

**JEA Public Power Partners Q&A LOG**  
**127-19 Strategic Alternatives - Question and Answer Log**  
Due Diligence Request List

Respondent	Topic	Question / Document Requested	Priority	Date Submitted	Answers	Date Responded	Round (1 / 2)	Status (Open / Closed)	Data Room Location	
1	JEA Public Power Partners	Corporate Finance	Opening balance sheet for District Energy segment and other segments (only electric and water & sewer provided in seller model)	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	14-Nov-19	1	Closed	7.4
2	JEA Public Power Partners	Corporate Finance	Detail on how the FY 2020 – FY 2023 base rates were determined for the Rate Stability case in the Seller model	High	8-Nov-19	Please see page 1 and iii e) on page 5 of the Process Letter. Also, as the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	15-Nov-19	1	Closed	Process Letter
3	JEA Public Power Partners	Corporate Finance	The Public Utility Research Center valuation report excluded Contributions in Aid of Construction from its rate base determination. Why does the seller model not make the same assumption?	High	8-Nov-19	Through FY2015, Contributions in Aid of Construction (CIAC) amounts were reported in JEA's plant assets. Beginning in FY2015 JEA adopted regulatory/utility accounting. Following utility accounting guidelines, CIAC assets are valued at \$0 and are excluded from the fixed asset sub-ledger. Therefore, CIAC for fiscal years 2016 through 2018 are not included in JEA's plant assets. The amount of CIAC included in JEA's plant assets is \$360M and the amount of contra depreciation expense as of 09/30/2019 is \$88M which implies CIAC of \$272M.	14-Nov-19	1	Closed	
4	JEA Public Power Partners	Corporate Finance	What is the restricted cash in the seller model that continues on to the pro forma opening balance sheet?	High	8-Nov-19	Restricted cash is offset by regulatory liability. Please see FTI report.	14-Nov-19	1	Closed	
5	JEA Public Power Partners	Electric System	Confirm that the electric capex forecast provided in the seller model includes all projects mentioned in the CIM (e.g., Northside Unit 3 retirement; Northside Units 1 & 2 retirement and replacement with solar & storage technology; Undergrounding 3,000+ miles of overhead distribution lines; the "One Water Program"; the Greenland and Northwest Jacksonville WRFs	High	8-Nov-19	The 3000 miles of undergrounding is a potential investment opportunity, it is not fully covered in our current forecast.	14-Nov-19	1	Closed	
6	JEA Public Power Partners	Electric System	Is there any anticipated cost savings associated with JEA's assumption of 100% of the interests in the Branch-Baldwin lateral expected in 2030?	High	8-Nov-19	No.	12-Nov-19	1	Closed	
7	JEA Public Power Partners	Electric System	Provide the underlying PPA agreement for Vogtle	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	12-Nov-19	1	Closed	21.1.6.5
8	JEA Public Power Partners	Water System	Please provide a detailed breakdown of the historical water & wastewater operating budgets v actuals for past 3 years, including current budgets	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	14-Nov-19	1	Closed	7.2
9	JEA Public Power Partners	Water System	Please provide a detailed organizational chart(s) for water and wastewater operations	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	13-Nov-19	1	Closed	1.3.10
10	JEA Public Power Partners	Water System	Please provide current headcount for water and wastewater departments	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	13-Nov-19	1	Closed	1.3.11
11	JEA Public Power Partners	Process	Can you further define "gross proceeds" as used in the instruction letter? Specifically would gross proceeds include cash to capitalize the balance sheet?	High	11-Nov-19	JEA's expectation is that Gross Proceeds are received at closing. The Gross Proceeds should assume assets are acquired on a debt-free, cash free basis	14-Nov-19	1	Closed	
12	JEA Public Power Partners	Corporate Finance	Can JEA confirm if tariff rates would be affected by capex changes based on the assumed capital structure and ROE listed in the Model Assumptions?	High	11-Nov-19	Yes.	13-Nov-19	1	Closed	
13	JEA Public Power Partners	Electric System	Referring to JEA ITN Respondant Model, tab "Capex" - has consideration for the Storm Hardening legislation been incorporated into the T&D capital spend projections?	Medium	11-Nov-19	JEA's CAPEX plan does include some spending on grid hardening, but the plan was not developed with consideration of this legislation.	14-Nov-19	1	Closed	
14	JEA Public Power Partners	Electric System	Referring to JEA ITN Respondant Model, tab "ES Rate Base Model" - what are the Vogtle PPA purchases in 2020 and 2021 of \$20 and \$40 million?	Medium	11-Nov-19	JEA's take-or-pay payment obligations under the Vogtle PPA began in 2016.	14-Nov-19	1	Closed	
15	JEA Public Power Partners	Water System	Please provide an explanation on why the Water and Wastewater CAPEX values are different from the model to the Info Memo we received in the VDR ? (Only similar for 2020)	High	11-Nov-19	Capex on page 13 of the CIP ties to the Respondent Model, ES Rate Base tab row 47 for the electric system and WS Rate Base tab row 39 using the Management Case and/or the Management Case Under Scenario A. The capex figures on pages 63, 64 and 65 also tie to these same locations in the Respondent Model.	14-Nov-19	1	Closed	

39	JEA Public Power Partners	Corporate Finance	How much TS spend needed to get to 50/50 grow and transform	High	12-Dec-19	Through various benchmarking, we believe our optimal O&M spend is around 40 M annually. We should then be doing about 40-45 M in capital work to get our spend to 50/50. That is an increase of 10-15 M in investment from our 2020 budget but our 10 year strategy supports that level of investment spend	23-Dec-19	2	Closed
40	JEA Public Power Partners	Electric System	As follow-up to the model call w/ JEA, please provide the capitalization policy (capital versus expensing policy).	High	19-Dec-19	Please see Electric System folder 31.5 in the VDR.	23-Dec-19	2	Closed
41	JEA Public Power Partners	Water System	Please provide water/wastewater O&M expense details broken down by cost center		19-Dec-19	Please see Accounting folder 31.1 in the VDR.	23-Dec-19	2	Closed
16	JEA Public Power Partners	Process	Please advise when placeholder documents in the VDR will be provided	High	20-Dec-19	Many of the placeholder documents were left there to preserve numbering when a document was removed. Others, when the original document was moved to the Clean Team folder.	23-Dec-19	2	Closed
17	JEA Public Power Partners	Process	Please provide specific data room references for the Scherer Agreement and SJRPP Blount Island Agreement identified in the Process Letter as being in Folder 4	High	20-Dec-19			2	Open
18	JEA Public Power Partners	General Operations	Please confirm status of the JEA performance unit plan. If terminated, please provide details on how the termination will be implemented and any residual liability to employee participants.	High	20-Dec-19			2	Open
19	JEA Public Power Partners	Electric System	Please confirm whether the JEA 2030 Strategy goal of ~815MW of new utility-scale generation (referred to in Management Presentation) includes future PPAs or is owned development within JEA's service territory	Low	20-Dec-19	It is anticipated that these would be owned facilities. As an IOU, the tax advantage of PPAs would be eliminated.	23-Dec-19	2	Closed
20	JEA Public Power Partners	General Operations	Please describe any material IT outages, IT performance problems, and security breaches that JEA has faced in the past three years (and if any, how such issues were resolved/remediated) (or confirm if none), as well as the security measures used to protect the hosting and IT facilities and a description of all of JEA's redundancy measures, back-up systems, business continuity, and disaster recovery protections and policies.	Medium	20-Dec-19			2	Open
21	JEA Public Power Partners	General Operations	Please confirm there are no other registrations and pending applications for patents, trademarks, domain names, and copyrights other than those in Folder 18.1	Medium	20-Dec-19			2	Open
22	JEA Public Power Partners	General Operations	Please confirm whether JEA owns any unregistered trademarks, copyrights or intellectual property	Low	20-Dec-19			2	Open
23	JEA Public Power Partners	Organizational Structure	Please confirm that JEA has no direct or indirect equity investments in any entity. If this is not the case, please provide a list of all entities in which JEA or any of its subsidiaries have direct or indirect equity investments and all documents with respect thereto, including partnership, joint venture agreements or stockholders agreements.	High	20-Dec-19			2	Open
24	JEA Public Power Partners	Process	Please provide a list of all agreements to which JEA is a party that require consent to assignment.	High	20-Dec-19			2	Open
25	JEA Public Power Partners	General Operations	Please provide a copy or copies of JEA's standard form agreements and terms and conditions that it uses to procure goods and services	Low	20-Dec-19			2	Open
26	JEA Public Power Partners	Organizational Structure	Please provide principal documentation relating to all other mergers, acquisitions, joint ventures, consolidations, recapitalizations, dispositions, spin-offs and plant closings by JEA that have on-going obligations on any party thereto, including any currently proposed transactions (other than ITN 127-19).	Medium	20-Dec-19			2	Open
27	JEA Public Power Partners	Process	Please provide (i) all agreements, contracts or commitments limiting the ability of JEA to engage in any line of business, to compete with any other person, or to operate in any geographic region and (ii) agreements with any other government or government agencies.	High	20-Dec-19			2	Open
28	JEA Public Power Partners	General Operations	Please provide all contracts to which any officer or board member of JEA, City Council member or City of Jacksonville, on the one hand, and JEA, on the other hand, are a party.	Medium	20-Dec-19			2	Open
29	JEA Public Power Partners	General Operations	Please provide a description of all credit support obligations, including guarantees, surety bonds, letters of credit and cash deposits, posted by or on behalf of JEA or accepted by JEA and identify each agreement underlying each such obligation.	High	20-Dec-19			2	Open
30	JEA Public Power Partners	Electric System	Please provide all agreements between TEA and any affiliates of TEA, on the one hand, and JEA on the other hand. If there is no such agreement, please describe the terms on which TEA performs energy services for JEA	High	20-Dec-19			2	Open
31	JEA Public Power Partners	Electric System	Please provide copies of (i) any ISDAs, NAESBs or other similar master agreements between or on behalf of JEA and any third party relating to fuel supply or hedging, and (ii) all confirmations thereunder	High	20-Dec-19			2	Open

32	JEA Public Power Partners	Electric System	Please provide copies of JEA's wholesale power supply agreements at folder 21.3.8	High	20-Dec-19	2	Open
33	JEA Public Power Partners	Electric System	Please provide copies of all Vogtle agreements at folder 21.3 (to the extent additional to 21.1.6), as well as all pleadings and court filings relating to the Vogtle litigation	High	20-Dec-19	2	Open
34	JEA Public Power Partners	Electric System	Please provide copies of all fuel supply agreements and transportation agreements.	High	20-Dec-19	2	Open
35	JEA Public Power Partners	Electric System	Please provide copies of JEA's fuel hedging and credit policies	Medium	20-Dec-19	2	Open
36	JEA Public Power Partners	General Operations	Please provide copies of all management-service contracts, consulting contracts, investment banking contracts, financial advisor contracts, and any other similar types of contracts involving the Business (other than such contracts relating solely to ITN 127-19)	Medium	20-Dec-19	2	Open
37	JEA Public Power Partners	General Operations	To the extent not included in the VDR folder 5, please (i) provide a summary of all claims, demands, suits, actions, disputes, litigation, administrative proceedings or governmental investigations or inquiries for the past three years affecting JEA, and (ii) describe any notices received alleging violation of applicable law in the last three years.	Medium	20-Dec-19	2	Open
38	JEA Public Power Partners	Electric System	Please provide a copy of the B&V report dated Sept 2016 and the JEA's Cost of Service Model and Revenue Rate Model including any changes thereafter.	High	20-Dec-19	2	Open