
From: Mike Barg <Mike_Barg@mckinsey.com>
Sent: Friday, February 8, 2019 4:21 PM
To: Schlossman, Scott N. - Financial Analyst Sr. Planning & Rates; Sarah Brody
Cc: Crawford, Juli E. - Director Financial Planning & Analysis; Blackshear, Victor L. - Manager Financial Planning & Rates; Davis, Eric M. - Financial Analyst Senior Financial Planning & Rates
Subject: RE: Next steps - JEA status quo - financial model outputs - Electric Consolidated

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Thank you, Scott. I appreciate your help with this and the quick turnaround. I have a few questions as we try to pull a few key pieces out of this – we’re looking at some of this on an aggregate 2019-2030 basis, so I’ve attached a slightly updated version with the calculations as I’m thinking about them (apologies for the red in the attached documents).

- + If we’re trying to calculate cash flows independent of debt issuance/retirement, could we think about that as “funds available for corporate purposes” minus “city contribution”? Are there other pieces we need to consider? (e.g., recognition of costs/revenues)
- + Does the STAR plan apply to both electric and water?
- + Is the STAR plan shown here for “early debt retirement” and “bond proceeds”? (e.g., lines 40, 41 of the attached model – I thought the STAR assumption was “no new debt” so want to make sure I understand it)
- + On water, can we think about “contribution from developers” as revenue, or is that a misrepresentation?

Have a great weekend!

Regards,
Mike

From: Schlossman, Scott N. - Financial Analyst Sr. Planning & Rates <schln@jea.com>
Sent: Friday, February 8, 2019 12:57 PM
To: Sarah Brody <Sarah_Brody@mckinsey.com>; Mike Barg <Mike_Barg@mckinsey.com>
Cc: Crawford, Juli E. - Director Financial Planning & Analysis <crawje@jea.com>; Blackshear, Victor L. - Manager Financial Planning & Rates <blacvl@jea.com>; Davis, Eric M. - Financial Analyst Senior Financial Planning & Rates <daviem@jea.com>
Subject: [EXT]FW: Next steps - JEA status quo - financial model outputs - Electric Consolidated

Here is the [Electric Status Quo Financial Model Results](#) – folding in the forecasted on-going activity (mostly repayment of debt) from SJRPP to arrive at a forecasted electric consolidated system view. This would be consistent to the historical figures we reported for electric consolidated system.

Please let us know of any questions.
Thanks

From: Schlossman, Scott N. - Financial Analyst Sr. Planning & Rates
Sent: Friday, February 8, 2019 2:25 PM

To: 'Sarah Brody' <Sarah_Brody@mckinsey.com>; 'Mike Barg' <Mike_Barg@mckinsey.com>
Cc: Crawford, Juli E. - Director Financial Planning & Analysis <crawje@jea.com>; Davis, Eric M. - Financial Analyst Senior Financial Planning & Rates <daviem@jea.com>; Blackshear, Victor L. - Manager Financial Planning & Rates <blacvl@jea.com>
Subject: RE: Next steps - JEA status quo - financial model outputs

Hello - Attached are two separate files containing the electric and water financial model outputs given the status quo assumptions.

An observation noted for electric is that the historical financial results reviewed and re-submitted earlier today contained the consolidated electric system view (included SJRPP system). The attached electric forecast results do not include the SJRPP system/consolidated view so please keep in mind if we were thinking of showing history and forecast financials alongside together here.

Please let us know of any questions.
Thanks!
Scott

From: Sarah Brody <Sarah_Brody@mckinsey.com>
Sent: Friday, February 8, 2019 12:29 PM
To: Blackshear, Victor L. - Manager Financial Planning & Rates <blacvl@jea.com>
Cc: Crawford, Juli E. - Director Financial Planning & Analysis <crawje@jea.com>; Davis, Eric M. - Financial Analyst Senior Financial Planning & Rates <daviem@jea.com>; Whitmer, Laure A. - Manager, Capital Budget Planning <whitla@jea.com>; Schlossman, Scott N. - Financial Analyst Sr. Planning & Rates <schlsn@jea.com>
Subject: RE: Next steps - JEA status quo - energy capex working session

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Thanks Victor.

Yes, looks like we are all set on water (Laure – the revised categorization will not affect our overall forecast).

On energy, we are still going back and forth with Caren and waiting for Mary on the IRP estimates of the Greenland plant. This will not be a huge change from the capex forecast in the plan now, so I would suggest that if we can't finalize by ~2PM, we run the electric financial forecast with what we currently have for capex, and make the final update on Monday.

Thanks,
Sarah

From: Blackshear, Victor L. - Manager Financial Planning & Rates <blacvl@jea.com>
Sent: Friday, February 8, 2019 12:02 PM
To: Sarah Brody <Sarah_Brody@mckinsey.com>
Cc: Crawford, Juli E. - Director Financial Planning & Analysis <crawje@jea.com>; Davis, Eric M. - Financial Analyst Senior Financial Planning & Rates <daviem@jea.com>; Whitmer, Laure A. - Manager, Capital Budget Planning <whitla@jea.com>; Schlossman, Scott N. - Financial Analyst Sr. Planning & Rates <schlsn@jea.com>
Subject: [EXT]RE: Next steps - JEA status quo - energy capex working session

Hi Sarah,

Just checking on my break. It appears Eric has everything we need to rerun the water model and provide revised numbers for your charts. However, I think Scott is still waiting on the Electric for the "Caren confirmed" capex. Any updates?

Thanks,

Victor Blackshear

Financial Planning & Rates, Manager

Direct: (904) 665-4279

Fax: (904) 665-7382

From: Sarah Brody <Sarah_Brody@mckinsey.com>

Sent: Friday, February 8, 2019 10:09 AM

To: Whitmer, Laure A. - Manager, Capital Budget Planning <whitla@jea.com>

Cc: Blackshear, Victor L. - Manager Financial Planning & Rates <blacvl@jea.com>; Crawford, Juli E. - Director Financial Planning & Analysis <crawje@jea.com>

Subject: RE: Next steps - JEA status quo - energy capex working session

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Excellent, thanks Laure. Keep us posted.

From: Whitmer, Laure A. - Manager, Capital Budget Planning <whitla@jea.com>

Sent: Friday, February 8, 2019 8:33 AM

To: Sarah Brody <Sarah_Brody@mckinsey.com>

Subject: [EXT]FW: Next steps - JEA status quo - energy capex working session

FYI

Laure A. Whitmer

Manager of Capital Budget Planning & Financial Shared Resources

Office: (904) 665-6774

Cell: (772)607-4006

Fax: (904) 665-8334



From: Moran, Mary L. - Mgr Electric Generation Planning <GuytML@jea.com>

Sent: Thursday, February 7, 2019 4:32 PM

To: Whitmer, Laure A. - Manager, Capital Budget Planning <whitla@jea.com>

Subject: FW: Next steps - JEA status quo - energy capex working session

Laure, I will have those numbers tomorrow. Sent request for the capex to consultant working the IRP.

Thanks!!

Mary

From: Sarah Brody <Sarah_Brody@mckinsey.com>

Sent: Thursday, February 7, 2019 2:52 PM

To: Anders, Caren B. - VP/GM Energy <andecb@jea.com>; McNall, Steven G. - VP & Chief Energy & Water Planning <mcinsg@jea.com>; Dykes, Melissa H. - President/COO <dykemh@jea.com>; Blackshear, Victor L. - Manager Financial Planning & Rates <blacvl@jea.com>; Crawford, Juli E. - Director Financial Planning & Analysis <crawje@jea.com>; Mike Barg <Mike_Barg@mckinsey.com>; Aaron Bielenberg <Aaron_Bielenberg@mckinsey.com>; Whitmer, Laure A. - Manager, Capital Budget Planning <whitla@jea.com>; Moran, Mary L. - Mgr Electric Generation Planning <GuytML@jea.com>

Cc: Wannemacher, Ryan F. - Chief Financial Officer <wannrf@jea.com>

Subject: Next steps - JEA status quo - energy capex working session

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Hi everyone,

Thanks for the time this morning at the energy capex working session. Here are the next steps aligned on to finalize the forecast. We would like to wrap this up by tomorrow morning if possible.

- Mary to send Laure the IRP base case assumptions for the Greenland plant costs and timing
- Laure to remove the office building from the project list and add the IRP assumptions for the Greenland plant
- Caren to confirm the year at which we switch from using the project list to a constant assumption for capex spend
- We will draft and solicit input from the group a list of potential funding needs that would make up the gap between current project list and assumed yearly spend

Please let me know if you have any questions.

Sarah

From: Sarah Brody

Sent: Wednesday, February 6, 2019 4:01 PM

To: andecb@jea.com; mcinsg@jea.com; dykemh@jea.com; Blackshear, Victor L. - Manager Financial Planning & Rates <blacvl@jea.com>; Crawford, Juli E. - Director Financial Planning & Analysis <crawje@jea.com>; Mike Barg <Mike_Barg@mckinsey.com>; Aaron Bielenberg <Aaron_Bielenberg@mckinsey.com>; Whitmer, Laure A. - Manager, Capital Budget Planning <whitla@jea.com>

Cc: wannrf@jea.com

Subject: RE: JEA status quo - energy capex working session

Good afternoon everyone,

We are looking forward to the status quo energy capex working session tomorrow morning from 9-10am. Here are the topics we plan to cover:

- Reconciliation of the energy system project list capex plan versus the finance forecast capex plan

- What is missing from the project list: are there any major projects planned through 2030 that aren't noted in this forecast
- Are out-years assumptions for ongoing spend reasonable (e.g. \$80-100M R&R spend post 2025)
- Confirm that no planned capex spend can be reduced in a lower-sales environment, absent other action by JEA

We will bring materials to the meeting with details on the capex forecast.

Thanks,
Sarah

-----Original Appointment-----

From: Sarah Brody

Sent: Thursday, January 17, 2019 11:03 AM

To: Sarah Brody; andecb@jea.com; mcinsg@jea.com; dykemh@jea.com; Blackshear, Victor L. - Manager Financial Planning & Rates; Crawford, Juli E. - Director Financial Planning & Analysis; Mike Barg; Aaron Bielenberg; Whitmer, Laure A. - Manager, Capital Budget Planning

Cc: wannrf@jea.com

Subject: JEA status quo - energy capex working session

When: Thursday, February 7, 2019 9:00 AM-10:00 AM (UTC-05:00) Eastern Time (US & Canada).

Where: T-14-Southeast conference room

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