

## Management Presentation – Discussion Topics

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December 2, 2019

Below are suggested topics to be discussed at the management presentation. Note that this is not a comprehensive list and additional questions may come up during the presentation.

### General

1. Discuss contemplated process timeline and anticipated date for:
  - a. Submission of final diligence questions
  - b. Best and final offer
  - c. Final selection and notice of intent to award
2. Discuss public relations strategy
3. Discuss feedback based on revised replies

### Transaction Structure

4. Discuss various contemplated transaction structures
  - a. Current pro forma case
  - b. Adjusted scenarios A, B and C
  - c. Management of any adverse tax impact on MEAG Project J tax-exempt debt
5. JEA's plan for management of the stabilization fund under the various alternatives
6. How does legacy JEA plan to meet potential outstanding obligations and avoid the risk of bankruptcy in the event the stabilization fund is depleted and legacy JEA is unable to recover sufficient proceeds from customers or the market under the various adjusted scenarios contemplated in the process letter?

### Financials (Electric, Water and Wastewater)

7. Please discuss the typical process for putting together your financial projections (both water and electric)
  - a. Do you typically put together 10-year projections?
  - b. How often are they updated?
  - c. How often do you review the projections with your board?
  - d. Are the projections we have, the latest projections put together? Have they been approved by your board?
8. Overview of historical operating and financial performance (both water and electric)
  - a. Historical load and customer growth and comparison to projections in the sell-side model
9. JEA'S methodology for determining all-in rates during the stability period and comparison to historical rates charged to customers (both water and electric)
10. Overview of Management case capex plan through 2030 as provided in the sell-side model (both water and electric)
  - a. Potential upsides
11. Overview of adjustments to arrive at electric, water and wastewater rate base
  - a. Specifically, discuss adjustments related to historical contributions in aid of construction as they relate to the water and wastewater system

**Operations**

12. Discuss fuel procurement strategies at the utility, including any hedging activities
13. Discuss any plans to retire generation units / build new generation units in further detail
14. Please confirm whether JEA has any electric wholesale requirements customers
15. Discuss planned and unplanned outage history to water and wastewater customers
16. Discuss current alternative water capacity and plans for development of additional capacity
17. Overview of key water and wastewater customers and where JEA expects the highest potential for growth
18. Discuss status of funding septic tank replacement program, future funding needs, JEA liability and coordination with the City
19. Discuss potential for expansion of Water and Wastewater System through local water utility system acquisitions
20. What strategic and operational synergies do you believe our combined operations in Florida could achieve?
21. What have been your key challenges in your regulated operations and regulatory space, for those areas subject to FPSC or other regulation by another regulatory body?

**Non-Utility Operations**

22. Discuss potential upside opportunities / downside risks to the non-utility projections in the base projections.
23. Have you previously considered divestiture of your DES or dark fiber businesses?

**Environmental**

24. What are some of your material environmental liabilities or obligations?
25. Please provide an overview of nitrogen and other hazardous discharge as it relates to water and wastewater system

**Legal**

26. What anti-assignment or “change-of-control” provisions will an acquisition trigger under contracts and permits?
27. Discuss any material pending or threatened litigation or any recent settlements of any material litigation or claims.
28. Discuss the Vogtle PPA and the MEAG litigation as they relate to the Adjusted Scenarios A, B, and C (e.g., the no tax consequences assumption and whether JEA intends to continue pursuing its claims in an Adjusted Scenario after closing).
29. Discuss Nassau and St Johns Counties right for first refusal for sale of W&S system
30. Discuss your anticipated timeline and strategy for obtaining JEA-specific approvals (e.g., voter referendum).

**HR**

31. Overview of employees by segment / organizational summary
32. Discuss the status of your pension plan(s). Do you have a defined benefit plan? A defined contribution plan? Both?
33. Are benefit plans universal for all employees, or do they differ by groups?
34. What have been your key challenges in HR?

35. Do you have any pending charges from the EEOC or related administrative agencies?
36. Do you have any pending employment litigation?
37. Do you have employee incentive programs? If so, please provide an overview
38. Do you have executive compensation programs? if so, please provide an overview.

**Other**

39. Status update on JEA's plan for HQ and current estimated costs
40. Natural Gas business
  - a. Do you have any aspirations for additional gas midstream opportunities (storage, transmission pipeline, etc.)?
  - b. Please discuss the gas LDC environment in Jacksonville. Why hasn't JEA taken a more pro-active approach to building out this infrastructure, as allowed in the charter?
  - c. Does Peoples have gas LDC franchise rights within Jacksonville?
41. Discuss impact to prepaid gas transactions where JEA is a participant. What is the impact on fuel costs if JEA is no longer able to participate in these transactions