
From: Orfano, Joseph E. - Treasurer <orfaje@jea.com>
Sent: Monday, September 24, 2018 12:02 PM
To: Crawford, Juli E. - Manager - Financial Planning & Rates
Subject: FW: JEA 10-Year Financial Forecasts

Here you go, Juli.

Joe

From: Orfano, Joseph E. - Treasurer
Sent: Wednesday, November 22, 2017 9:59 AM
To: 'Panger, Jeffrey' <jeff.panger@spglobal.com>
Cc: Bodek, David <david.bodek@spglobal.com>; Dykes, Melissa H. - Chief Financial Officer <dykemh@jea.com>; Wannemacher, Ryan F. - Dir Financial Planning & Analysis <wannrf@jea.com>
Subject: RE: JEA 10-Year Financial Forecasts

Here you go, Jeff:

Assumptions For Electric System:

- No Growth in Sales
- \$1.25/MWh fuel rate increase in 2019
- Assuming Vogtle Unit 3 coming online 11/2021 & Unit 4 11/2022
- Projecting Base rate increases in FY25-FY27 results in annualized residential bill change of 1.2% over the 10 year period
- Capital Plan to be funded by Current Year Revenues and Internal Funds
- Managing forecast to sustain the following metrics
 - A minimum debt service coverage target of 2.2x
 - A minimum fixed charge coverage target of 1.5x
 - A minimum days of liquidity target of 150
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Assumptions For Water and Sewer System:

- 1.5% Customer Growth for W/S; 1% Unit Sales Growth (conservatively forecasting declining usage per customer)
- 5-10% annual sales growth for reclaimed water sales over next 10 years
- Annual O&M increases of approx. 2.25% over horizon
- No Base Rate increases projected over next 10 years
- Over \$1B capital plan spend over next 5 years to be funded by current year revenues and internal funds
- Above growth rate projections stay well within Consumptive Use Permit aquifer withdrawal limits for water supply
- Managing to same metric targets as Electric System

Regards,



Joe Orfano

Treasurer

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From: Panger, Jeffrey [<mailto:jeff.panger@spglobal.com>]

Sent: Tuesday, November 21, 2017 5:11 PM

To: Orfano, Joseph E. - Treasurer <orfaje@jea.com>; Bodek, David <david.bodek@spglobal.com>

Cc: Dykes, Melissa H. - Chief Financial Officer <dykemh@jea.com>

Subject: RE: JEA 10-Year Financial Forecasts

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Thanks, Joe –

Do you have a set of assumptions that are underlying the forecast?

Jeffrey Panger
Director

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From: Orfano, Joseph E. - Treasurer [<mailto:orfaje@jea.com>]

Sent: Tuesday, November 21, 2017 3:16 PM

To: Panger, Jeffrey (Analytical); Bodek, David (Analytical)

Cc: Dykes, Melissa H. - Chief Financial Officer

Subject: JEA 10-Year Financial Forecasts

Jeff/David:

Attached are the financial forecasts for the Electric and Water & Sewer Systems. We are finalizing the latest draft audit report and will have that to you shortly.

Regards,



Joe Orfano

Treasurer

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