



Project Scampi – Summary of Revised Replies

December 2019



J.P. Morgan Disclaimer

This presentation was prepared exclusively for the benefit and internal use of the J.P. Morgan client to whom it is directly addressed and delivered (including such client's subsidiaries, the "Company") in order to assist the Company in evaluating, on a preliminary basis, the feasibility of a possible transaction or transactions and does not carry any right of publication or disclosure, in whole or in part, to any other party. This presentation is for discussion purposes only and is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by J.P. Morgan. Neither this presentation nor any of its contents may be disclosed or used for any other purpose without the prior written consent of J.P. Morgan.

The information in this presentation is based upon any management forecasts supplied to us and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. J.P. Morgan's opinions and estimates constitute J.P. Morgan's judgment and should be regarded as indicative, preliminary and for illustrative purposes only. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to us by or on behalf of the Company or which was otherwise reviewed by us. In addition, our analyses are not and do not purport to be appraisals of the assets, stock, or business of the Company or any other entity. J.P. Morgan makes no representations as to the actual value which may be received in connection with a transaction nor the legal, tax or accounting effects of consummating a transaction. Unless expressly contemplated hereby, the information in this presentation does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects.

Any portion of this presentation which provides information on municipal financial products or the issuance of municipal securities is given in response to your questions or to demonstrate our experience in the municipal markets and does not constitute "advice" within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules promulgated thereunder. We encourage you to consult with your own legal and financial advisors to the extent you deem appropriate in connection with the offering of municipal securities or municipal financial products. If you have any questions concerning our intended role and relationship with you, we would be happy to discuss this with you further.

Notwithstanding anything herein to the contrary, the Company and each of its employees, representatives or other agents may disclose to any and all persons, without limitation of any kind, the U.S. federal and state income tax treatment and the U.S. federal and state income tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to the Company relating to such tax treatment and tax structure insofar as such treatment and/or structure relates to a U.S. federal or state income tax strategy provided to the Company by J.P. Morgan. J.P. Morgan's policies on data privacy can be found at <http://www.jpmorgan.com/pages/privacy>.

J.P. Morgan's policies prohibit employees from offering, directly or indirectly, a favorable research rating or specific price target, or offering to change a rating or price target, to a subject company as consideration or inducement for the receipt of business or for compensation. J.P. Morgan also prohibits its research analysts from being compensated for involvement in investment banking transactions except to the extent that such participation is intended to benefit investors.

J.P. Morgan Chase & Co. and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on as the basis for making an investment decision nor as tax, legal or accounting advice. You should consult your own advisors in respect of any tax, legal or accounting matter.

J.P. Morgan is a marketing name for investment banking businesses of J.P. Morgan Chase & Co. and its subsidiaries worldwide. Securities, syndicated loan arranging, financial advisory and other investment banking activities are performed by a combination of J.P. Morgan Securities LLC, J.P. Morgan Limited, J.P. Morgan Securities plc and the appropriately licensed subsidiaries of J.P. Morgan Chase & Co. in EMEA and Asia-Pacific, and lending, derivatives and other commercial banking activities are performed by J.P. Morgan Chase Bank, N.A. J.P. Morgan deal team members may be employees of any of the foregoing entities.

This presentation does not constitute a commitment by any J.P. Morgan entity to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.

Morgan Stanley Disclaimer

We have prepared this document solely for informational purposes. You should not definitively rely upon it or use it to form the definitive basis for any decision, contract, commitment or action whatsoever, with respect to any proposed transaction or otherwise. You and your directors, officers, employees, agents and affiliates must hold this document and any oral information provided in connection with this document in strict confidence and may not communicate, reproduce, distribute or disclose it to any other person, or refer to it publicly, in whole or in part at any time except with our prior written consent. If you are not the intended recipient of this document, please delete and destroy all copies immediately.

We have prepared this document and the analyses contained in it based, in part, on certain assumptions and information obtained by us from the recipient, its directors, officers, employees, agents, affiliates and/or from other sources. Our use of such assumptions and information does not imply that we have independently verified or necessarily agree with any of such assumptions or information, and we have assumed and relied upon the accuracy and completeness of such assumptions and information for purposes of this document. Neither we nor any of our affiliates, or our or their respective officers, employees or agents, make any representation or warranty, express or implied, in relation to the accuracy or completeness of the information contained in this document or any oral information provided in connection herewith, or any data it generates and accept no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) in relation to any of such information. We and our affiliates and our and their respective officers, employees and agents expressly disclaim any and all liability which may be based on this document and any errors therein or omissions therefrom. Neither we nor any of our affiliates, or our or their respective officers, employees or agents, make any representation or warranty, express or implied, that any transaction has been or may be effected on the terms or in the manner stated in this document, or as to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any. Any views or terms contained herein are preliminary only, and are based on financial, economic, market and other conditions prevailing as of the date of this document and are therefore subject to change. We undertake no obligation or responsibility to update any of the information contained in this document. Past performance does not guarantee or predict future performance.

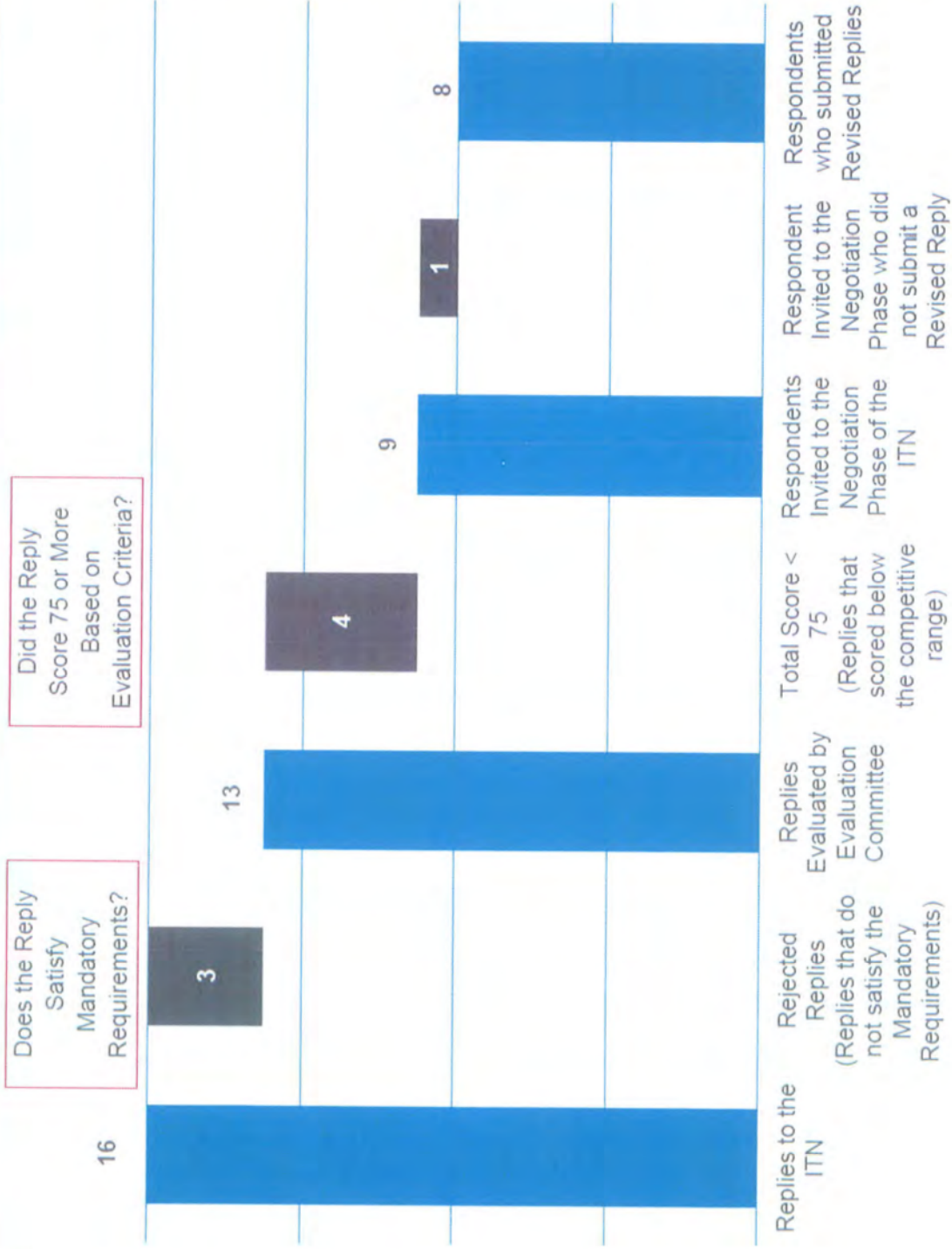
This document and the information contained herein do not constitute an offer to sell or the solicitation of an offer to buy any security, commodity or instrument or related derivative, nor do they constitute an offer or commitment to lend, syndicate or arrange a financing, underwrite or purchase or act as an agent or advisor or in any other capacity with respect to any transaction, or commit capital, or to participate in any trading strategies, and do not constitute legal, regulatory, accounting or tax advice to the recipient. We recommend that the recipient seek independent third party legal, regulatory, accounting and tax advice regarding the contents of this document. This document does not constitute and should not be considered as any form of financial opinion or recommendation by us or any of our affiliates. This document is not a research report and was not prepared by the research department of Morgan Stanley or any of its affiliates.

Notwithstanding anything herein to the contrary, each recipient hereof (and their employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the U.S. federal and state income tax treatment and tax structure of the proposed transaction and all materials of any kind (including opinions or other tax analyses) that are provided relating to the tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal and state income tax treatment of the proposed transaction and does not include information relating to the identity of the parties, their affiliates, agents or advisors.

This document is provided by Morgan Stanley & Co. LLC and/or certain of its affiliates or other applicable entities, which may include Morgan Stanley Realty Incorporated, Morgan Stanley Senior Funding, Inc., Morgan Stanley Bank, N.A., Morgan Stanley & Co. International plc, Morgan Stanley Securities Limited, Morgan Stanley Bank AG, Morgan Stanley MUFG Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Morgan Stanley Asia Limited, Morgan Stanley Australia Securities Limited, Morgan Stanley Australia Limited, Morgan Stanley Asia (Singapore) Pte., Morgan Stanley Services Limited, Morgan Stanley & Co. International plc Seoul Branch and/or Morgan Stanley Canada Limited. Unless governing law permits otherwise, you must contact an authorized Morgan Stanley entity in your jurisdiction regarding this document or any of the information contained herein.

Any portion of this presentation which provides information on municipal financial products or the issuance of municipal securities is given in response to your questions or to demonstrate our experience in the municipal markets and does not constitute "advice" within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules promulgated thereunder. We encourage you to consult with your own legal and financial advisors to the extent you deem appropriate in connection with the offering of municipal securities or municipal financial products. If you have any questions concerning our intended role and relationship with you, we would be happy to discuss this with you further.

Process Summary



Respondents who submitted Revised Replies

American Public Infrastructure, LLC and Argo Infrastructure Partners LP ("API-Argo")
American Water Works Company, Inc. ("American Water")
Duke Energy Corporation ("Duke")
Emera Inc. ("Emera") & Blackstone Infrastructure Partners ("BIP")
JEA Public Power Partners: A Consortium of Bernhard Capital Partners Management LP, Emera Inc., and Suez North America ("JEA PPP")
IFM Investors PTY LTD ("IFM")
Macquarie Infrastructure and Real Assets Inc. ("MIRA")
NextEra Energy, Inc. ("NextEra")

Total deductions from Gross Proceeds	Net Proceeds	Minimum ITN requirement			Proposed transaction type	[REDACTED]
		Financial	Customers	Environment Community		
[REDACTED]	[REDACTED]	✓	✓	✓	Acq	[REDACTED]
(\$4,050) ⁴	\$4,950	✓	✓	✓	Acq	1.55x
(\$4,447) ⁵	\$4,153	✓	✓	✓ ⁹	Acq	1.49x
(\$4,401)	\$4,000	✓ ⁷	✓ ⁷	✓ ⁷	Muni IPO	1.45x
(\$3,607)	\$4,400	✓	✓	✓	Concession agreement	1.38x ¹⁰
(\$4,447)	\$3,100	✓	✓	✓	Acq	1.30x
(\$2,750)	\$2,750	✓ ⁸	✓	✓	Acq	1.75x
[REDACTED] ^{5,6}	[REDACTED]	✓ ⁸	✓	✓ ⁹	Acq	[REDACTED]
(\$2,295) ⁶	\$2,805	✓ ⁸	✓	✓	Acq	1.63x
(\$1,790)	\$2,560	✓ ⁸	✓	✓	Acq	1.64x
(\$1,755) ⁶	\$2,145	✓ ⁸	✓	✓	Acq	1.46x

¹ Proceeds calculation provided in MIRA's Revised Reply is not reduced by \$400mm customer rebate.

² Assumes Electric Rate Base of \$3.135mm in 2020. ³ Assumes Water Rate Base of \$2.655mm in 2020. ⁴ Net

⁷ Given the transaction structure, it is unclear which of the ITN requirements will be attainable at this time.

¹⁰ Does not include estimate of post-concession value.

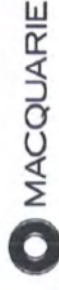
Review of Revised Replies

Proposed purchase price & deal perimeter	Gross Proceeds of [REDACTED] for the acquisition of JEA Electric, Water and all other operations
Key conditions and assumptions	Valuation methodology: [REDACTED] Key changes in assumptions: Major changes relate to regulatory authorized capital structure and ROE, as well as a high-level assumption that O&M can be optimized, with some services provided by FPL Assumed operational changes: For the revised Reply, JEA's business plan was utilized, however best practices from FPL can be utilized to benefit customers; Opportunities likely exist to optimize operations at Scherer Unit 4 coal facility. NextEra would evaluate whether JEA's customers would benefit from being brought onto FPL's electricity rates to provide stability beyond the 3-year requirement [REDACTED] Rates: For the purposes of NextEra's Reply, both rates and rate base utilized were taken from the JEA financial model
Plan for minimum requirements	Customers: NextEra is prepared to provide ~\$400mm of value to JEA customers and assumes the base rates in the JEA Financial Model Environmental: NextEra has unparalleled expertise in developing renewable energy, and is intent on balancing JEA's water needs and preserving the quality of existing water sources for future generations Community impact: NextEra is financially capable and prepared to provide funds consistent with the protection of employee benefits and retention payments outlined in the recently passed legislation, which includes service credits to JEA employees. Additionally, NextEra is not only willing but has the financial resources to ensure that the Proposed Transaction will meet the minimum requirements set out in the ITN as it relates to employee compensation and benefits
Feasibility and contingencies	- Project J PPA would need to be diligenced in order to determine what consent rights MEAG would have, and how those rights would impact feasibility - Although the FPSC will not review merger, the winning Respondent would need to work with FPSC to ensure an appropriate transition
Financing sources	- NextEra has raised over \$70bn in capital through the debt and equity markets, banks, and other investors, and believes their access to capital and strong balance sheet is a differentiator in getting to a resolution in this process - NextEra would likely issue debt, common equity and equity-linked securities to finance the proposed transaction, and does not anticipate any financing contingencies in a definitive written purchase agreement. NextEra's financing plan would be structured to maintain its credit ratings
Internal approvals	Consummating this transaction would require the approval of the NextEra board of directors, which has been informed of NextEra's involvement in this process
Regulatory / external approvals	NextEra anticipates needing FERC, FPSC, HSR and potentially MEAG approval, which it expects to accomplish within 9-12 months of signing
Prior acquisitions / investments	- Gulf Power – vertically-integrated electric utility serving 460,000 customers in the Florida panhandle, total transaction value of \$5.75bn - FCG – natural gas distribution company serving 108,000 customers in Florida, total transaction value of \$530mm - Vero Beach – municipally-owned utility in Eastern Florida, total transaction value of \$185mm
Due diligence requirements	Diligence can be completed within 6 weeks of notification, and NextEra has significant diligence experience in regulated utilities
Advisors / other	- Financial advisors: Goldman Sachs, Bank of America Securities - Legal advisors: Skadden, Arps, Slate, Meagher & Flom LLP, Squire Patton Boggs, Dean Mead - Consultants: U.S. Water, Garnett Fleming

Review of Revised Replies (cont'd)

Assessment of whether the proposed structure eliminates JEA's existing operating constraints	Proposed structure eliminates JEA's existing operating constraints as the acquisition would transition JEA to an investor-owned utility from a municipally-owned utility
Treatment of Vogtle	[REDACTED]
Operations in FL	NextEra operates with several principal subsidiaries, including Florida Power and Light, which serves 5 million customers in Florida, and Gulf Power Company, which serves 460,000 people in the Florida panhandle (note: NextEra co-owns Scnerer #4 and has a Right of First Refusal for JEA's ownership if transferred)
Respondent's commitments / narrative related to community and/or economic development	NextEra has a long history of fostering strong ties to the communities it operates in; in regards to community engagement in Jacksonville, they plan to introduce the following initiatives: Volunteerism: In 2018, employees volunteered more than 85,000 hours and sat on boards of over 250 non-profits Company & employee giving: In 2018, NextEra and its employees contributed more than \$13.7mm to support initiatives in their communities Investing in Innovation Leaders: One of the company's most significant community commitments is the STEM education initiative, which prepares students for good-paying jobs, and provides the technical and interpersonal skills needed for future success Community events: FPL's Power to Save program offers assistance to low income customers by offering free energy retrofits; The Nonprofit Energy Makeover provides free energy consultations and upgrades to nonprofits, helping them become more energy efficient NextEra is committed to investing in Jacksonville to improve economic conditions and to support the local economy - In 2018, FPL, Gulf Power and TECO Energy petitioned the FPSC to raise the economic development investment cap from \$3mm to the greater of (a) \$10mm or (b) 0.225 percent of jurisdictional revenues. In the case of FPL, this change will effectively raise the cap to approximately \$25mm when rates are next reset, an increase that will provide substantial additional benefits to economic development in the state - Since its inception in 2012, the NextEra Office of Economic Development ("OED"), its talented staff, and its programs have supported the creation of more than 74,000 new jobs, almost 14,000 retained jobs (jobs at risk of elimination due to facility reduction, closure or relocation) and more than 156,000 additional indirect job creations linked to NextEra's economic development efforts. FPL's OED successfully worked with 183 companies to locate or expand operations in Florida. Over the same period, job creation and capital investment in the 35 Florida counties served by FPL has resulted in a total positive impact of more than \$89bn in the state - The OED already retains a meaningful presence in Jacksonville, as exemplified by NextEra's collaboration with JAXUSA and JinkoSolar to build a new solar manufacturing facility in the area, and NextEra expects to have opportunities to increase the firm's economic development efforts to the extent they are awarded this ITN opportunity. OED's existing resources and programs could be applied towards attracting businesses to the Jacksonville area, including providing businesses with demographic and workforce data, information on local competitors, site permitting expertise, and networking opportunities with community leaders. NextEra also invest in local businesses through corporate sponsorship programs and would seek to promote local businesses through incentive electricity rates
Assessment of the execution or other risks of the proposed transaction	- Baseline risk - NextEra Energy Scenario proposed structure highly dependent on interpretation of MEAG consent rights under the Project J PPA [REDACTED] [REDACTED]

Review of Revised Replies (cont'd)



Proposed purchase price & deal perimeter	- Gross proceeds of \$9.0bn, or \$3.9bn for the Water and Wastewater System and \$5.1bn for the Electric System - Also prepared to enter into a long-term concession agreement of JEA, under which the City retains ultimate ownership of JEA. MIRA believes such concession, which structured appropriately may allow the existing JEA debt to remain in place, would result in greater than \$3bn of net value to the City but less than \$9.0bn in Gross Proceeds - If MIRA acquires the electric system, MIRA prefers "Adjusted Scenario B" because it is a clear and practicable transaction structure that ensures JEA customers' bills include only the cost of utility services they consume, and also avoids the prospect that MIRA may be required to bear a potentially large and uncapped liability "Adjusted Scenario A" with Gross Proceeds reduced by \$200mm provided that JEA can provide assurance that the proposed separate line item charge reflecting the full amount of Legacy JEA's costs under the Vogtle PPA will not be subject to or adjusted, directly or indirectly, under the jurisdiction of the FPSC "Adjusted Scenario C" with no reduction in Gross Proceeds given JEA can demonstrate that it is a practicable course of action that does not subject MIRA to risk of adverse treatment by the FPSC
Key conditions and assumptions	Valuation methodology: Long-term discounted cash-flow analysis Key changes in assumptions: In order to imply an equivalent rate projection excluding Vogtle during the first three years, MIRA has adjusted the base revenue to exclude the Vogtle related revenue and the delivered load to include the Vogtle load Assumed operational changes: MIRA believes the operational improvements described in the CIP are achievable based on their prior utility investment experience Rates: Excludes Vogtle during the first three years (the "Committed Rate Stability Period"), beyond committed rate period, assumptions are largely consistent (~\$445mm decrease in base-rate revenue during Committed Rate Stability Period)
Plan for minimum requirements	Customers: Allow for \$400mm of value to be distributed to customers based on \$350 to each JEA account and \$1,400 for JEA customers with electric, water, sewer and irrigation accounts Environmental: MIRA commits to develop and provide the City and the Duval County Public School system with 100% renewable electricity by the year 2030 at a price equal to the applicable tariff rate; MIRA commits to work with JEA management to identify the most cost effective and prudent way to develop and provide 40 million gallons per day of alternative water capacity for Northeast Florida by the year 2035 at a price equal to the applicable tariff rate Community impact: MIRA commits to protect certain employee retirement benefits pursuant to legislation passed by the City Council on September 24, 2019; maintain substantially comparable employee compensation and benefits for three years; provide retention payments to all full-time employees equal to 100% of current base compensation; commits to maintain the new JEA headquarters and employees in downtown Jacksonville, contributing to the economic development of the community; establish charitable fund, economic development fund and appointment rep to JEA board
Feasibility and contingencies	- Believes the Proposed Transaction is feasible based on due diligence to date - Would be open to explore the potential for a long-term concession, to the extent JEA believes that would be a more feasible path to a successful transaction
Financing sources	- MIRA has raised \$10.8bn of debt financing for its acquisition of U.S. utilities and has invested over \$24.4bn of equity using its committed infrastructure funds - MIRA has discussed the transaction with several potential lenders including [REDACTED]
Internal approvals	MIRA's Revised Reply is made with the support of the relevant members of MIRA's investment committees, comprised of the Global Head of MIRA and the most senior executives with responsibility for MIRA's investments in the Americas. Submission of a BAFO and the execution of a definitive agreement would be subject to the receipt of internal approvals
Regulatory / external approvals	- MIRA anticipates needing adjusted committed rates approval, along with FERC, FPSC, and HSR - MIRA would also voluntarily notify CFUS
Prior acquisitions / investments	- Puget Energy – Provides electric and gas services to 2mm customers in Washington State and owns 4.7 GW of generation capacity - \$7.4bn enterprise value - Cleco Corp – Vertically integrated electric utility in Louisiana - \$4.7bn enterprise value - Aquanor – Water utility with 226,300 customers in Connecticut, Massachusetts, and New Hampshire - \$0.9bn enterprise value
Due diligence requirements	MIRA and its advisers are prepared to move forward immediately to perform and complete the required due diligence in a timely manner to allow it to enter into a binding definitive agreement by March 2020
Advisors / other	- Financial advisor: Macquarie Capital [REDACTED] [REDACTED]

Review of Revised Replies (cont'd)



Assessment of whether the proposed structure eliminates JEA's existing operating constraints	- Proposed Transactions 1, 2 and 3 (Acquisition of JEA, Acquisition of the Water and Wastewater System, Acquisition of the Electric System) eliminate JEA's existing operating constraints, assuming that a joint bidding agreement is put in place for another buyer to acquire the businesses of JEA not acquired by MIRA under proposed transactions 2 and 3 - The long-term concession agreement proposed by MIRA, whereby the City of Jacksonville retains ultimate ownership of JEA does not eliminate JEA's existing operating constraints
Treatment of Vogtle	- MIRA has identified Adjusted Scenario B as its preferred structure because it is a clear and practicable structure that ensures JEA customers' bills include only the cost of utility services they consume, and avoids the prospect that the buyer of JEA may be required to bear a potentially large and uncapped liability - In order to imply an equivalent rate projection excluding Vogtle during the Committed Rate Stability Period, MIRA has adjusted the base revenue to exclude the Vogtle related revenue (consistent with the "Management projections: Vogtle revenue" line item in the Respondent Financial Model) and the delivered load to include the Vogtle load (consistent with the "Default Case" assumption for load in the Respondent Financial Model). MIRA has applied this change to all three of the adjusted scenarios (A, B and C) - MIRA believes that the "Current Pro Forma Scenario" is challenging due to both the likely tax consequences associated with the "MEAG Power" debt related to the Vogtle PPA and the risk to the buyer of accepting liability under the Vogtle PPA that might potentially be uncapped and unrecoverable from customers
Operations in FL	- MIRA has an office in downtown Jacksonville, with over 270 employees working in finance, risk management, HR and IT - MIRA owns a number of portfolio companies with significant operations in Florida, including Atlantic Aviation FBO Holdings, Ceres Terminals Incorporation, WCA Waste Corporation and Wheelabrator Technologies
Respondent's commitments / narrative related to community and/or economic development	Community engagement: MIRA will operate JEA as an investor-owned utility led by local management and will remain in Downtown Jacksonville. JEA Board would consist of investor representatives, JEA's CEO and several independent, local Jacksonville community members and business leaders, ensuring long-term strategies are well-informed and consider the interests of JEA's customers, employees and the community Interagency coordination: MIRA recognizes JEA is an essential part of the City's emergency preparedness program and unified emergency operations command. MIRA has experience addressing severe weather events and working with local, state and federal officials in emergency responses from its investment and ownership of other water and electric utilities Environmental stewardship: MIRA will strengthen JEA's role as an industry leader in environmental stewardship, particularly as it relates to the health of the St. Johns River and its tributaries. MIRA has a history of investing in environmental initiatives and is committed to increase investment in septic tank conversion to sewer connections and working with JEA management to reduce nitrogen levels in the Lower St. Johns River Basin Community programs: MIRA's investment in JEA would expand MIRA's existing commitment to Northeast Florida, which already includes over 270 employees located in Downtown Jacksonville. Since 2016, MIRA's Jacksonville staff have donated over 2,700 hours of volunteer service, assisting over 800 individuals in the greater Jacksonville area. Since January 2019, the Macquarie Foundation (the philanthropic arm of Macquarie) and MIRA staff have donated over \$210,000 to local organizations in Jacksonville including a multi-year grant to Take Stock in Children to establish a college division and program Other: In addition to the minimum requirements set forth in the ITN, MIRA is willing to discuss the merits of other high-impact community initiatives they have implemented in other U.S. utility investments such as establishing a charitable foundation, establishing an economic development fund, and/or appointing local representatives on the JEA Board
Assessment of the execution or other risks of the proposed transaction	- Baseline risk - Lower public profile than incumbent Florida regulated utilities - Seeks to conduct their own polling and focus groups as soon as practicable, subject to receiving consent from JEA, in order to obtain greater clarity on the potential outcome of the voter referendum. The results of the polling would impact their interest in a transaction



Review of Revised Replies (cont'd)

Proposed purchase price & deal perimeter	\$8.6bn of Gross Proceeds, [REDACTED], to be paid in cash at closing for substantially all of the assets of JEA - Duke does not anticipate the Gross Proceeds to change materially across the Adjusted Scenarios A, B and C, subject to Legacy JEA's ability to manage effectively the Stabilization Fund. Duke would be interested in further discussing and evaluating Adjusted Scenario B or alternatives thereof with JEA during further negotiations; noted on clarification call, limited information to assess Avoided Cost
Key conditions and assumptions	Valuation Methodology: Discounted cash flow analysis, comparable companies analysis and precedent transactions analysis Key changes in assumptions: Gross Proceeds do not reflect any material changes to the key assumptions provided in the CIP, the Process Letter and the Respondent Financial Model during the Committed Rate Stability Period Assumed operational changes: Many of the operational improvements identified by McKinsey and as described in the CIP are in-line with Duke's approach to operational excellence. Leveraging Duke's buying power with respect to strategic sourcing, would help JEA lower commercial rates for fuel (including transportation), materials and services; Duke is in the process of developing a Customer Information System consolidation project, applying this system will enhance JEA's initiative to shift customers to digital self-service Rates: Moderate base rate and base revenue increases assumed (post the Rate Stabilization Period) to account for an adequate return on and return of capital; Moderate all-in rate increases assumed (post the Rate Stabilization Period) to account for an adequate return on and return of capital Other: Duke internal views and proprietary assumptions as they relate to dispatch costs, forward commodity prices, amount and timing of O&M and fuel and purchased power savings, to be refined further following additional diligence
Plan for minimum requirements	Customers: Assumes three years of base rate stability in-line with the Respondent Financial Model; Gross Proceeds will further be used to pay a one-time rate credit to customers of \$400mm Environmental: Committed to the City of Jacksonville's environmental goal of providing the COJ and Duval County Public School system 100% renewable electricity by 2030. Duke is also committed to continuing execution of the Integrated Water Resource Plan as described in the CIP Community impact: Duke is willing to examine the plans and lease commitment for the new headquarters building to address the Company's desire for office space in COJ; Duke commits to working diligently to address each of the employee-related goals identified by JEA
Feasibility and contingencies	Duke has assumed that the transaction will be structured to ensure that costs related to ongoing or future litigation arising from the Vogtle PPA would be borne by Legacy JEA as appropriate under the Adjusted Scenarios
Financing sources	- Gross Proceeds would be financed initially by existing cash on the balance sheet, existing bank lines and a committed financing facility - Duke would expect a permanent financing mix to consist of traditional maturity debt at the new operating company, supplemented by debt and equity securities from Duke
Internal approvals	Revised Reply was reviewed and approved by Duke's CFO. Following the completion of detailed due diligence in the next phase, additional review and approvals will be required from Duke's senior management and Board of Directors prior to submission of Duke's BAFO
Regulatory / external approvals	- FERC, NC Utilities Commission approval, FPSC (if applicable), Jacksonville City Council as well as voter approval - Before filing a FPA Section 203 application with FERC, Duke expects to consult on an informal basis with representatives from FERC that will be analyzing the Transaction, in Duke's experience, pre-filing consultation helps identify any concerns with the substance of an application before filing and is integral to a successful review
Prior acquisitions / investments	- Piedmont Natural Gas – On October 26, 2015 announced acquisition for total cash consideration of \$6.7bn plus the assumption of debt, transaction closed within a year - North Carolina Eastern Municipal Power Agency's generation assets – acquired for ~\$1.25bn, transaction completed in July 2015 following receipt of required approvals - Other major utility acquisitions include the \$26bn acquisition of Progress Energy in July 2012 and the \$9.1bn stock acquisition of Cinergy in 2006
Due diligence requirements	Duke is prepared to commence due diligence immediately and has the ability to complete it in an expeditious manner
Advisors / other	- Financial advisor: Citigroup - Legal advisors: Hunton Andrews Kurth LLP - Consultant: Navigant



Review of Revised Replies (cont'd)

Assessment of whether the proposed structure eliminates JEA's existing operating constraints	Proposed structure eliminates JEA's existing operating constraints as the acquisition would transition JEA to an investor-owned utility from a municipally-owned utility
Treatment of Vogtle	- Duke would be interested in further discussing and evaluating Adjusted Scenario B or alternatives thereof with JEA during the further negotiations phase - Duke does not anticipate the Gross Proceeds to change materially across the Adjusted Scenarios A, B and C, subject to confirming Legacy JEA's ability to manage effectively the Stabilization Fund - Duke is committed to working with JEA towards an outcome that is beneficial to both the City of Jacksonville and JEA customers
Operations in FL	10,238 MW generation assets, 4,897 miles of transmission assets, 48,100 miles of distribution assets in Florida as of December 31, 2018
Respondents' commitments / narrative related to community development and / or economic development	- On September 17, 2019, Duke announced a new goal to cut carbon emission from electricity generation to net-zero by 2050 - Over the next five years Duke Florida ("DEF") expects to make nearly \$20mm in community donations, sponsorships and other community investments - Over the next five years, DEF expects to provide over \$15mm in foundation grants to support local efforts and state-wide initiatives - DEF provides opportunities for its employees to give back to the community. Examples include DEF's employees serve on boards of nearly 120 non-profit and business organizations across thirty-five counties; employees in Florida volunteered nearly 40,000 hours in 2018 and 2019 to one-time events and long-term commitments; DEF offers employees the opportunity to engage in an extensive Employee Resource Group networks - Duke understands that JEA has entered into voluntary retention agreements with all full-time employees who were actively employed on July 23, 2019, and that, per these agreements, these employees will receive cash payments equal to 100% of their then-current annual base salaries. Subject to further due diligence in subsequent phases of this process, Duke is willing to assume these agreements for employees as part of the proposed transaction
Assessment of the execution or other risks of the proposed transaction	Baseline risk

Review of Revised Replies (cont'd)

JEA PPP

Proposed purchase price & deal perimeter	- Gross proceed of \$8.0bn - In addition to the \$8.0bn in Gross Proceeds, a net present value benefit of over \$1bn to the City through continued ownership of JEA as a going concern at the end of the 50-year Concession Agreement, a benefit unavailable in an outright sale - Expectation that excess cash flow above what is required for debt service and contingencies that is generated over the term of the Concession Agreement could be returned to the City in the form of charitable contributions, or used to create value for customers, benefits which are not incorporated in the \$8.0bn in Gross Proceeds
Key conditions and assumptions	Valuation methodology: 50-year term discounted cash flow analysis on a tax-free basis Key changes in assumptions: Removal of income, property (after 2020) and deferred income taxes; addition of \$120mm payment to Jacksonville for the first 3 years Assumed operational changes: Implementation of an enhanced "asset management" methodology across electric business, including risk-based decision making, deep understanding of "state of plant and system," systematic approach to assess major asset options and a structured approach to implementation of operational technologies Rates: Seller-provided electric and water rate bases through 2030, after which electric and water capex and other operating metrics are escalated annually by 1.0% and 2.0%, respectively Other: JEA PPP's preferred scenario is an Alternative Scenario. It is a modification of Scenario A that provides certainty for customers and reduces JEA's exposure to Vogtle cost increases. Legacy JEA will retain the Vogtle PPA, and the concessionaire will manage the energy delivered thereunder as part of its operation of JEA's electric assets
Plan for minimum requirements	Customers: Included in the \$8.0bn of cash at closing is \$400mm of cash to be distributed to customers. Additionally, a commitment of at least 3 years of rate stability Environmental: JEA PPP is fully committed to developing and providing the City of Jacksonville and the Duval County School Board system with 100% renewable electricity by 2030. In fact, JEA PPP believes this is attainable well in advance of 2030. SUEZ operates, manages, and invests in alternative water sources across the globe – in 2018 alone, SUEZ produced 290 billion gallons of alternative water – and is prepared to leverage this expertise to provide 40 million gallons per day of alternative water capacity in Northeast Florida by 2035 or sooner Community impact: Committed to the protection of certain employee retirement benefits, maintenance of substantially comparable employee compensation and benefits for three years and retention payments to all full-time employees of 100% current base compensation
Feasibility and contingencies	- JEA PPP, in consultation with their advisors, feels confident that there are no legal, political, or financial issues or modifications that are necessary to ensure feasibility - The concession model provides for the delivery of tax-exempt financing through the public offering or institutional placement of municipal securities to finance a concession structure for the operation of JEA assets for the benefit of the City
Financing sources	- JEA PPP is highly confident in its ability to raise the requisite \$9bn in total capital required to consummate the transaction across 4 tranches of tax-exempt capital - Jefferies, UBS, and Wells Fargo are highly confident in JEA PPP's ability to execute the 1st, 2nd, 3rd and 4th tranches
Internal approvals	JEA PPP consortium members include Bernhard Capital, Emera, and SUEZ, with Provident as concessionaire - As such, approval is required by Emera Board of Directors, SUEZ Water Inc.'s Executive Operations Committee in North America and SUEZ Groupe S.A.S.' Executive Operations Committee in Paris, Bernhard Capital's Investment Committee and Provident's Executive Committee
Regulatory / external approvals	JEA PPP does not anticipate needing approval by FERC, FPSC, CFIUS or HSR
Prior acquisitions / investments	- TECO Energy - On July 1, 2016, Emera closed its acquisition of TECO Energy for US\$10.4bn, including assumed TECO debt - Mahoning Township - In 2019 SUEZ utility operations acquired Mahoning Township in Pennsylvania for \$9.5mm service territory - New Jersey - In 2018, SUEZ utility operations acquired the towns of West Milford, Independence, East Brookwood, and Lake Glenwood in New Jersey for \$12.6mm
Due diligence requirements	Expected completion of diligence within the any reasonable timeframe set by JEA
Advisors / other	- Financial advisors: Jefferies, Wells Fargo and UBS - Legal: Kirkland & Ellis LLP, Gardner Bist, Bowden, Bush, Dee, Lavra & Wright, P.A., Brunini Firm, Jones Day, Ormick Herrington & Sutcliffe, Fishman Haygood LLP, Osler, Hoskin & Harcourt LLP - Consultants: Rocklyn Capital and Emergent Method

JEA PPP

Review of Revised Replies (cont'd)

Assessment of whether the proposed structure eliminates JEA's existing operating constraints	Under the proposed Concession Agreement structure, The City of Jacksonville maintains ownership of the assets and therefore does not eliminate JEA's existing operating constraints
Treatment of Vogtle	- JEA PPP's preferred scenario is an Alternative Scenario and modification of Scenario A that provides certainty for customers and reduces JEA's exposure to Vogtle cost increases: Legacy JEA will retain the Vogtle PPA, and the concessionaire will manage the energy delivered thereunder as part of its operation of JEA's electric assets - Costs associated with the Vogtle PPA will be billed to customers, up to an agreed-upon cap. For example, the cap could be equal to the Projected PPA Costs shown in the Scenario A Vogtle Adjustment in the Respondent Financial Model - Costs in excess of the cap will be borne by the concessionaire up to a further agreed upon cap (the "Second Cap"), however the term of the Concession Agreement will be extended for a period necessary to repay additional debt financing raised in connection with the Second Cap costs. JEA would also have the option to choose not to extend the term and instead pay the concessionaire the net present value of the Second Cap costs at the time they arise - Any costs that exceed the Second Cap will be the responsibility of JEA. Such costs could be paid out of the rate stabilization fund, at JEA's option and to the extent of funds available.
Operations in FL	- Specifically, in Florida, Emera owns Tampa Electric, PGS and SeaCoast Gas Transmission LLC ("SeaCoast Gas") - Tampa Electric serves approximately 764,000 customers and has electric generating stations in service, with a December 2018 net winter generating capability of 5,238 MW - PGS serves approximately 382,000 customers across the state, operating approximately 13,000 miles of natural gas mains and approximately 7,400 miles of service lines - SeaCoast Gas operates a 25-mile pipeline system that currently serves JEA and ensures reliable delivery of natural gas to northeast Florida - As of October 2017, SUEZ had 60 employees total in Florida and 640+ customers between its Florida (North) Service Center and Florida (Central/South) Service Center - Bernhard Energy Solutions employs 2,000+ employees with 300 based in Florida - Provident serves as nonprofit owner/borrower and asset manager for the following projects - Continuum Properties – Student housing (571 beds) for University of Florida (Gainesville) – Project cost of \$75.65mm – Completed in 2012 - UCF Properties – Student housing (600 beds) for University of Southern Florida – Project cost of \$58mm – Completed in 2015 - PBAU Properties – Student housing (510 beds) for Palm Beach Atlantic University – Project cost of \$40.8mm – Under construction
Respondent's commitments / narrative related to community and/or economic development	- In 2018, Emera invested \$18.7 million in communities, generated \$5.3bn in economic value that was distributed in its operating markets, and its employees logged 38,400 hours in volunteer time - There is a remarkable amount of overlap between JEA's and Emera's community impact programs, including the direct community engagement, educational programs, employee giving and volunteering, energy efficiency, and financial assistance programs. Emera's Florida community programs listed below: - Weatherization of Florida – Tampa Electric's Neighborhood Weatherization program helps qualified customers manage energy costs by making their homes more energy efficient - Partnering with the Salvation Army - Employee matching programs – Emera offers matching programs to help make the most of their team members' charitable contributions
Assessment of the execution or other risks of the proposed transaction	- More elevated than baseline due to complexity of structure - The proposed transaction includes a complex structure and it is likely that it would take a substantial amount of additional time to finalize a concession agreement - There is low visibility into the ongoing payments proposed by JEA PPP, the present value of which could be substantial if assumed at current levels; however, this is unknown at this point - JEA PPP's proposed transaction is contingent on the approval of four investment committees (Emera, Suez, Bernhard Capital and Provident) under the current structure



Review of Revised Replies (cont'd)

Proposed purchase price & deal perimeter	\$7.547bn to acquire 100% interest in JEA's full portfolio of electric and water utility assets and associated infrastructure - Preferred Scenario is an alternative structure. All ongoing or future litigation costs are to be borne by Legacy JEA and Legacy JEA has assumed that NewCo is responsible for generating / procuring all of the required power for JEA's customers at lowest cost and that Vogtle power is not necessarily part of NewCo's power supply. A Stabilization Fund (funded through a portion of Gross Proceeds) is established to cover a portion of the cost of the Vogtle PPA, alongside monies received by Legacy JEA from the sale of Vogtle power in the market. In the event of any shortfall in the Stabilization Fund, no mechanism would exist for Legacy JEA to collect any shortfall from NewCo or its customers; no shortfall is assumed to exist - IFM is not willing to bid under Current Pro Forma Scenario or Adjusted Scenarios A and B
Key conditions and assumptions	Valuation Methodology Discounted cash flow analysis and is reflective of its initial views on the risk profile of management's operating assumptions, based on the limited available information Key changes in assumptions IFM has primarily relied on the operating forecasts set out in the Due Diligence Materials provided and Supporting Materials Assumed operational changes IFM also has outstanding record of successfully transitioning assets to private ownership and delivering operational improvements within the assets it owns. IFM will leverage this experience to unlock value for all stakeholders of JEA. Based on IFM's due diligence to date and experience managing similar assets, IFM has identified the operational improvements and growth initiatives which it will seek to implement at JEA as part of its comprehensive business plan Rates For both systems, IFM calculated the base rates that will apply during the Committed Rate Stability Period in accordance with the regulatory building-block methodology in the Respondent Financial Model. For electric, Vogtle power is not an explicit part of NewCo's power supply and the base rate and purchased power cost revenue associated with Vogtle power under the Management Case has been removed (-\$2.10bn decrease in base-rate revenue during Committed Rate Stability Period). For the water utility following the Committed Rate Stability Period, IFM has assumed regular rate resets on a triennial basis with forward test years; no capitalized underrecovery and no capex riders and full and timely recovery of power costs. IFM assumed a stable tariff glide path is established to achieve the base rate and all-in revenue requirements of the Water System, recognizing the importance of rate stability for customers
Plan for minimum requirements	Customers IFM confirms that Gross Proceeds are sufficient to fund a customer distribution of \$400mm, and its assumption of three year base rate stability for customers Environmental IFM confirms its commitment to develop and provide the City of Jacksonville and the Duval County Public School system with 100% renewable electricity by the year 2030 and its commitment to develop and provide 40 MGD of alternative water capacity for Northeast Florida by the year 2035 Community impact IFM confirms its willingness to uphold existing employee benefits, maintain substantially comparable employee compensation and benefits for three years, that Gross Proceeds are sufficient to fund retention payments to all full-time employees of 100% current base compensation, while delivering greater than \$3 billion of value to the City of Jacksonville and satisfying all of JEA's Minimum Requirements and that its proposal provides for new headquarters and employees in downtown Jacksonville
Feasibility and contingencies	- IFM's commitment to meeting the Process Goals is subject to a satisfactory resolution of JEA's future Vogtle PPA obligations - IFM's Proposal will be contingent upon the establishment of the Committed Rates under Florida Law with approval by the FPSC and will include customary purchase price adjustments related to the Committed Rates and Committed Rate Stability Period
Financing sources	- The IFM Global Infrastructure Fund ("IFM GIF") will provide the equity funding in its entirety for the Proposed Transaction. IFM GIF will have access to sufficient committed capital to fund the equity requirements necessary to complete the Proposed Transaction - IFM intends to utilize fully committed debt to fund the Proposed Transaction - IFM intends to maintain a capital structure consistent with an investment-grade credit rating - IFM confirms that it expects no financing contingency to be associated with a final binding bid
Internal approvals	IFM confirms that it has obtained all the necessary support and approvals to have submitted its non-binding Revised Reply
Regulatory / external approvals	- FPSC approval of the transaction structure, initial rate base calculations and associated rate design underlying the Committed Rates that will apply during the Committed Rate Stability Period and beyond - Federal Trade Commission or Department of Justice early termination of the waiting period or allowance of waiting period expiration under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 - Federal Energy Regulatory Commission approval under 203 of the FPA - City Council approval - Majority vote in a referendum conducted by the City
Prior acquisitions / Investments	- Completed 21 investments and deploying ~\$25bn of investor equity capital since the beginning of 2013 through IFM GIF - Key transaction completed include: Freeport LNG in the United States (2014), Indiana Toll Road in the United States (2015 and 2018), Mersin International Port in Turkey (2017), Global Container Terminals (GCT) in North America (2018), Inpala Terminals, a global base metal terminal platform (2018), and Buckeye Partners in North America (2019) among others - Large-scale infrastructure investments in partnership with governments including Indiana Toll Road (2018, United States) \$1bn in payments to the State of Indiana and commitment to spend \$50mm of capital expenditure, and Ausgrid (2016, Australia) A\$16.2bn (\$11.0bn) of Gross Proceeds to the State of New South Wales in Australia among others
Due diligence requirements	IFM's due diligence requirements include market, regulatory, technical, environmental, accounting, tax, insurance and legal aspects of the transaction; noted on clarification call that due diligence would take 7 months, not weeks*
Advisors / other	IFM is in advanced discussions with market-leading advisors across key areas of due diligence, including market, technical, environmental, regulatory, financial, tax, legal and insurance. IFM will also engage a financial advisor to assist with the transaction process



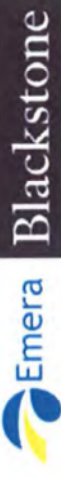
Review of Revised Replies (cont'd)

Assessment of whether the proposed structure eliminates JEA's existing operating constraints	- IFM's proposal is for the purchase of JEA's full portfolio of electric and water utility assets and associated infrastructure by a subsidiary of IFM GIF, representing a recapitalization of JEA and a transition to private sector stewardship - Thus, the proposed structure eliminates JEA's existing operating constraints as the acquisition would transition JEA to an investor-owned utility from a municipally-owned utility
Treatment of Vogtle	- The assumptions underpinning IFM's Preferred Scenario represent an alternative structure in the Process Letter. The modification relates to the application of the Stabilization Fund - All ongoing or future litigation costs are to be borne by Legacy JEA and Legacy JEA will retain the Vogtle PPA - For the purposes of this scenario, IFM has assumed that NewCo is responsible for generating / procuring all of the required power for JEA's customers at lowest cost and that Vogtle power is not necessarily part of NewCo's power supply - A Stabilization Fund (funded through a portion of Gross Proceeds) is established to cover a portion of the cost of the Vogtle PPA, alongside monies received by Legacy JEA from the sale of Vogtle power in the market - In the event of any shortfall in the Stabilization Fund, no mechanism would exist for Legacy JEA to collect any shortfall from NewCo or its customers; no shortfall is assumed to exist - During the next phase of the process, IFM is open to discussing alternate scenarios, once additional information is available and IFM has undertaken further due diligence
Operations in FL	- IFM serves a number of Florida-based, institutional pension funds as investors in IFM GIF; these investors represent a significant portion of IFM's United States investor base - IFM investments in Florida include Buckeye Partners and VTTI. Buckeye owns and operates a large diversified network of integrated midstream infrastructure assets and its portfolio includes 6,000 miles of pipeline, with over 100 delivery locations and 115 liquid petroleum products terminals. VTTI owns 13 marine terminals on five different continents that provide import, export and storage infrastructure for oil majors, refiners and commodity marketers
Respondents' commitments / narrative related to community development and / or economic development	As an open-end infrastructure fund, IFM GIF has no prescribed exit requirements and is focused on investment over the long-term on behalf of its investors
Assessment of the execution or other risks of the proposed transaction	- Baseline risk - Limited public profile in Florida

Review of Revised Replies (cont'd)



Proposed purchase price & deal perimeter	\$5.5bn of Gross Proceeds to acquire JEA's electric system - Current Pro Forma Scenario assuming the costs associated with the Vogtle FPA do not exceed the Projected PPA Costs in the Respondent Financial Model, and that recovery of these costs is approved by the FPSC and that all of these costs are recovered from customers. However, for clarity, Emera has determined that it is not willing to assume any of the risks, including the regulatory and litigation risks, associated with the Vogtle PPA - Scenario A is Emera's preferred scenario. Under Scenario A, Emera's proposed purchase price remains \$5.5bn. Gross proceeds would not change in any of Scenarios A, B & C.
Key conditions and assumptions	Valuation Methodology Discounted cash flow analysis Key changes in assumptions No material changes; Emera has utilized JEA's assumptions as provided Assumed operational changes Emera has accepted the operational improvements that have been reflected in the Financial Information, specifically in the Management Case Scenario A and has not assumed any additional operational changes at this time Rates No changes have been made to the assumptions/key inputs originally provided in the Respondent Financial Model for the Committed Rate Stability Period Other Central to Emera's operating philosophy is that of governance, "specifically, how the utility is run and who it is run by." Emera strongly believes that a public utility operates best when it is deeply rooted in the communities it serves. Emera proposes a local board comprised of a majority of local leaders and a combination of company representatives
Plan for minimum requirements	Customers Emera has assumed that the electric system's proportionate share of customer payments described in the ITN are paid to customers from Gross Proceeds. Additionally, Emera is committed to providing three years of rate stability for JEA customers Environmental Emera is committed to developing and providing the City of Jacksonville and the Duval County Public School system with 100% renewable electricity by the year 2030. Consistent with the Respondent Financial Model, Emera assumed the replacement of Northside Units 1 and 2 with solar and battery storage Community impact Employee pension protections and employee retention payments are reflected in Gross Proceeds. Emera commits to maintaining substantially comparable employee compensation and benefits for three years. To that end, Emera has made no changes to Operations and Maintenance expense in the Respondent Financial Model. Additionally, Emera is fully committed to the development of a new JEA headquarters in downtown Jacksonville
Feasibility and contingencies	- Emera understands how to plan for the timing of approvals that are within its influence. Emera considers the timing of city council review and a subsequent referendum will be items outside of Emera's influence and could potentially impact the typical time to close a transaction of this magnitude. For this reason, Emera will seek guidance from JEA and its advisors on how best to mitigate this risk as the ITN process unfolds - Emera has not identified any additional contingencies at this time, other than the approvals described below in "Regulatory / external approvals"
Financing sources	- The Proposed Transaction would not be subject to any financing contingency as a condition to closing - BIP will invest as a minority partner. The equity contribution to JEA from BIP would be fully funded through a drawdown of the \$14bn of fully committed capital to BIP and its affiliated fund vehicles by its investors (of which over \$11bn remains undrawn as of September 30, 2019). BIP's remaining undrawn capital can be invested at BIP's sole discretion. Any final binding proposal would not be subject to a financing contingency - Emera is working with its financial advisor, Scotia Capital Inc., on the financing strategy for this acquisition, including the provision of an acquisition bridge facility to enable the closing of the transaction and to provide flexibility on the timing of the final capital raise. The foregoing would be dependent upon further due diligence to be conducted by Emera and its advisors
Internal approvals	- Emera will require approval from its executive office and Board of Directors prior to making a binding offer and executing final definitive agreements - The transaction would not trigger the need for approvals from Emera shareholders - Commitments of capital by BIP will not require approval from its investors, its Board of Directors or its shareholders and are contingent only upon approval from its Investment Committee
Regulatory / external approvals	
Prior acquisitions / investments	- TECO - Electric Utility in Tampa, Florida - \$10.7bn enterprise value - Between 2006 and 2013, Emera acquired interest stakes in Caribbean utilities, including The Barbados Light & Power Company Limited ("BLPC"), Dominica Electricity Services Ltd., St. Lucia Electricity Services Ltd., and Grand Bahama Power Company Ltd. ("GBPC") - In 2016, Emera privatized Emera (Caribbean) Inc., the parent company of BLPC, and in 2018, it privatized ICD Utilities Limited, the parent company of GBPC
Due diligence requirements	Emera confirms that it is prepared to complete the necessary due diligence in a timely manner. The team can commence due diligence immediately after being granted access to key management personnel and a fully populated data room and will proceed as expeditiously as is practicable
Advisors / other	- Financial advisor: Scotia Bank - Legal advisors: Davis Polk & Wardell LLP, Vinson & Elkins LLP - Consultants: Analysis Group, Slover Consulting



Review of Revised Replies (cont'd)

Assessment of whether the proposed structure eliminates JEA's existing operating constraints	- Proposed structure eliminates existing operating constraints at JEA's electric utility only as the acquisition would transition JEA's electric business to an investor-owned utility from a municipally-owned utility - Proposed structure would require a partner interested in acquiring the water utility in order to eliminate the existing operating constraints of the water business
Treatment of Vogtle	- Emera's preference is Scenario A, noted on clarification call that they would like to review the scenarios further if advanced in process - Gross Proceeds payable assumes that costs associated with the Vogtle PPA do not exceed the Projected PPA Costs in the Respondent Financial Model, and that recovery of these costs is approved by the FPSC and that all of these costs are recovered from customers - Emera has determined it is not willing to assume any of the risks, including the regulatory and litigation risks, associated with the Vogtle PPA
Operations in FL	- Specifically in Florida, Emera owns Tampa Electric, PGS and SeaCoast Gas Transmission LLC ("SeaCoast Gas") - Tampa Electric serves approximately 764,000 customers and has electric generating stations in service, with a December 2018 net winter generating capability of 5,238 MW - PGS serves approximately 392,000 customers across the state, operating approximately 13,000 miles of natural gas mains and approximately 7,400 miles of service lines - SeaCoast Gas operates a 25-mile pipeline system that currently serves JEA and ensures reliable delivery of natural gas to northeast Florida
Respondents' commitments / narrative related to community development and / or economic development	- Emera proposes a local board, typically comprised of a majority of local leaders and a combination of company representatives, to JEA and would welcome the input and support of the City to determine possible Board members who can fulfill this important contribution - Emera will maintain JEA's community impact initiatives as described in the CIP. These include the Volunteer Program, the Ambassador Program, Educational Programs and JEA Employee Giving Campaigns - Emera commits to creation and delivery of a formal community investment plan in Jacksonville, built on engagement with key stakeholders, as well as a relationship plan that supports JEA objectives - Emera supports economic development initiatives in Jacksonville through PGS involvement in the Greater Jacksonville Chamber of Commerce and the Jacksonville USA Partnership - Emera's Florida operations invested ~\$2.7mm in 2018 in economic development, youth programs and education, wellness, growth and innovation, cultural vitality and environmental programs - Emera understands that JEA has over 40 innovation initiatives underway in its Innovation Lab and the Bay Street Innovation Corridor. As part of the next round in the ITN process, Emera looks forward to learning more about the nature of these initiatives and determining how to carry them forward into the future - Emera already directly funds research, development and industry partnerships in smart grid advancements through a \$6.2mm investment in the Research Center for Smart Grid Technologies at the University of New Brunswick - Emera's expectation is that a robust emergency preparedness plan is in place at JEA and maintained through regular scenario planning and exercises – including collaboration with agencies and partners outside the utility - Emera's strategic priorities include carbon emission reductions (investing in renewable and cleaner generation to reduce the carbon intensity of their operations) and sustainability (executing with discipline to deliver for their customers, employees, shareholders, communities and the environment) - Emera commits to engage with the City of Jacksonville to partner in areas where they can support local economic development and innovation
Assessment of the execution or other risks of the proposed transaction	- More elevated than baseline due to separation of the business and negotiation amongst partners - Mitigated to some extent given willingness expressed on the clarification call to separate the business after closing



Review of Revised Replies (cont'd)

Proposed purchase price & deal perimeter	- Gross proceeds of \$4.565bn to acquire Electric and Water Systems - Presenting an alternative structure: Muni-IPO (Initial Pension Offering) – Under the proposal JEA would transfer its utilities to a new legal entity, predominantly owned by Public Plans, which preferably will include Jacksonville's two pension trust funds and allow JEA to remain an exempt party for purposes of issuing tax-exempt debt
Key conditions and assumptions	Valuation methodology: Assets are acquired with existing debt and cash in place. Existing debt will be left in place and additional debt will be raised at the HoldCo for both the Electric and Water System. API-Argo have taken a forecasted DCF approach over a 20 year period applying discount rates and a terminal value they deem to best match the risk profile of the sector and investment. API-Argo calculation of Gross Proceeds includes the forecast of Project J PPA payments as included in JEA baseline projections Key changes in assumptions: API-Argo assumed the projections from the JEA ITN Respondent Financial Model Assumed operational changes: API-Argo extended the life of the model based on their utility experience Rates: API-Argo's rates are 5-9% lower than JEA's All-In Electric rates and 5-0% lower than JEA's All-In Water Rates Other: API-Argo has a preference for Adjusted Scenario A. To the extent that any Project J rate adjustment will be required, it could – if outside and in addition to the guaranteed rate level within API-Argo's proposal – be simply added to the existing customers bills in the same fashion as would happen under the current governmental ownership
Plan for minimum requirements	Customers: API-Argo will not raise rates for a minimum of 3 years and potentially longer Environmental: Because API-Argo intend to retain the existing JEA management, they believe there will be strong commitment to meeting the environmental and community impact requirements Community impact: API-Argo proposes the City place \$1bn of JEA equity in the JAX Muni Pension Plan with an option to pay it down (sell it) at any time after one year, and that the City place \$1.5bn in high yield taxable subordinated debt with the JAX Fire and Police pension funds (which are not Qualified Public Pension Plans)
Feasibility and contingencies	- IRS Prohibited Transaction Rule: API has developed strict protocols to meet tax policy - API's Muni-IPO would allow the entity to be regulated by the City and / or JEA, and not subject to FPSC regulation
Financing sources	(i) Committed equity from managed funds, (ii) the assumption of existing JEA debt, (iii) additional HoldCo debt and (iv) additional co-investment equity capital - API-Argo would like to obtain firm financing commitments prior to the Best and Final Offer stage
Internal approvals	Argo's Investment Committee has reviewed and approved the proposal. In order to submit a binding proposal, Argo would need to obtain final approval from their Investment Committee – this approval will be sought once diligence has been completed and prior to entering into a definitive agreement
Regulatory / external approvals	- API-Argo anticipates that the transaction may require FPSC approval - API-Argo "does not anticipate any other exceptional regulatory approvals, other than customary approvals for a transaction of this nature"
Prior acquisitions / Investments	- Cross-Sound Cable Company and Hudson Transmission Partners – 990MW of electricity in the Northeast - Colorado JPP – 200 MW natural gas-fired power plant - Duquesne Light Company – regulated electric transmission and distribution utility in Pennsylvania - City of Bayonne, NJ and the Borough of Middletown, PA – Two water and wastewater concessions - Oneta Energy Center – 1,127 MW natural gas-fired power plant near Baton Rouge, LA - Pearl / Ruby Solar – 120 MW commercial and industrial solar portfolio
Due diligence requirements	API-Argo envisions the process would take 8-10 weeks
Advisors / other	- Financial Advisor: Guggenheim Securities LLC - API-Argo will look to engage a full suite of advisors in the next stage of the process



Review of Revised Replies (cont'd)

Assessment of whether the proposed structure eliminates JEA's existing operating constraints	■ Creation of new legal vehicle through Muni IPO will allow JEA to benefit from being "public" without the conditions of being "governmental" ■ JEA is able to maintain the benefits of accessing tax-exempt financing while relieving the burdens and limitations on operations that JEA has identified as consequent to being "governmental" ■ API-Argo plans to maintain JEA as an operating entity and retain the current management team, allowing for the execution of management's growth strategy ■ Clarification on call that by transferring ownership from City to pension fund, this would eliminate many of JEA's existing operating constraints
Treatment of Vogtle	■ API-Argo has a preference for Adjusted Scenario A. API-Argo believes that Legacy JEA customers should bear the risk of Project J and Scenario A precludes need for Respondents to estimate final project costs or anticipate outcome of lawsuits surrounding the Project ■ API-Argo calculation of Gross Proceeds includes the forecast of Project J PPA payments as included in JEA baseline projections ■ To the extent that any Project J rate adjustment will be required, it could — if outside and in addition to the guaranteed rate level within the proposal — be simply added to the existing customers bills in the same fashion as would happen under the current governmental ownership
Operations in FL	■ None
Respondent's commitments / narrative related to community and/or economic development	■ API-Argo intends to retain existing JEA management, who will maintain a strong commitment to meeting the environmental and community impact requirements ■ Forecast includes all operating expenses and capital expenditures API-Argo believes are necessary to achieve the desired Community Impact Initiatives, in addition to delivering an excess \$1bn of proceeds to the City of Jacksonville ■ API-Argo states that proposal meets or exceeds threshold requirements by making all required payments, including maintaining current rates for a minimum of three years and potentially longer ■ Tax-exempt transaction structure will produce a rate structure with base utility rates that are at least 5% lower than Management's forecast and 12% lower than JEA's status quo forecast by 2030
Assessment of the execution or other risks of the proposed transaction	■ Elevated due to untested structure ■ Primary funding strategy depends on cooperation and appetite of JAX pension plans ■ In the funding alternative where all proceeds are raised from Qualified Public Pension plans, API-Argo recognizes that this would add complexity and time to transaction ■ Proposal is subject to risks associated with future legal and/or policy changes that may change Muni IPO framework and tax-exempt eligibility ■ Uncertain financing without backstop

Review of Revised Replies (cont'd)



Proposed purchase price & deal perimeter	\$4.35bn in cash for 100% of JEA's water and wastewater systems - As part of this process, American Water looks to collaborate closely with other partners who are leaders in electric, district cooling and fiber communications systems, each of whom will be similarly focused on the long-term best interests of JEA and Jacksonville residents
Key conditions and assumptions	Valuation Methodology: [REDACTED] Key changes in assumptions: American Water has used the assumptions in the Due Diligence Materials related to JEA's water and wastewater systems and its operations Assumed operational changes: American Water assumed no key changes to JEA's operations, including efficiency savings that would be passed on to customers through the rate-making mechanisms, thus lowering rates Rates: [REDACTED]
Plan for minimum requirements	Customers: Proposed transaction is structured to assume proceeds will be used to fund a \$350 credit for each water, wastewater and irrigation customer account. Environmental: American Water intends to work with an electric partner to satisfy the full 100% renewable goal by 2030. American Water commits to construct the planned 40 MGD alternative water source by 2045 by utilizing its proven expertise and experience in recycling, reuse and desalination, along with traditional water supply expertise Community impact: American Water agrees to protect certain employee retirement benefits as outlined in the ITN, commits to provide substantially comparable compensation and benefits for all continuing full-time JEA water and wastewater employees for at least three years, commits to fund an employee retention payment program to continuing full-time water and wastewater employees equal to one year's base salary, to be paid out over three installments, and commits to developing its Florida headquarters in downtown Jacksonville
Feasibility and contingencies	- American Water sees no hindrance in its corporate structure or that of JEA, or in the relevant governmental/regulatory structures, that would adversely and materially affect the ability of American Water and JEA to ensure the feasibility of the Proposed Transaction - As a partner, American Water would join JEA to conduct a public education campaign to clearly demonstrate the community benefits of the Proposed Transaction. This campaign would include public relations, rapid response, community events and paid media. American Water has proven experience and success with referendum campaigns required for the purchase of both water and wastewater systems - American Water's Proposed Transaction is not subject to any contingencies beyond completion of due diligence, identification of their electric partner identified by JEA (if applicable) and negotiation of key transaction documentation
Financing sources	[REDACTED] - If required, the final proposal will include a committed financing package - American Water intends to fund the proposed acquisition through a combination of debt, common equity and equity-linked sources, as well as internally generated cash flow
Internal approvals	- Board of Directors of American Water Works Company, Inc. authorized its President and Chief Executive Officer (or her designee) to: - Enter into negotiations with JEA, and - Submit one or more Best and Final Offers (BAFO) with respect to the ITN. - The Board of Directors must review and approve any definitive and binding acquisition agreement with respect to the ITN and may be required to approve related financing arrangements. - Arranging for such Board approval or its timing will not be an impediment to execution of a definitive agreement
Regulatory / external approvals	- The Proposed Transaction will require American Water to obtain a Certificate of Authorization from the FPSC to own, operate and provide service using JEA's water and wastewater system currently owned by JEA and to charge JEA's existing rates - Additionally, American Water may need to obtain certain yet-to-be-determined FPSC accounting approvals based on information derived from further confirmatory due diligence and inspection of JEA's books and records, as well as the final terms of a definitive transaction agreement with JEA - American Water will consult with the FPSC prior to making any such application to ensure that they satisfy all FPSC expectations and facilitate a timely review and FPSC approval
Prior acquisitions / investments	- American Water has successfully completed more than 100 acquisitions since 2014, the majority of which were municipal systems and some requiring referendums - Since 2014, the company has invested more than \$8.6bn in acquisitions and strategic capital investment, including for regulated capital investment, technology, energy efficiency/renewables, new water supply, combined sewer overflow (CSO)-related expenses, and more
Due diligence requirements	American Water expects to be able to conduct Phase II due diligence quickly and efficiently, including expeditiously assessing operating expense levels and efficiencies, capital expenditure plans, rates and regulatory strategy, and growth opportunities for the JEA water and wastewater systems
Advisors / other	Financial advisor is RBC Capital Markets and the legal advisor is McGuireWoods LLP. Other advisors include [REDACTED], Beggs & Lane, Willis Towers Watson



Review of Revised Replies (cont'd)

Assessment of whether the proposed structure eliminates JEA's existing operating constraints	- Proposed structure eliminates existing operating constraints at JEA's water & wastewater utility only as the acquisition would transition JEA's water & wastewater business to an investor-owned utility from a municipally-owned utility - Proposed structure would require a partner interested in acquiring the electric utility in order to eliminate the existing operating constraints of the electric business
Treatment of Vogtle	Not Applicable – American Water has not contemplated an acquisition of the electric utility and therefore has not identified a proposed treatment of Vogtle for purposes of its proposed acquisition
Operations in FL	American Water's assets and operations in Florida include National Call Center, Water Desalination Facility, and Florida City Gas and Orlando Utilities Commission Homeowner Services Group Partnership
Respondents' commitments / narrative related to community development and / or economic development	- American Water sponsors national workplace-giving campaigns with the United Way and Water For People, and every September encourages employees to spend a full day volunteering in their local communities as part of their company-wide AmeriCANS in Action Month of Service - American Water partners with environmental organizations, PSCs, state Fusion Centers, Homeland Security and the FBI to share information and promote security best practices - Through American Water's Foundation's partnership with the Union Sportsmen's Alliance, there would be an opportunity to bring a series of youth and environment-focused outdoor and conservation events to children in the Jacksonville area - American Water also proposes an advanced water technology R&D center in Jacksonville, establishing the community as a pilot hub for state-of-the-art water technology ideation and R&D efforts - The company is a top-ranked employer of former service members and has been recognized for its efforts to support military spouses and families - In addition to locating American Water's new Florida headquarters in downtown Jacksonville, American Water also commits to work with the 3,000-member JAX Chamber to recruit prospective companies to the region. American Water will commit to the highest standards of sustainability and environmental leadership when developing its Jacksonville headquarters - Will partner with local businesses and economic development experts to leverage incentives and credits to maximize economic development for the community - American Water plans to add 100 new positions in downtown Jacksonville - American Water's commitment includes supporting strong environmental protections for the St. Johns River and other important local natural resources, including the Northeast Florida shoreline, Intracoastal Waterway and Timucuan Preserve - American Water proposes the establishment of a Geographic Information System (GIS) training program in Jacksonville. American Water would identify a nonprofit organization with the potential for infrastructure, training expertise and facilities to help create opportunities for the existing Jacksonville job pool, focusing on young people from economically distressed areas
Assessment of the execution or other risks of the proposed transaction	- More elevated than baseline - The sale of the Water & Wastewater System to American Water is contingent on separating the business and finding a partner to acquire the Electric System; no interest in temporary ownership of the Electric System