

From: "Orfano, Joseph E. - Treasurer" <orfaje@jea.com>
Subject: RE: Wells Fargo's Reasonable Expectations Regarding Timing of JEA Privatization
Sent: Mon, 04 Dec 2017 15:58:46 -0600
To: "Richard.Molke@wellsfargo.com" <Richard.Molke@wellsfargo.com>

Rick:

Very much appreciate the quick and thoughtful turnaround!

Joe

From: Richard.Molke@wellsfargo.com [mailto:Richard.Molke@wellsfargo.com]
Sent: Monday, December 04, 2017 4:52 PM
To: McElroy, Paul E. - Managing Director CEO <McElPE@jea.com>; Orfano, Joseph E. - Treasurer <orfaje@jea.com>
Cc: gerald.mayfield@wellsfargo.com; david.thornton@wellsfargo.com; Lisa.M.Williams@wellsfargo.com; scott.martin@wellsfargo.com; David.C.Mellander@wellsfargo.com; Glenn.Gough@wellsfargo.com; gavin.palatt@wellsfargo.com; William.Kim@wellsfargo.com; Lucas.N.Jenkins@wellsfargo.com; Adam.Woodard@wellsfargo.com
Subject: Wells Fargo's Reasonable Expectations Regarding Timing of JEA Privatization

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Paul and Joe

Pursuant to your request, Wells Fargo Securities believes it is reasonable to expect that a privatization of JEA would take two years or longer.

We based our estimate of a privatization time line on our experience with other municipal entities pursuing purchase/sale of a utility system or utility assets. Please note that we have not hired counsel to advise us regarding the procurement, legal and regulatory requirements and related timing for accomplishing JEA's particular privatization in JEA's jurisdiction. Our rough estimate of timing for a privatization of JEA, based on our experience, is displayed below:

1. Initial JEA staff privatization study released: April 2018 (based on information provided by JEA)
2. JEA Board and City Council decide whether or not to proceed with privatization process: June 2018
3. Public Referendum authorizing JEA to seek offers for Electric and/or W&S Systems: August 2018 (note that we base this item on a statement from JEA that a referendum would be required to privatize JEA)
4. RFP to select M&A Advisor and M&A Counsel: October 2018
5. RFQ to Pre-qualify Short List of Bidders: January 2019
6. Run a selection/bid process among qualified short list respondents (with data room and sufficient time for bidders to accomplish preliminary due diligence): April 2019
7. Negotiate with winning bidder(s) (Note that bidder(s) complete final due diligence during this phase of the process) and sign definitive sale agreement(s) subject to all required regulatory approvals and other conditions precedent: July 2019
8. Secure all required regulatory and legal approvals including but not limited to: (1) labor union contract negotiations, (2) Taft-Hartely, (3) NRC approvals, (4) DOE approvals related to DOE guaranteed FFB loan to MEAG Project J, (5) FERC, and (6) Public Service Commission of Florida approvals and if needed the approval of the purchaser's or purchasers' State(s) PUC(s): January 2020
9. Bring down due diligence and closing of sale(s): February 2020

Thank you.

Richard Molke
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