



2018 Cascade

AGENDA

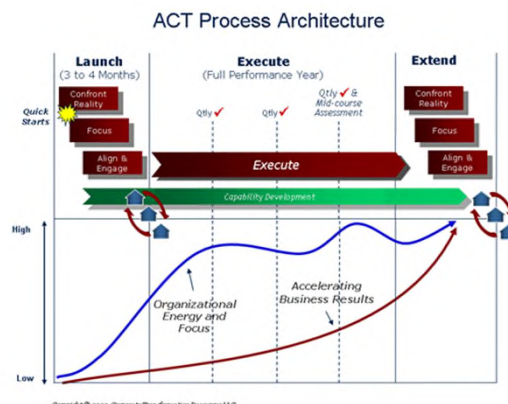
	Presenter	Start	End	Length
Welcome, Safety and Agenda	Kurt Peninger	9:00	9:05	0:05
Irma Video		9:05	9:10	0:05
CEO Welcome Successes and Challenges	Paul McElroy	9:10	9:25	0:15
YE 2017 CTAs and Metrics	SLT	9:25	10:10	0:45
2018 Metrics and Run / Develop / Grow	Paul McElroy	10:10	10:25	0:15
Break		10:25	10:40	0:15
Safety (OSHA rollout)/Change Management	Leah Greene/Blake Osner	10:40	11:00	0:20
Table Leader Initiative Introduction (2-3 Min/Initiative)		11:00	12:00	1:00
Lunch		12:00	12:30	0:30
Table Work Kick Off	Kurt Peninger	12:30	12:35	0:05
Table Work		12:35	13:35	1:00
Break		13:35	13:50	0:15
Table Work		13:50	14:50	1:00
Table Leader Report Out (2-3 Min/Initiative)		14:50	15:50	1:00
Wrap Up	Paul McElroy	15:50	16:05	0:15

Irma Video

CEO Update

CEO Update – 5 Year Journey

- JEA's began our initial strategic planning in the late fall of 2012.
- Our strategic planning was based on the Board's vision for JEA and executed using the Accelerated Corporate Transformation (ACT) model, ultimately involving each and every employee.
- Strategic Plan was launched in September 2013
- 2018 both completes our 5th year and begins a new opportunity to assess and update our strategic plan



CEO Update – 5 Year Journey

2013 Goals

- Clean Power Plan Implementation ✓
- Improve Balance Sheet Flexibility: pay-down debt ✓
- Update Electric System Pricing to capture effect of customer-owned distributed generation (solar) and energy efficiency ✓
- Transform Cost Structure ✓
 - Lower costs to match declining revenue ✓
 - Leverage technology to improve productivity ✓
 - Challenging workforce – civil service, union, pension and performance pay (3-5%) ✓
 - Can we participate in additional business opportunities ✓
- Maintain/Improve
 - System Reliability ✓
 - Customer Satisfaction/Loyalty ✓
 - Employee Satisfaction and Engagement ✓
- Vital Partner in Advancing Our Community
 - Government Transfers ✓
 - Water/Sewer Expansion ✓
 - Nitrogen removal from the St. Johns River ✓
 - Economic development ✓



CEO Update – Success

- In 2017 JEA posted a record high J.D. Power Residential Electric Customer Satisfaction score.
- In July, J.D. Power released the 2017 results showing our customers' overall satisfaction has improved for the fifth consecutive year to a score of 747 – our highest Overall Customer Satisfaction ever!
- Customers scored us a whopping 44 points above our 2016 results and 28 points above the national average!



Looking Ahead....

CEO Update – Adapting in a Changing World

Technology, customer choice and sustainable solutions
are driving change

- Innovation has driven renewable prices below the cost of large scale, central fossil generation
- Wholesale market prices have fallen significantly. Barely covering the marginal costs of production in many part of the country
- There has been no revolutionary change in regulation to control carbon emissions. Rather traditional economic (cost/benefit) forces aided by subsidies for renewables have transformed the structure of the energy market
- Successful deployment of O&M resources and a well executed Capital Plan have allowed us to meet the demands of the water and sewer systems' growth. However, sustainability is the #1 long-term challenge

CEO Update – Adapting in a Changing World

- **Customer Demand is Changing**

Consumers looking for lower costs, cleaner electricity and more control are acquiring distributed generation, forcing utilities to accommodate intermittent renewables and customer-sited generating resources

- **Solar is Cheaper**

Lower prices for renewables are accelerating the trend towards a two-way, decarbonized grid, causing utilities to add flexible natural gas generation along with new technologies such as energy storage to integrate the intermittent resources coming online

- **Natural Gas Sets the Market**

Low gas prices and flexible dispatch have typically allowed combined cycle gas plants to set prices in the wholesale power markets – although wind is gradually treading on that role

- **Demand for Renewables Will Continue to Grow**

Renewable costs are at parity with (or below) other forms of generation and growth will naturally accelerate – with or without subsidies – as construction costs continue to fall

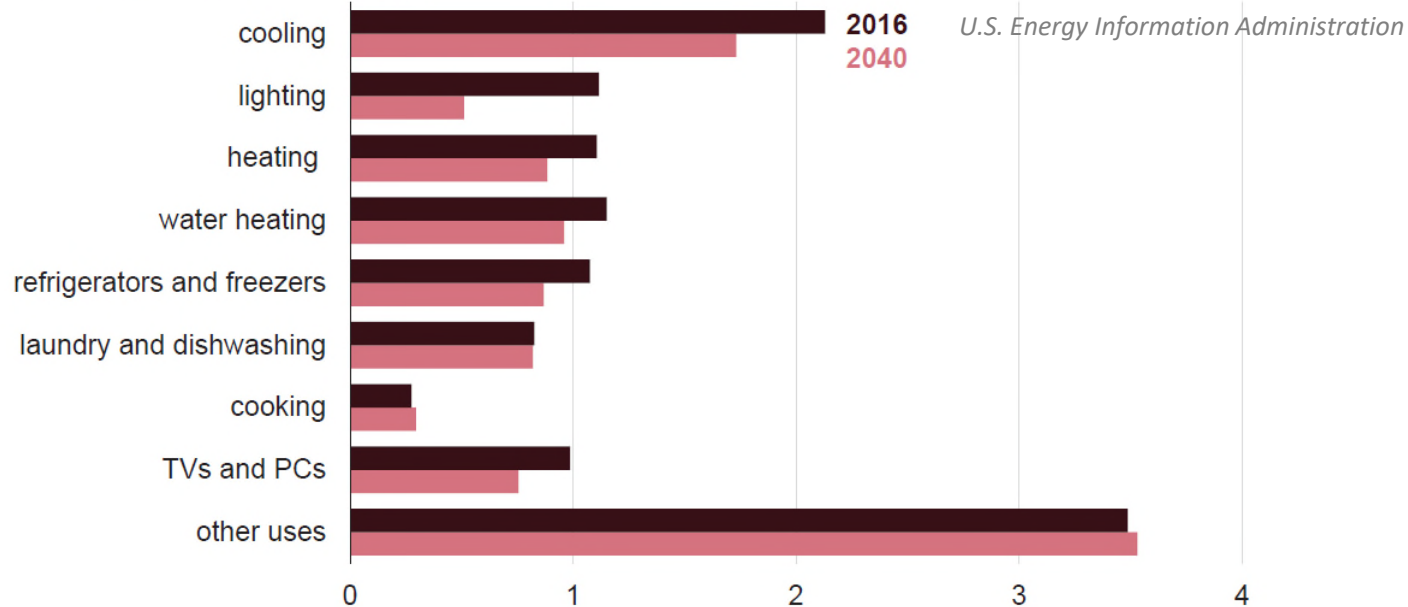


CEO Update – Adapting in a Changing World

- **Aging Base Load Plants are in Jeopardy**
The lack of load growth, low natural gas prices and the penetration of renewable energy have together kept wholesale power prices low, making it difficult – if not impossible – for older plants to recover their fixed costs, forcing retirement due to market conditions
- **The Lower Cost of Technology is Changing the Face of Generation**
Dramatically lower prices of solar and energy storage have changed the once the Holy Grail of energy production into a viable replacement for older fossil plants
- **Energy No Longer Comes Just From Your Local Utility**
Distributed generation and two-way flows of energy have sparked disagreement and controversy over the appropriate allocation of grid-related costs through a “fair” rate structure
- **The Traditional Cost-of-Service Business Model is Going to Change**
A “guarantee” of cost-recovery of central station generation no longer meets customer preferences. Multiple sources/providers of electricity reflect lower costs and new technologies

CEO Update – Challenges

Residential electricity use per household
thousand kilowatthours per household



- Electricity use per household continues to decrease in the Reference case, as household growth exceeds growth in residential electricity use.
- By 2040, the average household uses less than half as much electricity for lighting as they did in 2016, as customers replace incandescent bulbs with more energy efficient light-emitting diodes (LEDs) and compact fluorescent lamps (CFLs).
- Space cooling consumption for the average household declines by nearly 20%, as energy efficiency improvements more than offset the increased demand for space cooling.

CEO Update – Challenges

Water/Wastewater

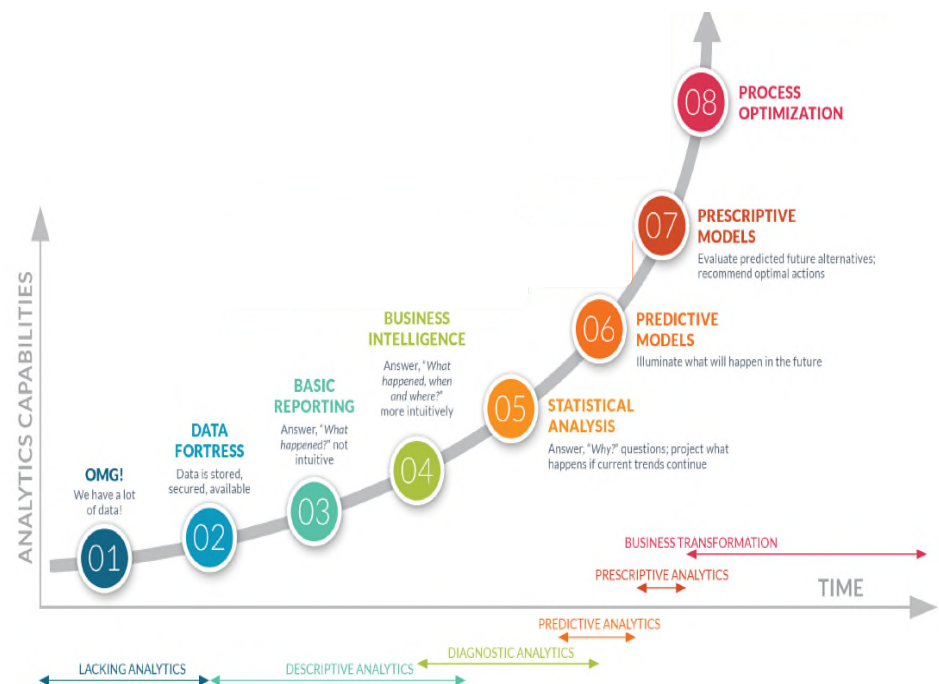
- Growth
- Sustaining adequate supply resources
- Dry year constraints
- Increasing pressures to utilize alternative water resources (reclaimed, other)
- Increasing visibility of SSO
- Increasingly strict effluent discharge restrictions
- Septic Tank elimination

Adapting in a Changing World

CEO Update – Adapting in a Changing World

New and changing technology are increasing business information and complexity.

- Integration of data and new information technologies
- Enable employees to use the tools properly and efficiently.
- Allow the same number of people to handle the increase in business complexity
- Build the new high value skills (creative problem solving and influencing)



2022 Vision

- **Increase productivity, while improving service**
 - Produce more, while spending less
 - Leverage technology and data to significantly reduce total costs
 - Optimize capital investments and O&M resources
- **More agile business**
 - A cost structure that is more responsive to changing customer, regulatory, and other external factors
 - Greater operational flexibility and shorter-lived assets
- **Improve operational performance and reliability thru Enterprise Asset Management**
 - Better production and process outcomes - Plants
 - Improved delivery performance - Grids
 - More efficient support systems – Services
- **Customer Satisfaction**
 - Continue providing superior customer satisfaction while streamlining business operations ... aka – improve customer satisfaction and lower costs



Culture is Critical - Heart of Success or Failure

Review of 2017 YE Metrics

Deliver Business Excellence

Co-Champions: Paul Cosgrave, Melissa Dykes and Ted Hobson

Grow Revenues	FY17 Goal	2017 YE
Reduce unbilled revenue		
Grow non-core utility businesses <ul style="list-style-type: none">• Telecommunication/fiber<ul style="list-style-type: none">• Dark Fiber• Wireless Colocation• Natural Gas Sales• Joint Dispatch (GRU)• Pole attachments		
Grow revenues from new business lines and unbilled revenue reductions	\$12M	\$11.9M



Deliver Business Excellence

Leverage EAM Principles	FY17 Goal	2017 YE
Leverage EAM principles to improve systems efficiency and cost structure		
Identify EAM principle-driven projects capable of producing \$10 million of annual value	\$10 million	>\$10M identified
Cost performance: 1a. Non-Fuel Electric \$/MWh 1b. Water \$/kGal 1c. Wastewater \$/kGal	1a. < \$53.94/MWh 1b. < \$4.75/kGal 1c. < \$10.27/kGal	1a. \$52.50/MWh 1b. \$4.57/kGal 1c. \$9.20/kGal
Debt/Asset Ratio Reduction - No new debt in FY2017	\$0	\$0
No base rate increases projected for at least 5 years in electric, at least 10 years in water/sewer	No base rate increases	No base rate increases

Deliver Business Excellence

Leverage EAM Principles	FY17 Goal	2017 YE
Optimize implementation of Oracle Projects (Q1) & Oracle eAM (Q3) to improve EAM at JEA		
Leverage EAM principles to improve electric, water sewer, & reliability		
Launch Demand Rate Pilot Program		
At least 100 customers on Demand Rate Pilot before 9/30	100	123
Improve Reliability- CEMI-5	Meets < 1.5% Exceeds < 1.0%	1.07%
Water pressure > 50psi	Meets > 95% Exceeds > 97%	96.1%

Develop an Unbeatable Team

Co-Champions: Angie Hiers and Brian Roche

Improve Employee Satisfaction & Engagement	FY17 Goal	2017 YE
Improve the quality and measurement of job factors/goals/objectives		
Engage employees in company Ambassadorship and Advocacy		
Continuously promote a workplace environment where contributions of employees with similar and different backgrounds, experiences and perspectives are recognized and utilized to maximize operational excellence		
Consistent development of relevant, robust and measurable goals.	100% of audited goals pass criteria	100% of audited goals pass criteria
Roll out of "I Am An Ambassador" Program to all employees.	100%	100%
Delivery of Respect and Inclusion curriculum/activity to all employees.	100%	93% appointed 100% non-appointed



Develop an Unbeatable Team

Engage Employees in Personal Growth	FY17 Goal	2017 YE
Build job-specific and general competencies		
Promote career path opportunities		
Design, completion and delivery of curriculum to address competency gaps.	Completed by 9/1/17	Design complete
At least 1 completed development activity from IDP for 75% of employees who have submitted an IDP	75%	87.6%
Design and completion of career path projects for various areas.	Completed and delivered at least 3 major job groups by 3 rd Qtr	Completed and delivered at least 3 major job groups by 3 rd Qtr

Develop an Unbeatable Team

Ensure a Safe, Healthy and Ethical Workplace	FY17 Goal	2017 YE
Plan for zero RIRs		
Compliance with JEA's ethics standards and training requirements		
Promote a culture of employee wellness and health		
Safety - Recordable Incident Rate meets or exceeds established objective.	RIR 1.4	RIR 2.01
Ethics – 100% completion of new and enhanced ethics training with new employees completing within first 10 days of employment.	100% completion of new training by established guideline	100%
Participation of at least 70% of employees in at least one (1) wellness activity (sponsored activity, annual wellness exam, personal health assessment, bio-metric screening)	70%	64%

Earn Customer Loyalty

Co-Champions: Kerri Stewart, Mike Brost, Mike Hightower

Be Easy to Do Business With	FY17 Goal	2017 YE
Ensure policies and processes produce a customer experience which is easy, timely, and accurate the first time		
Ensure customer facing technology provides customer centric functionality, including proactive and customized self-service tools and 24/7 reliability		
Demonstrate empathy, courtesy and knowledge in every customer interaction		
Provide consistent customer experience across all channels and all touch points		
Customer Service: Residential and Business	R: 1 st B: 1 st	R: 1 st B: 1 st
Power Quality and Reliability: Residential and Business	R: 1 st B: 1 st	R: 1 st B: 1 st



Earn Customer Loyalty

Empower Customers to Make Informed Decisions	FY17 Goal	2017 YE
Increase awareness of customer choice and participation in customer solutions		
Enhance customer solution portfolio options leveraging leading edge technology		
Make JEA our customers' first and best source of utility information, and ultimately be their Trusted Advisor		
Communications: Residential and Business	R: 1 st B: 1 st	R: 1 st B: 1 st
Billing & Payment: Residential and Business	R: 1 st B: 1 st	R: 1 st B: 2 nd
Price: Residential and Business	R: 1 st B: 1 st	R: 2 nd B: 1 st



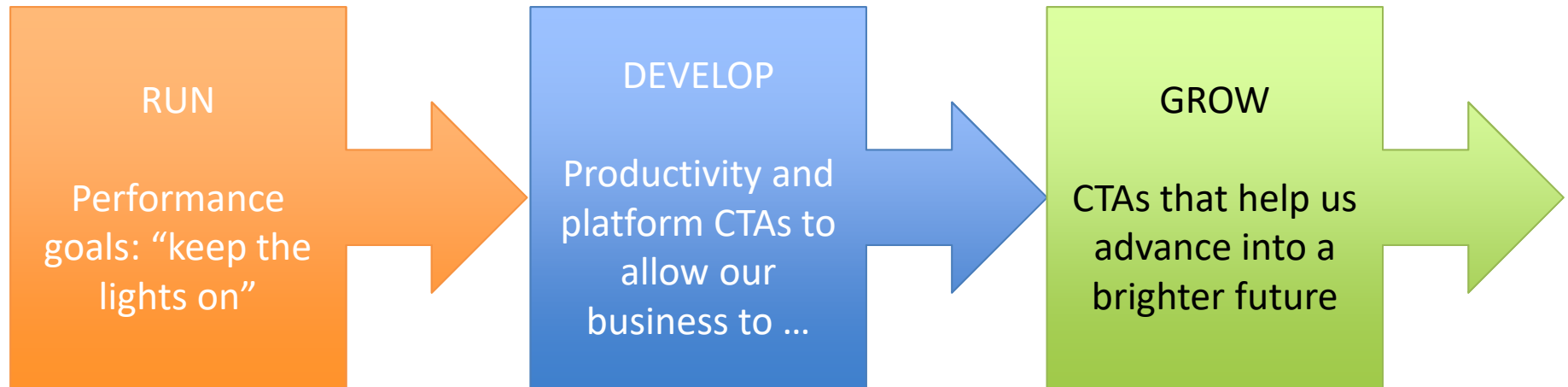
Earn Customer Loyalty

Demonstrate Community Responsibility	FY17 Goal	2017 YE
Grow JEA's ambassador and volunteer programs to deepen customer and community engagement		
Develop and communicate JEA's strategy to meet the community's future electric, water and sewer needs in an economically and environmentally responsible way		
Proactively capture and incorporate the voice of customers, including silent and low-income customers, in business decisions		
Demonstrate JEA's support of Economic Development in the local community		
Demonstrate JEA's support of local governments and regulators through enhanced communication and collaboration		
Citizenship	1 st	1 st
Corporate Citizenship	1 st	1 st



2018 CTAs and Initiatives

Goals, Objectives and CTAs



- Performance Goals and Objectives
 - Keep lights on
 - Job description
- CTAs
 - Moving the organization forward
 - Increasing organization capabilities
 - Increasing productivity and efficiencies

FY18 corporate CTAs

DELIVER BUSINESS EXCELLENCE

- Increase productivity by making strategic process improvements and technology investments to facilitate \$40M/year sustained cost reductions

BUILD AN UNBEATABLE TEAM

- Cultivate teamwork excellence by fostering a **Safe**, inclusive, engaged environment that embraces change.

EARN CUSTOMER LOYALTY

- Sustain nationally ranked customer satisfaction



2018 Metrics

Co-Champions: Paul Cosgrave, Melissa Dykes and Ted Hobson

Productivity	FY18 Goal
Improve systems efficiency and cost structure	
Identify and implementation plan for projects capable of producing \$40 million of annual value by 2019	FY18 costs flat to FY17
Cost performance: 1a. Non-Fuel Electric \$/MWh 1b. Water \$/kGal 1c. Wastewater \$/kGal	1a. < \$56.88/MWh 1b. < \$4.40/kGal 1c. < \$9.85/kGal

2018 Metrics

Co-Champions: Kerri Stewart, Mike Brost, Mike Hightower

Empower Customers to Make Informed Decisions	FY18 Goal
Make JEA our customers' first and best source of utility information, and ultimately be their Trusted Advisor	
Communications: Residential and Business	R: 1 st B: 1 st
Billing & Payment: Residential and Business	R: 1 st B: 1 st
Price: Residential and Business	R: 1 st B: 1 st



2018 Metrics

Co-Champions: Angie Hiers and Brian Roche

Ensure a Safe, Healthy and Ethical Workplace	FY17 Goal
Plan for zero RIRs	
Safety - Recordable Incident Rate meets or exceeds established objective.	RIR 1.4

Initiative Kick-off

Build an Unbeatable Team

- Safety Accountability Initiative
- Change Management

Safety Accountability Initiative FY18

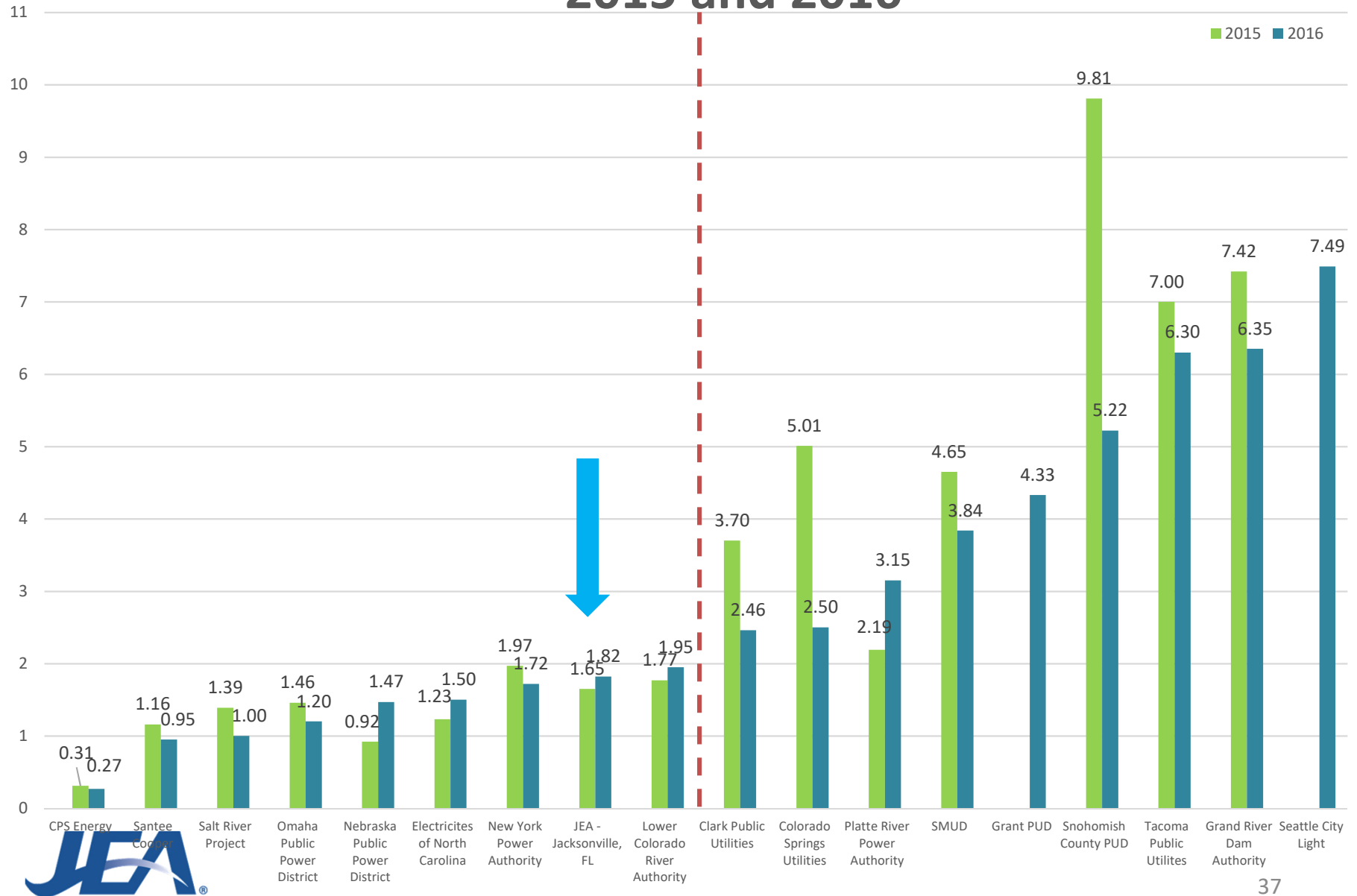




Better is better.

***We can always be better.
Hazards and risks can always be reduced.***

LPPC Injury Rate Comparison 2015 and 2016



Safety Accountability Initiative

Current State	Future State
OSHA Compliance & Safety Procedure Gaps (some known/some unknown)	OSHA Compliance & Safety Procedures as our Baseline
Injury Prevention goals undefined	Specific goals around training, coaching, inspection and corrective action
Inconsistencies in Leadership Accountability for Safety	Consistency with expectations for Leadership Accountability for Safety
Resulting in a move from:	To:
Lack of ownership for Safety	Ownership of Safety at all levels driven by Leadership
RIR plateau (10 yr avg 1.7)	RIR below targets – 1.2/1.4
43 employees injured in FY17	Fewer and fewer employees injured going forward

OSHA Compliance & Procedure Gaps

Current State	Future State
OSHA Compliance & Safety Procedure Gaps (some known/some unknown)	OSHA Compliance & Safety Procedures as our Baseline

- **Program Assessments**
 - Internal program review focused on identifying gaps and opportunities for improvement
 - FY17 Kickoff, continuing in FY18
 - Corrective action items must be addressed
- **3rd Party Improvement Audits**
 - Industry experts to review work groups to identify gaps and share best practices
- **Internal Review, Development, and Updates of Safety Procedures/SWPMs**

Injury Prevention Goals Undefined

Current State	Future State
Injury Prevention goals undefined	Specific goals around training, coaching, inspection and corrective action

- **Safety Training**
 - Conduct needs assessment for Director level groups and schedule/assign/conduct/track ongoing safety training
 - Ensure content is industry and company specific using best methods for adult learning
- **Coach/Inspect/Fix**
 - Establish and track group level goals
 - Measure performance (actions/behaviors) and not just results (RIR)
 - Identify roadblocks and set solutions in motion
- **Communication of Goals and Status**
 - Develop effective communication tools for Leaders to track and report goal performance
- **Human Performance Initiative**
 - Rollout HP initiative and tools with specific goals

Inconsistency in Leadership Accountability

Current State	Future State
Inconsistencies in Leadership Accountability for Safety	Consistency with expectations for Leadership Accountability for Safety

- **Increase Safety Leadership Knowledge and Skills**
 - Provide knowledge and tools to company leaders on how to lead for Safety
 - Share Safety Best Practices among internal groups
 - Ensure we all know the rules and follow them

Safety Accountability Initiative



Other Safety Focus Areas

- IPP Strain/Sprain Initiative
- Technology Services Partnership
 - Efficient and effective utilization of technology and analytics
- Change Effectiveness Partnership
 - Harness change management techniques to ensure Safety Accountability Initiative is on track and successful



Office of Change Effectiveness

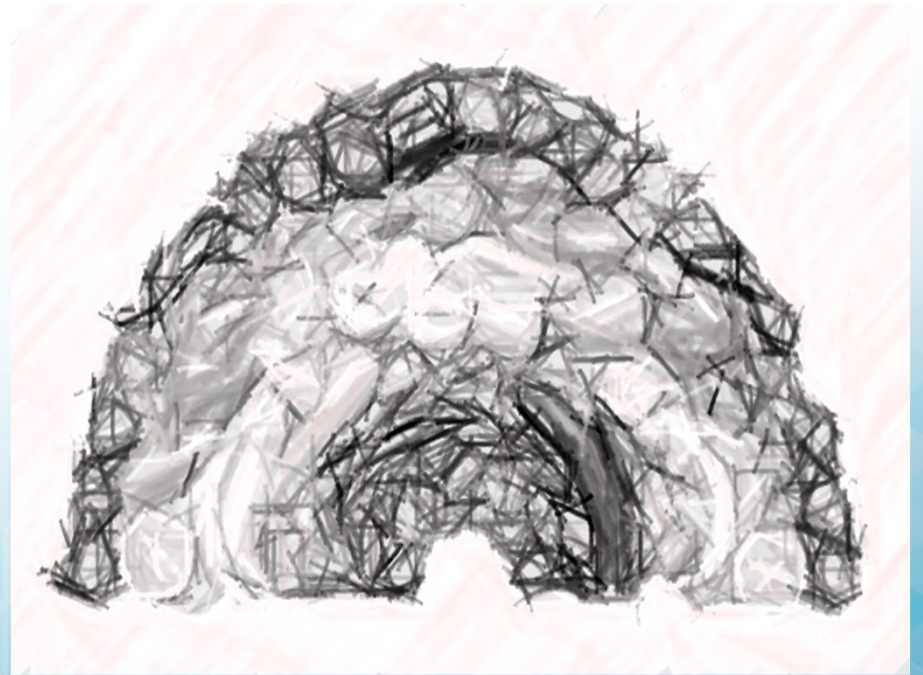


CHANGE
MANAGEMENT

*Embracing change
to create a sustainable
future and value to
our community*

Future State...How do we get there?





Safety Accountability

Current Safety State

Transition State

Future Safety State

OSHA Compliance & Safety
Procedure Gaps (known/unknown)

Undefined Injury Prevention Goals

Inconsistent Leadership
Accountability for Safety

RIR plateau (10 yr avg 1.7)

OSHA Compliance & Safety
Procedures as JEA's baseline

Defined, Specific Injury
Prevention Goals
around Training, Coaching,
Inspection, & Corrective Action

Consistency in expectations for
Leadership Accountability for
Safety

RIR below 1.2/1.4

C
h
g

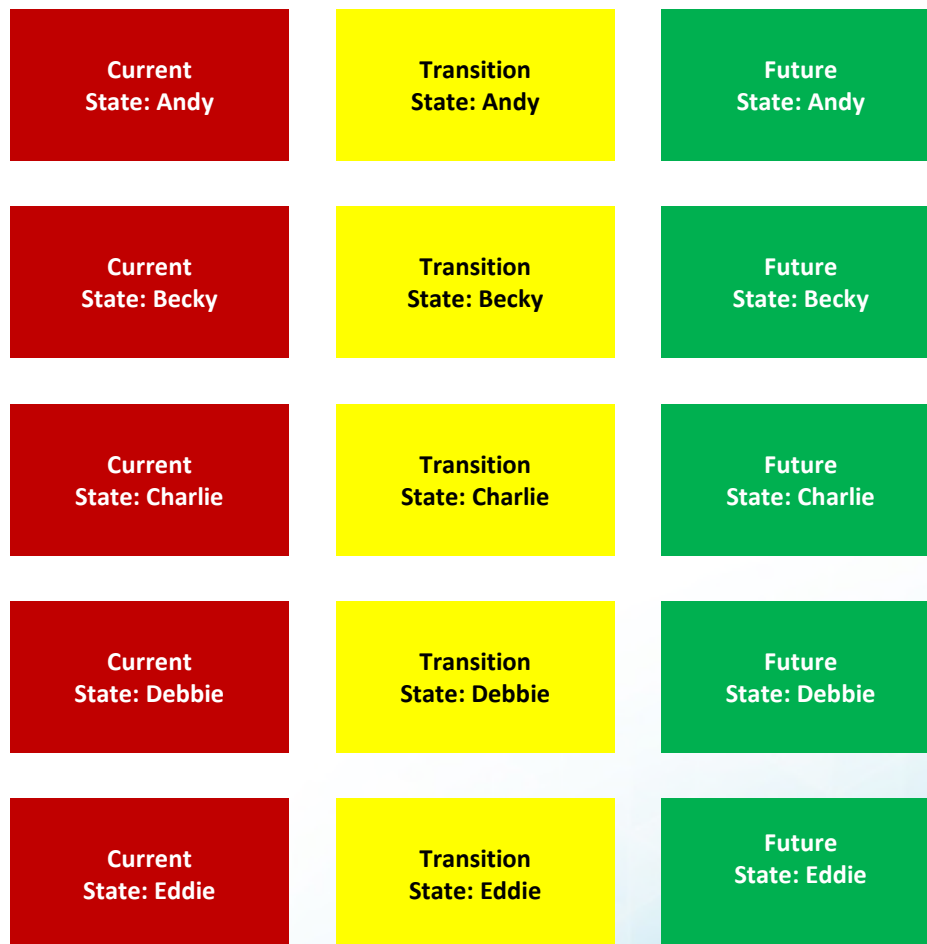
M
g
m
t



JEA's Safety Future State ... a collection of individual future states

Individuals

Organization



**JEA's Future
Safety State**

- OSHA compliance & safety procedures are JEA's baseline
- Defined, specific goals around training, coaching, inspection, & corrective action
- Consistency in expectations for Leadership Accountability for Safety
- RIR below 1.2/1.4



JEA's Safety Future State & ADKAR (Prosci)

A

To Build
Awareness

- Effective and targeted communications re: OSHA compliance, injury prevention, and leadership accountability
- Senior leaders sharing the why and the vision
- Access to information derived from assessments, 3rd party audits

D

To Create
Desire

- Senior leaders demonstrating commitment to the future safety state
- Managers and supervisors advocating the change
- Employee participation and involvement; identify barriers

K

To Develop
Knowledge

- Effective training with the proper context for each safety goal
- Job aides and real-life application
- Share the rules, best practices

A

To Foster
Ability

- Coaching by managers, supervisors, and SMEs on how to manage for safety, foster accountability
- Exercises, practice and time to adopt and use new tools, procedures
- Elimination of any potential barriers

R

To **Reinforce**
Change

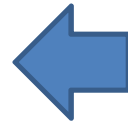
- Celebrate successes, individually and as a group
- Provide meaningful recognition
- Feedback on performance and accountability



What you can expect from the OCE

Phase 1:

- Conduct readiness assessments
- Formulate Strategy
- Evaluate sponsor coalition and team resource needs
- Identify unique risks, anticipated resistance, and special tactics



Phase 1 – Preparing for Change

Define your change management strategy

Prepare your change management team

Develop your sponsorship model

Phase 2 – Managing Change

Develop change management plans

Take action and implement plans

Phase 3 – Reinforcing Change

Collect and analyze feedback

Diagnose gaps and manage resistance

Implement corrective actions and celebrate successes

Phase 2:

- Create Plans
 - Communication
 - Sponsorship
 - Coaching
 - Training
 - Resist Mgmt
- Integrate and Implement Chg Mgmt Plans

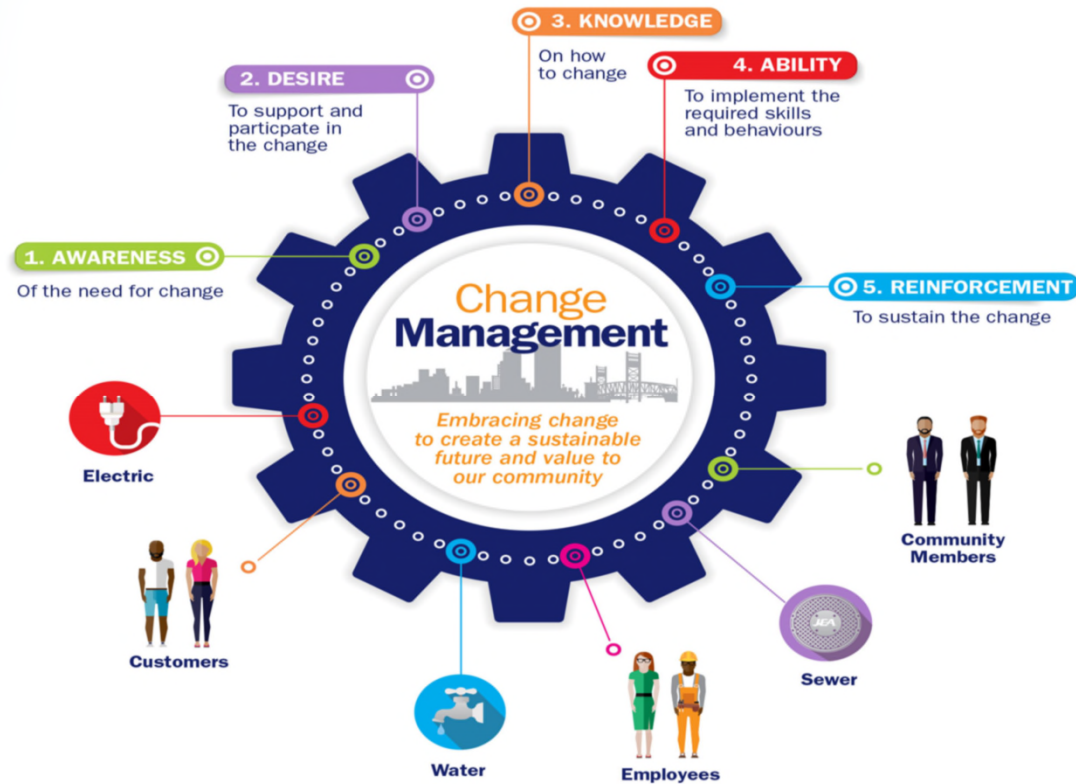


Phase 3:

- Collect Feedback
- Identify/Fix problems
- Celebrate Successes



Initiative Introductions



Director Initiatives

#	Initiative	Leader
1	Shift Material Acquisition and Inventory Management To Procurement Department/Electric Truck Kitting	Alan McElroy, Deryle Calhoun, John Sgambettera
2	Improve Planning For Vehicle Maintenance and Fleet Expansion	Jeremy Williams, Michael Jones
3	Implement More Robust Procurement Category Management (include Improve Pricing & Svc to Business and Vendors)	John McCarthy
4	Review Procurement Policies and Procedures	Jenny McCollum, Heather Beard
5	Reduce Inventory Dollars	Jessica Keeler, Grant Gilchrist
6	Inventory Current Technology and Capabilities, Build Process Automation	Sharon Van Den Heuvel
7	Enhance Accounts Payable Via Automation	Joe Orfano
8	Automate Month-End Management Reporting	Ryan Wannemacher, Chad Crossley
9	Create Change Management Team	Blake Osner
10	Gray Sky Call Center Ramp Up Sizing and Support	James Bryant, Robert Growcock, Paul McFadden
11	Demand Rate	Brian Pippen
12	Field Data (Meters)	Tim Hunt, Jesus Garcia
13	Outage Communication	David Goldberg, Gary Baker
14	EAM (Productivity, Processes)	Andy Motsinger
15	Data Architecture	Michael Eaton

Table Work

Closing Remarks