

Chairman.

Board members.

Thank you for the opportunity to work with you over the past seven (7) months. It has been a true honor and a pleasure collaborating on the transition of JEA from a government centric mindset to a value & profitability driven enterprise.

It is amazing the progress we have made together a few short months. In March this year, JEA was paralyzed by internal and external uncertainty. Candidly at the time, sitting in your seat as a Board member, I had a lot more questions than answers. I was unsure of the short & long-term strategy of the company and unsure of our collective ability to establish a plan while also navigating a highly fractured stakeholder group. I was unsure how JEA was going to mitigate a significant unbounded generation liability - Vogtle. Most important, I was unsure how JEA would continue to provide high quality, reliable and affordable services to our customers in the face of a changing market landscape while also meeting the financial commitments our community.

I desire to see JEA overcome these monumental obstructions and be an impact leader of the City and the entire industry. I want JEA to lead the infrastructure innovation movement into the 22nd century. A successful society is characterized by a rising living standard for its entire population. It's entire population. I want my home City of Jacksonville, where I will raise my family, to be the paragon of such a society. This is the reason I stepped forward for the Interim CEO role and is the reason I humbly submitted myself as a candidate for the permanent CEO role.

The first challenge we addressed was the highly fractured stakeholder groups of JEA. We worked to build a consensus of the Mayor, the City Council, our community stakeholders, union leaders, our management team and most importantly our employees. Because Jacksonville is the "City of Bridges," we built bridges as opposed to walls.

Between May 1st and November 1st, I fulfilled a promise made on April 17th. The promise was to increase transparency and communications of JEA with all the stakeholders. To that end, we redesigned our Board meeting structure. I personally have met, listened to and provide open access for City Council (1:1 over 50 times in 6 months), 1,000+ of JEA's employees (answering tough questions), the Civic Council, the Pastors of the City of Jacksonville, JSEB members, and the Dupont Fund, JEA's top customers, Jacksonville Chamber, DIA, JTA, JAXPORT, TPO and JAXUSA, individual community leaders, federal and state delegates of Florida and even JEA's commercial and financial partners to assess JEA's strengths and weaknesses.

Having obtained the data and input of these varied, and sometimes divergent groups, I worked with the Board and Senior Leadership Team to create a solid foundation for the future of JEA.

As a unified front, we have pivoted JEA toward a pervasive commitment to driving value and profitability. This commitment is embodied by the Board's "Strategic Framework," past in August, which provides clarity of measure for JEA's progress both internally and externally. If JEA's Board and leadership remain commitment to driving: customer value, financial value, environmental value and community impact value I feel confident our community will always be better served.

By October 16, 2018, six (6) short months after this Board and our management team committed to a transition, we have pivoted the company and accomplished some unique firsts:

1. We established the first “Strategic Framework,” a measuring stick of progress, in JEA’s history;
2. We have built upon the Strategic Framework to create a set of Guiding Principles with a new vision and mission for a JEA of the future;
3. We initiated a unique telecom and dark fiber strategy to monetize hidden asset value and transform the City’s communication infrastructure;
4. We formally launched a corporate headquarters search to drive downtown development and the culture of JEA forward;
5. We revamped our fuel strategy to stabilize and lower our fuel costs;
6. We awarded 250 MW of solar projects that will provide power >20% lower than our current cost of fuel in our fleet;
7. We negotiated a 2-year extension of JEA’s contribution to the City creating stability for strategic planning;
8. We doubled JEA’s \$15 million financial commitment to septic tank phase out and established an innovative path for JEA to be a thought leader on a decades old \$2.5 billion community wastewater problem;
9. We provided the City with water quality credits valued at over 100+ million;
10. We solidified and drove JEA’s leadership in the State of Florida on water quality and water supply issues – becoming the first utility in Florida to demonstrate wastewater to purified water for a significant public audience at the JAX Infrastructure Innovation Summit;
11. We have partnered with the City Public Works department to launch an effort for a Citywide organics recycling program that will not only recycle organics but improve water quality; and,
12. We methodically created a plan to de-risk JEA by openly addressing the issues of Vogtle and by creating a plan to accelerate deleveraging by \$1 billion over 4 years.

October 17, 2018, marked the 125th anniversary of Jacksonville’s first electric light plant. It is serendipitous JEA spent its 125th year dedicated to discussing the changing landscape in which our organization exists. In addition, JEA and its stakeholders reaffirmed the enterprise’s fundamental purpose and its role in Northeast Florida. However, one thing is certain, the era of JEA’s future is dramatically different than the last 125 years.

Few would argue against the virtues of renewable, resource-efficient, sustainable infrastructure and the central role it will play in future-proofing our society. The empirical data is unequivocal. In fact, more than half of energy-generation capacity added in the U.S. over the past four years has been renewable and modular; additionally, it is also often cheaper, safer, and more efficient to treat and then recycle industrial wastewater on-site instead of pumping it to the local municipal treatment facilities. Still, some industry leaders, frankly some in public leadership question the inevitability of an infrastructure transition— It’s often easier to stick with the status quo than to accept and integrate new approaches.

The smartest players are adapting now. Leaders of infrastructure innovation see their customers as people—or companies managed by people—who want infrastructure services that are reliable, modular, and economically efficient. The solutions that offer customers the most compelling economic value proposition and consistent availability will therefore win, new or old. Even if we can’t predict the future, one conclusion is clear: more adaptation is imminent, and we must adapt JEA to be flexible. This is not threatening. It is prudent.

I believe this Board, the public and the employees have learned that my character is one of: focus, action and fortitude. I also tend to use a different prism when evaluating life and business. Our team at JEA is steep in utility and historical JEA experience. The Senior Leadership Team alone has an average of 20+ years of utility experience and 15 years of JEA experience. Not to mention when including our 50+ Directors the team's utility experience level rises to 1,000 years. It is true what people say about me. I do not have decades of "traditional" utility experience. I do however have decades of private equity, venture capital, hedge fund, telecom, water, distributed power and customer focused market expertise. This experience is more applicable to JEA's future than its past. Also, to say the CEO of JEA requires decades of traditional utility experience presumes that the next CEO will not listen to or take advice from the existing team. I submit the next CEO should listen, build consensus and provide leadership; far more often than dictatorial. The Senior Leadership Team behind me is one of the most skilled and knowledgeable teams in the industry. Specifically, Melissa Dykes and Ryan Wannamaker are unique talents to guide JEA's future. No matter your decision today take care of this talent.

JEA will have a highly qualified CEO. Chris Eugster is a seasoned utility operator. Pamela Hill has a wealth of traditional utility experience.

Regardless the outcome I can guarantee that the stage and foundation is set for any of us to be successful. The progress the JEA has made in the past months to gain alignment of our community, to set the Strategic Framework of our company and the momentum of recent accomplishments will ensure its future to be bright.

As we all know, I am here today seeking your support to become the permanent CEO. Should the Board provide that honor my plan would include:

1. First, I will focus on JEA's Culture. JEA needs and adaptive culture. We need an open corporate culture that embraces ideas, change and accepts fast failures without blame. In this regard, the Board demonstrated great leadership in its unanimous actions on dealing Vogtle.
2. Second, I will continue driving alignment on a pervasive commitment to value creation and profitability. The strategic framework sets the measures for all to see. Now time to drive value.
3. Third, I plan on implementing a technology and communications architecture that will support and accelerate customer choice through JEA;
4. Fourth, under my leadership JEA will maintain a commitment to de-risking for the benefit of our customers. Two great starts are: 1) the STAR plan, presented to the Board in October, that will pay off over \$1 billion in debt; and 2) our methodical plan to deal with Vogtle; and
5. Fifth, just as I have done in the last 7 month, I will collaboratively build a 10-year Strategic Plan for JEA's next decade that drives value for the benefit of our City and for our customers in both water and energy business.

In contrast to March, today I am happy to report that I sit here with far less uncertainty. We now have alignment of major stakeholders, we have a set of directional measures, we have a plan for a path forward on Vogtle and risk, and we have a team and Board focused on addressing market changes impacting our organization.

Thank the Board, thank the SLT, thank the union leadership and all the employees for the last 7 months. Thank you for your time. I look forward to answering all of your questions.