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**From:** Barnes, Randall E. (City of Jacksonville) <barnre@jea.com>  
**Sent:** Wednesday, November 27, 2019 4:40 PM  
**To:** McCarthy, John P. - VP & Chief Supply Chain Officer; McCollum, Jenny G. - Dir  
Procurement Services  
**Subject:** Questions/Comments - Strategy Session 11/27

John,

As discussed, here are the questions/comments I would like the SMEs/Advisors to address (or log as things we should address with the respondents):

#### General

- Provide an estimate for how much the SMEs feel would be necessary to hold in the Stabilization Fund to manage the “Legacy JEA” requirements related to Project Vogtle under Scenario C.

#### API-Argo

- NOTE: For an AIK contribution to the City pension funds to be a relief upon City budgets, there would need to be a change to the City Code of Ordinances that establishes minimum contribution levels until the plans are fully-funded.
- NOTE: If the AIK contributions fully-fund the pension plans, then the Pension Liability Surtax will not go into effect.
- Provide an analysis of any diligence already completed on the market and market experience of similar equity/debt assets that have been placed in pension funds under this structure.
- Please assess the risk that certain regulations which allow this structure to exist might change in the future.

#### JEA PPP

- Is this a recapitalization?
- Should protections be put in place with regard to this structure which eliminate the possibility of proper O&M expenditures to maintain the systems and service levels towards the end of the concession agreement? If so, help us understand what those might look like.
- In their response, they included a \$120 million payment to the City for the first three years (which is different from the Management model). Because this structure is a concession agreement with management agreements (and not a “sale”), and because JEA remains largely intact, would the City expect to continue to receive annual contributions from JEA (as mutually agreed upon, from time to time)?
- The respondent estimated an NPV of \$1B for JEA’s value when the concession agreement ends in 50 years. Is that consistent with what the SMEs would estimate? Even in a world where JEA were able to operate without the current governmental constraints and grow its business in other ways?

#### NextEra

- The respondent provided a creative way to deal with the Project Vogtle   


In the meeting, I had another question about debt defeasance, but I answered it myself a few minutes ago – so no need to ask that one.

Thanks,

Randall