonville MSA had a population of 1,713,240 as of August 2024. The Jacksonville MSA is currently the fourth most populous MSA in the State. The table below shows the population for the Jacksonville MSA.

<u>Year</u>	<u>Population</u> <u>Jacksonville MSA⁽¹⁾</u>
1990	906,727
2000	1,126,224
2010	1,348,967
2020	1,587,892
2021	1,637,666
2022	1,675,668
2023	1,713,240

Source: United States Census Bureau.

Total Non-Agricultural Employment (Except Domestics, Self-Employed and Unpaid Family Workers)	802,400	100.0%
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Source: Bureau of Labor Statistics Current Employment Statistics database, extracted from <https://www.bls.gov/data/#employment> at <https://www.floridajobs.org/workforce-statistics/data-center/statistical-programs/current-employment-statistics>.

(1) Consists of other services, information and natural resources and mining.

The following table lists the 10 largest non-governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

<u>Name of Employer</u>	<u>Product or Service</u>	<u>Approximate No. of Employees</u>
Baptist Health System	Healthcare	12,000
Mayo Clinic	Healthcare	10,000
Bank of America / Merrill Lynch	Banking	8,000
UF Health Jacksonville	Healthcare	7,269
Florida Blue	Health Insurance	5,700
Southeastern Grocers	Supermarkets	5,700
Citi	Banking	5,072
Ascension St. Vincent's Healthcare	Healthcare	5,050
Amazon	E-commerce Fulfillment	4,850
UPS	Worldwide Parcel Delivery	4,000

Source: Jacksonville Regional Chamber of Commerce Research Department.

The following table lists the eight largest governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

<u>Name of Employer</u>	<u>Type of Entity/Activity</u>	<u>Approximate No. of Employees</u>
Naval Air Station, Jacksonville	United States Navy	14,390
Duval County Public Schools	Public Education	12,000
Naval Air Station, Mayport	United States Navy	10,600
City of Jacksonville	Municipal Government	7,908
St. Johns County School District	Public Education	5,890
Fleet Readiness Center	Maintenance / Repair Overhaul	5,550
Clay County School Board	Public Education	4,960
United States Postal Service	United States Government	3,800

Source: Jacksonville Regional Chamber of Commerce Research Department.

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Strategic Planning

JEA's strategic planning efforts are guided by its values:

1. Safety – Putting the physical and emotional wellbeing of people first, both at and away from work,
2. Respect – Treating others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone, and
3. Integrity – Placing the highest standard on ethics and personal responsibility, worthy of the trust its customers and colleagues place in it.

With these values in mind, JEA's strategic efforts are centered around three strategic focus areas:

1. Developing an Unbeatable Team – because knowing employees that are treated well will treat JEA customers well,
2. Delivering Business Excellence – because JEA and its employees are serious about serving as good stewards of the resources its customers rely on, and
3. Earning Customer Loyalty – because JEA's customers count on it to deliver affordable, reliable services.

To execute on the strategic focus areas, JEA has laid out its strategic objectives:

1. Fostering an Exceptional Work Culture
 - Employee engagement
 - Diversity, equity and inclusion

- Employee development
- 2. Deepening Customer and Community Engagement
 - Reasonable rates
 - Sound business decisions
 - Economic development
 - Customer solutions
 - Stakeholder relationships
 - Environmental stewardship
- 3. Planning for the Future
 - Long-term workforce plan
 - New business opportunities
 - Enterprise planning
 - Resilient & reliable infrastructure
 - Grid modernization
- 4. Making Doing Business with JEA Easy
 - Technology, Tools & Data
 - Governance & Policy

While JEA's mission, vision, and values generally do not change, the strategic objectives, particularly the objectives within each focus area, will continue to evolve as JEA works to serve northeast Florida. These strategic focus areas and objectives will guide the development and/or refinement of JEA's plans, programs, and targets to meet its mission of improving lives and building community to be the best utility in the nation.

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- (1) Since the rated maximum daily treatment capacity of each wastewater treatment plant is approximately twice the rated average daily treatment capacity, the Sewer System is able to accept and handle surges that come with peak usage periods (morning and evening) and heavy rains. On-going system maintenance and improvements are aimed at continuing to decrease peak surges from heavy rains and infiltration into the collection system (*i.e.*, storm water and/or ground water that enters the sewer system through cracks or openings in the collection system) and inflow (*i.e.*, water that enters the sewer system through illegal or unpermitted piped connections to the collection system).

Five of the regional wastewater treatment plants (Buckman, District 2, Southwest, Arlington East and Mandarin) provide advanced secondary treatment and two of the regional wastewater treatment plants (Blacks Ford and Nassau) provide advanced waste treatment. The Buckman, District 2, Southwest, Arlington East, Mandarin and Blacks Ford wastewater treatment plants utilize ultraviolet light disinfection (irradiation of the water), and the Julington Creek Plantation plant utilizes chlorination for disinfection and SO₂ for dechlorination prior to discharge to the St. Johns River. Design is underway to expand treatment capacity at Blacks Ford to 12.0 mgd. Construction is underway to expand treatment capacity at Southwest and Nassau to 16.0 mgd and 3.5 mgd, respectively, ~~in addition to a.~~ Additionally, construction has been completed on the new Greenland wastewater treatment plant (4.0 mgd) ~~to be~~ located in the Southeast corner of Duval County. On February 3, 2025, the facility began producing 1.1 million gallons per day (GPD) of reclaimed water for customers. Eventually, the facility will produce 4 million GPD of reclaimed water, benefiting approximately 22,800 customers.

Although effluent disposal currently is predominately surface water discharge, JEA initiated implementation of a reclaimed water reuse program in 1999 with its acquisition of the assets and customers of an investor-owned water and wastewater utility which had an existing program for reuse of reclaimed water by customers. JEA has established an expanding program to substantially increase water reclamation systems in Nassau, Duval and St. Johns Counties. JEA is actively developing additional reclaimed water capacity. Reclaimed water capacity (in mgd) as of September 30, 2024 is provided in the table below.

Facility	Capacity (mgd)
Arlington East (Public Access)	8.00
Mandarin (Public Access)	8.75
Blacks Ford (Public Access)	6.00
Julington Creek Plantation (Public Access)	1.00
Ponte Vedra (Public Access)	0.80
Nassau (Public Access)	2.00
Buckman (Non-Public Access)	7.70
District 2 (Non-Public Access)	6.00
Southwest (Non-Public Access)	0.80
Ponce De Leon (Non-Public Access)	0.24
Total	41.29

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Customers and Sales

Water System

During the Fiscal Year ended September 30, 2024, the Water System served an average of 399,307 customer accounts and 28,351 reuse water customers, respectively. Water System revenues, including revenues from environmental charges, sales of water, expressed in 1,000 gallons (“kgal”) and the average number of Water System customer accounts, all by customer classification, for the Fiscal Year ended September 30, 2020 through 2024 are shown in the following table:

	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
Water Revenues					
Residential	\$110,867	\$107,920	\$105,065	\$100,361	\$100,316
Commercial and Industrial	50,788	49,970	49,302	47,429	47,011
Irrigation	34,694	34,291	34,510	31,666	35,030
Subtotal	\$196,349	\$192,181	\$188,877	\$179,456	\$182,357
Reuse Water	27,949	26,150	25,260	20,644	21,097
TOTAL	\$224,298	\$218,331	\$214,137	\$200,100	\$203,454
Water Sales (kgals):					
Residential	19,941,731	19,632,070	19,168,978	18,448,336	18,839,990
Commercial and Industrial	14,437,002	14,423,321	14,321,083	13,675,041	13,540,631
Irrigation	5,646,107	5,678,470	5,718,816	5,057,191	5,891,176
Subtotal	40,024,840	39,733,861	39,208,877	37,180,568	38,271,797
Reuse Water	5,448,304	5,277,237	5,166,479	4,463,047	4,426,905
TOTAL	45,473,144	45,011,098	44,375,356	41,643,615	42,698,702
Average Number of Accounts:					
Residential	333,002	326,119	318,284	308,626	299,872
Commercial and Industrial	27,597	27,265	26,939	26,518	26,190
Irrigation	38,708	38,475	38,258	37,931	37,535
Subtotal	399,307	391,859	383,481	373,075	363,597
Reuse Water	28,351	25,764	22,634	19,704	17,031
TOTAL	427,658	417,623	406,115	392,779	380,628

Source: JEA.

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Sewer System

During the Fiscal Year ended September 30, 2024, the Sewer System served an average of 319,114 customer accounts. Sewer System revenues, including revenues from environmental charges, volume of wastewater treatment billed and the average number of Sewer System customer accounts, all by customer classification, for the Fiscal Years ended September 30, 2020 through 2024 are shown in the following table:

	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
Sewer Revenues (000's omitted):					
Residential	\$166,236	\$162,512	\$157,706	\$152,684	\$151,893
Commercial and Industrial	114,859	114,093	114,448	111,255	109,682
TOTAL	\$281,095	\$276,605	\$272,154	\$263,939	\$261,575
Volume (kgals):					
Residential	17,600,743	17,295,189	16,816,302	16,148,759	16,405,359
Commercial and Industrial	12,369,254	12,371,643	12,436,566	11,990,765	11,754,843
TOTAL	29,969,997	29,666,832	29,252,868	28,139,524	28,160,202
Average Number of Accounts:					
Residential	299,540	292,490	284,401	275,022	266,460
Commercial and Industrial	19,574	19,383	19,149	18,848	18,644
TOTAL	319,114	311,873	303,550	293,870	285,104

Source: JEA.

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Largest Customers

Water System

The 10 highest consumption customers served by the Water System composed 6.0 percent of total Water System consumption during the Fiscal Year ended September 30, 2024. The following table sets forth the 10 highest consumption customers, by kgal, during the Fiscal Year ended September 30, 2024.

Customer Account	Annual Billed (kgal)	Percentage of Total
St. Johns County Utility	734,403	1.6%

Year ending September 30, 2025. Actual uncollectible accounts were 0.18 percent of gross Water and Sewer System revenues for the Fiscal Year ended September 30, 2024.

Rates

General

Water and Sewer System revenues are derived from two basic types of charges: (a) monthly service charges and (b) connection charges (which include capacity charges). Additionally, environmental charges collected were reflected in Water and Sewer System Revenues prior to April 1, 2023 and were eliminated and rolled into the monthly service charges, specifically the unit charges for metered consumption (per kgal), thereafter. The JEA Board has sole discretion to set rate levels and revenue requirements for the Water and Sewer System. JEA sets its retail rates after a public hearing.

Generally, Water System customers are charged for monthly water service based upon metered consumption, and Sewer System customers are charged for monthly sewer service based upon water consumption during that same month, utilizing readings of the water meters. Approximately 15 percent of the customers of the Water System have separate meters for water used for irrigation purposes. In those cases, billings for monthly sewer service exclude the water used for irrigation purposes. In the case of Sewer System customers that obtain water service from a community- or investor-owned utility, monthly sewer charges are based upon readings of that utility's water meter. In the case of Sewer System customers that obtain water from privately owned wells, water meters meeting JEA's requirements are required to be installed, and monthly sewer charges are based upon readings of those meters. In addition, in some instances, non-residential customers have separate meters to measure wastewater flows, and JEA charges those customers for sewer service based upon readings of such separate meters. Further, certain non-residential Sewer System customers are subject to surcharges for wastewater discharges that exceed certain designated levels of chemical oxygen demand and suspended solids.

Prior to April 1, 2023, water users were charged a monthly service availability charge according to water meter size, plus a unit rate and an environmental charge. After April 1, 2023, water users are only charged monthly service availability and unit rate charges.

Rates for Monthly Service

The schedules shown in the following tables reflect rates for monthly water, sewer service and reclaimed service effective as of October 1, 2021, and April 1, 2023, as indicated.

Water Rates

Prior to April 1, 2023, water users were charged a monthly service availability charge according to water meter size, plus a unit rate and an environmental charge. Since April 1, 2023, water users have been only charged monthly service availability and unit rate charges. The following tables reflect rates for monthly water service effective as of October 1, 2021 and April 1, 2023, as indicated:

**Water System
Monthly Service Availability Charge**

Meter Size	Residential	Residential Irrigation	Commercial	Multi-Family	Multi-Family Irrigation; Commercial Irrigation
5/8"	\$ 12.60	\$ 12.60	\$ 12.60	\$ 18.41	\$ 12.60
3/4"	18.90	18.90	18.90	27.62	18.90
1"	31.50	31.50	31.50	46.03	31.50
1 1/2"	63.00	63.00	63.00	92.05	63.00
2"	100.80	100.80	100.80	147.28	100.80
3"	201.60	201.60	201.60	294.56	201.60
4"	-	-	315.00	460.25	315.00
6"	-	-	630.00	920.50	630.00
8"	-	-	1,008.00	1,472.80	1,008.00
10"	-	-	1,974.55	2,117.15	-
12"	-	-	3,691.55	3,958.15	-
20"	-	-	7,726.50	8,284.50	-

**Water System
Unit Charge (per kgal)***

Non-Irrigation					Irrigation			
Residential Tiers (kgal)			Commercial Tier	Multi-Family Tier	Residential Tiers (kgal)		Multi-Family; Commercial Tiers (kgal)	
1-6	7-20	>20	All kgal	All kgal	1-14	>14	1-14	>14
\$0.93	\$2.60	\$5.60	\$1.49	\$1.00	\$2.60	\$5.60	\$3.44	\$3.96

*Unit Charge rates in effect prior to April 1, 2023.

**Water System
Environmental Charge (per
kgal)***

Water	\$0.37
Irrigation	0.37

*Environmental Charge rates in effect prior to April 1, 2023.

New residential and commercial Sewer System customers also are assessed a one-time capacity charge for new connections. The minimum charge for a new sewer connection shall be the greater of the charge per gallon of average daily sewer as estimated and approved by JEA or the applicable plant capacity fee stated below. For existing sewer connections, there will be a charge per gallon of additional average daily sewer capacity as estimated and approved as stated below.

Sewer Plant Capacity Fees for Residential and Commercial Service

Meter Size	Effective Date			
	October 1, 2022	April 1, 2023	October 1, 2023	April 1, 2024
	Charge per Gallon			
\$/gallon	\$ 20.08	\$ 25.57	\$ 25.57	\$ 25.57
	Sewer			
3/4"	\$4,016.00	\$5,114.00	\$5,114.00	\$5,114.00
1"	5,020.00	6,392.50	6,392.50	6,392.50
1 1/2"	6,024.00	7,671.00	7,671.00	7,671.00

Reclaimed Water System Connection Charges

Effective on October 1, 2007, the retail reclaimed (reuse) water rate was modified to reflect (a) a separate rate for commercial customers in DRIs equal to potable, non-DRI, commercial irrigation rates and (b) a new rate class for commercial bulk reclaimed (reuse) water service.

Regulation

Water and Sewer System

The future financial condition of the Water and Sewer System could be adversely affected by, among other things, legislation, environmental and other regulatory actions promulgated by applicable federal, state and local governmental agencies. Future changes to new and existing regulations may substantially increase the cost of water and sewer service by requiring changes in the design or operation of existing or new facilities. JEA cannot predict future policies such agencies may adopt.

Several upcoming rules could impact the potable water system:

1. America's Water Infrastructure Act of 2018 ("AWIA"). AWIA ~~will require~~requires biannual distribution of JEA's Water Quality Report; as well as a Risk and Resilience assessment (the "RRA") that was due on March 31, 2020, and must be reviewed every five years to determine if it needs to be revised. It also ~~required~~requires JEA to prepare an emergency response plan that incorporates the findings from the ~~risk-and-resiliency assessment and submit it~~RRA and it needed to be submitted by September 30, 2020. Both items have been completed and submitted.

The ~~risk and resiliency assessment~~ upcoming RRA submittal date is based on population size for populations over 100,000 and the due date is March 31, 2025. This impacts the major grid assessment which is currently under review and being updated for submittal by the deadline. Smaller systems (Lofton Oaks and Ponte Vedra) are not due until June 30, 2026.

2. Revised Lead and Copper Rule (the “LCR”). The LCR requires: (a) lead service line replacement by the utility of the utility-owned section when a customer changes the portion they own, (b) a new trigger level from 15 ppb to 10 ppb for the 90th percentile sample for optimizing corrosion control treatment (“CCT”) or completing a CCT study if not currently treating, (c) increased sampling reliability by imbedding current guidance in the LCR and revising sampling pool requirements, (d) public notification with 24 hours of an action level exceedance, (e) utilities to test for lead in schools and child care facilities, and (f) a lead service line inventory and replacement plan. The final rule was published January 15, 2021, with an effective date of December 16, 2021. The first compliance deadlines commenced on October 16, 2024. The initial service line inventory was submitted on October 15, 2024. JEA has completed approximately 90 percent of JEA's and customer's service lines and to date has not found any lead ones. The EPA recently finalized the Lead and Copper Rule Improvements, which requires a complete inventory of all service lines including the customer side of the meter; testing of all schools (K-5) and daycares in the service territory; enhanced notification of any action level exceedance; and 5th liter sampling for lead (versus first draw). Sampling begins in October 2027. As described above, the LCR will require additional sampling and reporting; the overall financial impacts are currently estimated in the approximate amount of \$2.5-3.0 million.

3. Regulation of Per- and Polyfluoroalkyl substances. Per- and Polyfluoroalkyl substances (“PFAS”) are a group of synthetic compounds widely used in consumer and commercial products, including perfluorooctanoic acid (“PFOA”) and perfluorooctanesulfonic acid (“PFOS”). The EPA announced the final National Primary Drinking Water Regulation (“NPDWR”) on April 10, 2024, which set maximum contaminant levels (“MCLs”) for six PFAs in drinking water: PFOA (4.0 ppt), PFOS (4.0 ppt), perfluorononanoic acid (“PFNA”) (10.0 ppt), perfluorohexanesulfonic acid (“PFHxS”) (10.0 ppt), and GenX Chemicals (10.0 ppt). The NPDWR also established an MCL for any mixture of two or more of the following PFAS: PFNA, PFHxS, PFBS, and GenX Chemicals of a Hazard Index of 1 (unitless). Initial monitoring must be completed within three years (by 2027) and compliance within five years (by 2029).

4. EPA’S Disinfection By Product Rule. Microbial and Disinfection Byproducts Rule Revisions (“MDBPs”) are a series of interrelated regulations that address risks from microbial pathogens and disinfectants/disinfection byproducts. EPA is currently conducting analyses to further evaluate the eight National Primary Drinking Water Rules (NPDWRs) for potential regulatory revisions. Additionally, with a consideration of risk/risk tradeoff among different disinfection byproducts (DBPs), EPA is also evaluating information on unregulated DBPs, including chlorate and nitrosamines.

On June 15, 2020, the court accepted a settlement between EPA and the Waterkeeper Alliance. EPA agreed to propose revisions to the current primary standards for chlorite, *Cryptosporidium*, *Giardia lamblia*, haloacetic acids (HAA), heterotrophic bacteria, *Legionella*, total trihalomethanes (TTHM) and viruses

The proposed rule is expected sometime around July 2025, with the final rule in 2028 and compliance by 2030. If the TTHM standard is lowered from the current level of 80 ppb to 60 ppb, it could require additional treatment at 8 water plants at an estimated total cost of \$111 million.

Public Water Supply System

The St. Johns River Water Management District (“SJRWMD”) regulates groundwater withdrawals and issues permits for the same. JEA was issued a 20-year CUP in May 2011 from the SJRWMD. As of the date of this Annual Disclosure Report, modeling efforts have indicated that a sustainable groundwater supply can continue to be met for the 20-year planning period out to 2031 with a three-part program that is the basis of JEA’s water capital improvement plan: (a) continued expansion of the reuse system, (b) aggressive water conservation program and (c) 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. JEA has also implemented a groundwater quality management program to mitigate the effects of (non-lateral) saltwater intrusion into specific wells on the systems south grid that includes routine well monitoring, back plugging of specific wells, and reducing or replacing wells that show continued increases in chlorides. In 2021, the permitted CUP allocation reached 142.26 million gallons per day which will remain the limit through 2031. Actual ~~2023~~2024 calendar year withdrawals averaged ~~125.2~~127.9 million gallons per day.

JEA’s groundwater withdrawals are subject to a CUP issued by the St. Johns River Water Management District. Pursuant to its CUP, JEA is required to address its share of impact to water bodies with set minimum flows and levels, which are regulatory water levels intended to prevent significant harm.

Rulemaking to set Minimum Flows and Levels (“MFLs”) is currently underway for several water bodies in north Florida. The SJRWMD set higher MFLs for Lakes Brooklyn and Geneva on May 11, 2021, prompting JEA and other utilities to participate in an agreement with the SJRWMD to partially fund a project to pipe water from Black Creek to the lakes, with JEA’s contribution estimated to be approximately \$7 million. A similar scenario may arise with the Suwannee River Water Management District (the “SRWMD”) in connection with the Ichetucknee and Lower Santa Fe Rivers, where JEA may need to fund projects or reduce groundwater withdrawals based on their determined impact. FDEP is reviewing the previously adopted MFLs for the Lower Santa Fe and Ichetucknee Rivers and anticipates adoption of new MFLs and associated recovery and prevention strategies in 2024-2025. Based on preliminary information, one or more of the MFLs for these water bodies may be in violation upon completion of rulemaking.

The rising costs of groundwater are linked to CUPs, which limit water withdrawals, necessitating alternative sources like the new 1.0 mgd Purified Water Demonstration Facility for

will be enacted which will affect JEA's operations and if such laws are enacted, what the costs to JEA might be in the future.

FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM

Debt Relating to Water and Sewer System

Water and Sewer System Bonds

As of September 30, 2024, \$1,300,850,000 in aggregate principal amount of bonds (the "Water and Sewer System Bonds") issued pursuant to the resolution of JEA adopted on February 18, 1997 and referred to therein as the "Water and Sewer System Revenue Bond Resolution" (as amended, restated and supplemented, the "Water and Sewer System Resolution") was outstanding. As of the date of this Annual Disclosure Report, there is \$1,709,650,000 in aggregate principal amount of Water and Sewer System Bonds outstanding under the Water and Sewer System Resolution, consisting of (a) \$51,820,000 in aggregate principal amount of variable rate Water and Sewer System Bonds and (b) \$1,657,830,000 aggregate principal amount of fixed rate Water and Sewer System Bonds.

Water and Sewer System Bonds may be issued for the purposes of (a) paying or providing for the payment of Costs (as defined in the Water and Sewer System Resolution) of the Water and Sewer System and (b) refunding any Water and Sewer System Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION - *Additional Water and Sewer System Bonds*" in APPENDIX B attached hereto.

Pursuant to the Water and Sewer System Resolution and the laws of the State, the amount of Water and Sewer System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Water and Sewer System Resolution.

On September 26, 2023, JEA's governing board (the "JEA Board") approved a resolution changing JEA's historical approach to seeking incremental debt authorization from the Council. The resolution established a not-to-exceed debt outstanding amount of \$2.5 billion for the Water and Sewer System. The not-to-exceed amount is for the purposes of providing funds for both new money and the refunding of existing debt. The Council approved this new approach pursuant to Ordinance 2023-724-E enacted on November 14, 2023. This new methodology for debt authorization replaces the previous incremental approach. JEA will submit a summary, as part of its annual budget submission to the City, showing outstanding and anticipated borrowings against the not-to-exceed authorization amount. In the event additional authorization is needed in the future, it will be requested from the Board and the Council.

A summary of certain provisions of the Water and Sewer System Resolution, including a description of the recent amendments thereto described below, is attached to this Annual Disclosure Report as APPENDIX B.

On February 7, 2024, JEA closed on the issuance of ~~\$503,835,000~~ \$503.8 million in aggregate principal amount of its Water and Sewer System Revenue Bonds, 2024 Series A (the

“2024 Series A Bonds”). Of this amount, \$353 million was new money issuance, and \$150.8 million was refunding of existing senior and subordinate debt. The proceeds of the 2024 Series A Bonds, together with any additional funds made available by JEA, will be used for, among other things, the purpose of ~~repaying the outstanding balance of \$177 million under the revolving credit facility~~ contributing approximately \$173.5 million for the refunding of existing senior and subordinate debt, in addition to providing funds to pay for expansion and improvements to the Water and Sewer System by contributing approximately \$205.9 million to the construction fund and repaying the outstanding balance of \$177 million under the revolving credit facility.

On January 30, 2025, JEA closed on the issuance of ~~\$532,845,000~~ \$532.8 million in aggregate principal amount of its Water and Sewer System Revenue Bonds, 2025 Series A (the “2025 Series A Bonds”). Of this amount, \$462 million was new money and ~~\$70,845,000~~ \$70.8 million was refunding of existing senior debt. The proceeds of the 2025 Series A bonds, together with any additional funds made available by JEA, will be used for the purpose of contributing approximately \$77 million for the refunding of existing senior debt, approximately \$283.5 million for costs of the water and sewer system, approximately \$38.6 million to the debt service reserve fund, approximately \$2.2 million for payment of the refunded bonds swap termination costs, and \$170 million for the purpose of repaying the outstanding balance under the revolving credit facility.

Liquidity support in connection with tenders for purchase of the Variable Rate Water and Sewer System Revenue Bonds, 2008 Series B (the “SBPA Supported Variable Rate Water and Sewer Bond”) currently is provided by a bank pursuant to a standby bond purchase agreement between JEA and such bank. On January 30, 2025, these bonds were refunded by the 2025 Series A Bonds.

Credit and liquidity support for JEA’s Variable Rate Water and Sewer System Revenue Bonds, 2008 Series A-2 (the “LOC Supported Variable Rate Water and Sewer System Bond” and, together with the SBPA Supported Variable Rate Water and Sewer System Bond, the “Senior Liquidity Supported Water and Sewer Bonds”) currently is provided by a direct-pay letter of credit issued by a different bank. Any Senior Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its (a) standby bond purchase agreement between JEA and such bank or (b) letter of credit issued in connection with the reimbursement agreement between JEA and such bank, as applicable, and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Senior Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement or letter of credit reimbursement agreement, as applicable, will constitute an “Option Bond” within the meaning of the Water and Sewer System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain “events of default” on the part of JEA under such standby bond purchase agreement or letter of credit reimbursement agreement, as applicable. Upon any such tender or deemed tender for purchase, the Senior Liquidity Supported Water and Sewer Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreement and such reimbursement agreement, see “OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes” herein.

part of JEA under the standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Subordinated Liquidity Supported Water and Sewer Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain “ratings triggers” contained in such standby bond purchase agreements, see “OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes” herein.

As of the date of this Annual Disclosure Report, no Subordinated Liquidity Supported Water and Sewer Bonds are held by the banks providing such standby bond purchase agreements. Such standby bond purchase agreements are subject to periodic renewal at the discretion of the respective bank. The current expiration dates for the standby bond purchase agreements are September 8, 2026, May 7, 2027, and June 25, 2027.

Water and Sewer System Contract Debts

“Contract Debts,” a component of the Water and Sewer System’s Operation and Maintenance Expenses, is defined by the Water and Sewer System Resolution to mean any obligations of JEA under any contract, lease, installment sale agreement, bulk purchase agreement or otherwise to make payments out of the Revenues of the Water and Sewer System for property, services or commodities whether or not the same are made available, furnished or received. JEA has not incurred any obligations constituting Contract Debts under the Water and Sewer System Resolution, but it may do so in the future. All Contract Debts will be payable from the Revenues of the Water and Sewer System prior to any payments from such Revenues for indebtedness not constituting Contract Debt issued for the Water and Sewer System, including the Water and Sewer System Bonds and Subordinated Indebtedness (including the Subordinated Water and Sewer System Bonds).

Water and Sewer System Support of the District Energy System Bonds

Effective as of October 1, 2004, JEA established the District Energy System, a separate system to provide chilled water services and other local district energy functions. JEA transferred its assets relating to chilled water production and distribution from the Electric System to the District Energy System. The Electric System received approximately \$30,000,000 from the District Energy System for the transferred assets. The District Energy System is operated as a separate system for accounting and financing purposes. See JEA’s 2024 Financial Statements attached hereto as APPENDIX A.

As of the date of this Annual Disclosure Report, there is \$~~24,025,000~~66,025,000 in aggregate principal amount of District Energy System Bonds outstanding under the District Energy System Resolution.

Pursuant to Resolution No. 2013-2, adopted by JEA on March 19, 2013, revenues of the Water and Sewer System shall be deposited into a special subaccount in the Debt Service Reserve Account (the “2013 Series A Bonds Subaccount”) established for the District Energy System Refunding Revenue Bonds, 2013 Series A (the “DES 2013 Series A Bonds”) and pledged to pay debt service on the DES 2013 Series A Bonds in the event that revenues of the District Energy System are insufficient to pay debt service on such DES 2013 Series A Bonds.

JEA did not issue any Subordinated Water and Sewer System Bonds during the Fiscal Years ended September 30, 2024 and 2023.

Debt Service Coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds including Capacity Charges

Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds decreased to 3.01 times for the Fiscal Year ended September 30, 2024, as compared to the debt service coverage of 3.62 times for the Fiscal Year ended September 30, 2023, as a result of the 5.7 percent decrease in Net Revenues available for debt service and the 13.5 percent increase in Aggregate Debt Service on Water and Sewer System Bonds between such periods.

Liquidity Resources

The Days of Cash on Hand for the Water and Sewer System on September 30, 2024 was 55 days, and the Days of Liquidity was 140 days. The Days of Cash on Hand for the Water and Sewer System on September 30, 2023 was 23 days, and the Days of Liquidity was 109 days. In recent years, liquidity metrics had been historically high and well above internal targets. The elevated amounts were in anticipation of being able to fund a portion of increasing capital improvement needs in the Water and Sewer System. The lower liquidity metrics are representative of JEA's transition to a period of higher capital investment in the Water and Sewer System, resulting in more efficient use of liquidity while keeping within established liquidity targets. JEA anticipates moderate increases in liquidity metrics in upcoming years but does not expect the metrics to increase to prior levels that had built up in anticipation of recent elevated capital expenditures. The Days of Cash on Hand computation is as follows:

(Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2024 Financial Statements attached hereto as APPENDIX A) / ((Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)

The Days of Liquidity computation is as follows:

(Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2024 Financial Statements attached hereto as APPENDIX A + allocated share of available Revolving Credit Facility*) / ((Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)

* Allocated share of available Revolving Credit Facility on September 30, 2024 was approximately \$70.5 million and approximately \$66.6 million on September 30, 2023; however, the total balance available to the Water and Sewer System of \$353 million could have been drawn as of September 30, 2024.

DISTRICT ENERGY SYSTEM

DISTRICT ENERGY SYSTEM FUNCTIONS

General

The District Energy System provides chilled water to customers for air-conditioning and, in some cases, cooling equipment. The facilities for the chilled water business consist of chilled water plants to generate chilled water and underground piping to distribute the chilled water to buildings located within the respective districts served by the plants and certain ancillary equipment. JEA's first chilled water facility became fully operational in March 2003.

The establishment of the District Energy System was approved by the Council in September 2004. Effective as of October 1, 2004, the District Energy System was established as a separate utility system for its local district energy facilities, including the chilled water activities, and any local district heating facilities JEA may develop in the future. Since its commencement of operations, JEA subsequently added three other chilled water facilities, one of which was sold on September 30, 2020. As of January 1, 2025, the District Energy System has 16,121 tons of cooling demand under contract and in full service, an additional 2,100 tons of cooling demand under contract and expected to be in full service on December 1, 2025, and 4,000 tons of cooling demand in contract negotiation for a projected service start date in 2028.

Chilled Water Facilities

Chilled water systems air condition buildings by circulating cold water in a continuous flow to the building. A central chilled water plant provides chilled water to buildings through an underground loop, rather than the customer installing and operating its own chiller equipment. JEA has entered into agreements with the City to provide chilled water systems to the ~~baseball park~~ [VyStar Ballpark](#), the ~~arena~~ [Veterans Memorial Arena](#), the Duval County Courthouse, the ~~library~~ [Main Library](#) and other government buildings. JEA also has contracts with the University of Florida for chilled water services to UF Health medical facilities in the Springfield neighborhood, and with other private entities to serve their facilities.

JEA's first chilled water facility, the Hogan's Creek Plant, located on East Church Street in downtown Jacksonville, became fully operational in March 2003. At this time, the plant is serving the Baseball Grounds of Jacksonville (310-ton contract demand), the Miller Electric Center, also known as the Jaguars Sports Performance Facility (500-ton contract demand), and the Jacksonville Veteran's Memorial Arena (2,350-ton contract demand). While not currently in full service, the Shipyards Hotel and Shipyards Offices are currently under contract for future load delivery. The facility includes three 2,000-ton chillers, two 1,700-ton cooling towers and a one-million-gallon chilled water storage tank for peak demand capacity. The temporary service date for the Shipyards Hotel commenced on December 1, 2024 with a contract demand of 500 tons, which will increase to 1,600 tons on the full service date of December 1, 2025. The temporary service date for the Shipyard Offices commences on April 1, 2025 with a contract demand of 350 tons, which will increase to 500 tons on the full service date of December 1,

2025. The Hogans Creek Plant includes three 2,000-ton chillers, a 3,400-ton cooling tower, and a one-million-gallon chilled water storage tank for peak demand capacity.

A second chilled water facility located on Duval Street serves five City buildings including the Court House, State Attorney's Office, Main Library, City Hall Annex and a City garage for a total contract demand of 5,170 tons. The plant also serves the prior JEA downtown complex with a demand of 700 tons and in April 2022 started serving the new JEA headquarters facilities with a demand load of 400 tons. The ~~Downtown Office Complex~~ JEA downtown complex is billed for 700 tons even if the actual demand is less than 700 tons. To the extent that JEA sells the ~~Downtown Office Complex~~ prior downtown complex, the purchaser may or may not elect to enter into a contract with JEA for chilled water services. The newest customer to the Downtown Plant, Ryan Companies, was added in May 2024 with an initial cooling load of 144 tons which is expected to ramp up to 1,043 tons over the next 10 years. The Downtown Plant includes three 2,400-ton chillers and a 7,200-ton cooling tower.

JEA's third chilled water facility is located at 2103 Boulevard Avenue in the Springfield neighborhood. The Springfield facility currently serves eight locations on the UF Health Jacksonville complex. The total contracted demand for the facility is 6,547 tons. The facility includes three 1,600-ton chillers, three 1,450-ton chillers, a 9,176-ton cooling tower and a 2,948-ton cooling tower.

Customers and Sales

The District Energy System had contracts to provide 19 locations with chilled water, with two additional locations contracted for initial service in calendar year 2025, and total District Energy System sales revenues were approximately \$12,882,000 for the Fiscal Year ended September 30, 2024.

Customer Billing Procedures

Customers are billed on a cycle basis approximately once per month. If the customer has not paid a bill within 42 days after the initial bill date, JEA may discontinue service to that customer. Customers who meet JEA's credit criteria are not assessed a deposit. Customers who do not meet JEA's credit criteria, or do not maintain a good payment record, are assessed a deposit which may vary with consumption. A late payment fee of 1.5 percent is assessed to customers for past due balances in excess of 27 days.

Rates

Prior to October 1, 2022, District Energy System ("DES") revenues were derived from two basic types of charges: (a) a demand charge based upon the customer's estimated expected yearly cooling load requirements and (b) a consumption charge based upon the actual amount of chilled water consumed by the customer.

Standard rates for chilled water services were based on the customer's demand and consumption of chilled water and a standard 2,400 Equivalent Full Load Hour ("EFLH") profile.

The total amount of the capital program for the four-year period is estimated to be approximately \$46.3 million, which includes approximately \$24.3 million for chilled water projects at Hogans Creek, \$8.2 million for the downtown chilled water plant expansion and upgrades, \$4.9 million for stadium line extensions, \$5.6 million for renewal, \$2.8 million for downtown chilled water line extension, and \$0.5 million for security related projects. JEA expects the total amount required for the capital program will be derived from revenues, other available funds of the District Energy System and borrowings from the [debt issuance as well as from the](#) revolving credit facility. See “OTHER FINANCIAL INFORMATION - Revolving Credit Facility” herein for additional information.

FINANCIAL INFORMATION RELATING TO DISTRICT ENERGY SYSTEM

Debt Relating to the District Energy System

District Energy System Bonds

As of September 30, 2024, \$25,955,000 in aggregate principal amount of bonds (the “District Energy System Bonds”) issued pursuant to the resolution of JEA adopted on June 15, 2004, as amended and supplemented (the “District Energy System Resolution”) was outstanding. As of the date of this Annual Disclosure Report, there is ~~\$24,025,000~~ [66,025,000](#) in aggregate principal amount of District Energy System Bonds outstanding under the District Energy System Resolution.

District Energy System Bonds may be issued to finance any lawful purpose of JEA relating to the District Energy System. See “SUMMARY OF CERTAIN PROVISIONS OF THE DISTRICT ENERGY SYSTEM RESOLUTION - Additional Bonds” in APPENDIX D attached hereto.

Pursuant to the District Energy System Resolution and the laws of the State, the amount of District Energy System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the District Energy System Resolution.

On September 26, 2023, the JEA Board approved a resolution changing JEA’s historical approach to seeking incremental debt authorization from the Council. The resolution established a not-to-exceed debt outstanding amount of \$150 million for the District Energy System. The not-to-exceed amount is for the purposes of providing funds for both new money and the refunding of existing debt. The Council approved this new approach pursuant to Ordinance 2023-724-E enacted on November 14, 2023. This new methodology for debt authorization replaces the previous incremental approach. JEA will submit a summary, as part of its annual budget submission to the City, showing outstanding and anticipated borrowings against the not-to-exceed authorization amount. In the event additional authorization is needed in the future, it will be requested from the Board and the Council.

A summary of certain provisions of the District Energy System Resolution is attached to this Annual Disclosure Report as APPENDIX D.

On February 20, 2025, JEA closed on the issuance of \$42,000,000 in aggregate principal amount of its District Energy System Revenue Bonds, 2025 Series A (Federally Taxable) (the “2025 DES Bonds”). The 2025 DES Bonds were issued for new money purposes. The proceeds of the 2025 DES Bonds will be used to pay a portion of the costs of additions, extensions, and improvements to the District Energy System by contributing approximately \$14.5 million to the construction fund and approximately \$27,000,000 for repayment of the outstanding balance under the revolving credit facility.

District Energy System Contract Debts

Contract Debts, a component of the District Energy System’s Operation and Maintenance Expenses, is defined by the District Energy System Resolution to mean any obligations of JEA under a contract, lease, installment sale agreement, bulk purchase agreement or otherwise to make payments out of Revenues for property, services or commodities whether or not the same are made available, furnished or received. JEA has not incurred any obligations constituting Contract Debts under the District Energy System Resolution, but it may do so in the future. All Contract Debts will be payable from the Revenues of the District Energy System prior to any payments from such Revenues for indebtedness not constituting Contract Debt issued for the District Energy System, including the District Energy System Bonds.

Schedules of Debt Service Coverage

The following table sets forth Schedules of the Debt Service Coverage for the District Energy System for the years ended September 30, 2024 and September 30, 2023, respectively. Such Schedules of Debt Service Coverage were derived from supplemental information included with JEA’s 2024 Financial Statements and certain other information available to JEA. Such Schedules of Debt Service Coverage should be read in conjunction with such financial statements and the notes thereto.

JEA did not issue any District Energy System Bonds during the Fiscal Year ended September 30, 2024.

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Water and Sewer System. As of September 30, 2024, JEA had one interest rate swap transaction outstanding under an interest rate swap master agreement in a notional amount of \$81,255,000 relating to the account of the Water and Sewer System. This interest rate swap transaction was terminated by JEA on January 30, 2025. For additional information concerning this interest rate swap transaction, see (a) “Debt Management Policy” below, (b) “Investment Policies” below and (c) Notes 1(k) and 8 to JEA’s 2024 Financial Statements attached hereto as APPENDIX A.

Under the master agreement, the interest rate swap transaction entered into pursuant to that master agreement is subject to early termination upon the occurrence and continuance of certain “events of default” and upon the occurrence of certain “termination events.” One of such “termination events” with respect to JEA is a suspension or withdrawal of certain credit ratings with respect to JEA or a downgrade of such ratings to below the levels set forth in the master agreement or in the confirmation related to an interest rate swap transaction. Upon any such early termination of an interest rate swap transaction, JEA may owe to the counterparty a termination payment, the amount of which could be substantial. The amount of any such potential termination payment would be determined in the manner provided in the master agreement and would be based primarily upon market interest rate levels and the remaining term of the interest rate swap transaction at the time of termination. In general, the ratings triggers on the part of JEA contained in the master agreement range from (x) below “BBB” by S&P and below “Baa2” by Moody’s to (y) below “A-” by S&P and below “A3” by Moody’s.

Additionally, the master agreement between JEA and Merrill Lynch Derivative Products AG (“MLDP”) for the account of the Water and Sewer System contains an automatic transfer provision triggered by a certain rating downgrade or downgrades, as applicable, of JEA or MLDP. Under certain circumstances if the rating on JEA’s senior lien Water and Sewer System Bonds or the long-term, unsecured, unsubordinated debt rating or financial program rating of MLDP were to fall below the double-A category, all rights and obligations of MLDP under the master agreement and all transactions under the master agreement would be automatically assigned and delegated to Merrill Lynch Capital Services, Inc. (“MLCS”). MLCS has entered into an agreement with JEA to cause a guarantee from Merrill Lynch & Co. to be delivered to JEA after the assignment occurs (the “Merrill Lynch Guarantee”) and such guarantee will guarantee the payments of MLCS under the master agreement to JEA. S&P downgraded MLDP to “A+” on August 5, 2013, triggering the assignment to MLCS and the Merrill Lynch & Co. guarantee described above.

As of September 30, 2024, JEA’s estimated aggregate exposure under all of its then outstanding interest rate swap transactions (i.e., the net amount of the termination payments that JEA would owe to its counterparties if all of the interest rate swap transactions were terminated) was approximately \$44,085,000, of which approximately \$8,028,000 was attributable to interest rate swap transactions entered into for the account of the Water and Sewer System.

Under the policy, an annual budgeted reserve contribution is to be made to a reserve fund. The contributions to the reserve fund will be funded in three equal installments of 1 percent of the notional amount beginning in the month the swap is executed. Once funded, the reserve fund shall at all times be not less than three percent of the notional amount of fixed-to-floating rate debt interest rate swaps outstanding but can be used for any lawful purpose as approved by JEA's Managing Director and Chief Executive Officer.

The aggregate notional amount of all hedging instrument transactions entered into for the account of the Water and Sewer System outstanding at any one time, net of offsetting transactions, under all swap agreements is established at not to exceed (a) \$600,000,000 in the case of interest rate swaps, (b) \$250,000,000 in the case of basis swaps and (c) \$400,000,000 in the case of caps and collars. A transaction that reverses an original transaction in every respect thereby offsetting the cash flows perfectly is referred to herein as an "offsetting transaction." Generally, in the past JEA has elected to receive or pay an upfront cash payment to reverse the original swap transaction. The phrase "net of offsetting transactions" would relate to reversals that remain on JEA's books if JEA elected not to take/make an upfront cash payment.

Investment Policies

The goals of JEA's investment policy are to (a) provide safety of capital, (b) provide sufficient liquidity to meet anticipated cash flow requirements, and (c) maximize investment yields while complying with the first two goals. Sound investment management practices help maintain JEA's competitive position since investment income reduces utility rates. JEA's funds are invested only in securities of the type and maturity permitted by its bond resolutions, Florida statutes, its internal investment policy and federal income tax limitations. JEA does not speculate on the future movement of interest rates and is not permitted to utilize debt leverage in its investment portfolio. Debt leverage is the practice of borrowing funds solely for the purpose of reinvesting the proceeds in an attempt to earn more income than the cost of the debt.

JEA invests its funds pursuant to Section 218.415, Florida Statutes, its various bond resolutions and its JEA Board-approved investment policy. As of September 30, 2024, 36.3 percent of JEA's total investment portfolio (including funds held under the Water and Sewer System Resolution, the Subordinated Water and Sewer System Resolution, the District Energy System Resolution, the Bulk Power Supply System Resolution, the Electric System Resolution, the Subordinated Electric System Resolution, and the Second Power Park Resolution) was invested in securities issued by the United States Government, federal agencies or state and local government entities and has a weighted average maturity of approximately 3.5 years. As of September 30, 2024, the remaining 63.7 percent of such investment portfolio was invested in commercial paper rated at least "A-1" and "P-1" by S&P and Moody's, respectively, having a weighted average maturity of 111 days, and in money market mutual funds and in demand deposit bank accounts. JEA's funds that are invested in commercial paper, in money market mutual funds and in bank accounts are used primarily for operating expenses.

~~JEA entered into securities lending agreements in the past wherein from time to time JEA loaned certain securities in exchange for eligible collateral consisting of United States Government and federal agency securities whose market values were at least 103 percent of the market values of the loaned securities which were re-priced daily. JEA earned a fee in~~

~~connection with such securities lending agreements, which augmented its portfolio yield. Although JEA currently does not have any securities held pursuant to its securities lending program, JEA may enter into similar securities lending agreements in the future.~~

~~JEA previously implemented a strategy to lengthen synthetically the investment maturity of its short-term revolving funds by entering into 100 percent asset-matched interest rate swap transactions. Through the use of this strategy, JEA may lock in a fixed rate of return for up to five years on those funds, such as debt service sinking funds, that it is permitted to invest only in short-term investment securities. As of September 30, 2024, JEA had, and as of the date of this Annual Disclosure Report, JEA has, no outstanding interest rate swap transactions for this purpose, although it may enter into interest rate swap transactions for this purpose in the future.~~

The JEA Board has established limits on the notional amount of JEA's interest rate swap transactions and standards for the qualification of financial institutions with whom JEA may enter into interest rate swap transactions. The counterparties with whom JEA may deal must be rated (a) "AAA"/ "Aaa" by one or more nationally recognized rating agencies at the time of execution, (b) "A"/ "A2" or better by at least two of such credit rating agencies at the time of execution, or (c) 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, swap agreements generally will require the counterparty to enter into a collateral agreement to provide collateral when (a) the ratings of such counterparty (or its guarantor) fall below "AA-"/ "Aa3" by two rating agencies and (b) a termination payment would be owed to JEA.

JEA's payment obligations under the interest rate swap transactions consist of periodic payments based upon fluctuations in interest rates and, in the event of a termination of a transaction prior to the stated term thereof, potential termination payments. The amounts of such potential termination payments are based primarily upon market interest rate levels and the remaining term of the transaction at the time of termination. JEA is authorized to enter into both (a) interest rate swap agreements the obligations of JEA under which are payable from available funds of the Electric System ("Electric System Swap Agreements") and (b) interest rate swap agreements the obligations of JEA under which are payable from available funds of the Water and Sewer System ("Water and Sewer System Swap Agreements").

In the case of interest rate swap transactions entered into pursuant to Water and Sewer System Swap Agreements, JEA's payment obligations thereunder are payable following the payment of the operation and maintenance expenses of the Water and Sewer System, including any Contract Debts of the Water and Sewer System, debt service on Water and Sewer System Bonds, debt service on any Subordinated Indebtedness of the Water and Sewer System (including Subordinated Water and Sewer System Bonds) and the deposits to the Renewal and Replacement Fund established by the Water and Sewer System Resolution.

Interest rate swap transactions for the account of the Water and Sewer System may be entered into pursuant to either Water and Sewer System Swap Agreements or Electric System Swap Agreements. In the case of interest rate swap transactions for the account of the Water and Sewer System that are entered into pursuant to Electric System Swap Agreements, JEA has