
From: Zahn, Aaron F. - Interim Managing Director/CEO <zahnaf@jea.com>
Sent: Monday, December 3, 2018 7:43 PM
To: Anton Derkach; Dykes, Melissa H. - President/COO
Cc: Wannemacher, Ryan F. - Chief Financial Officer
Subject: RE: Our meeting on Thursday and a draft of the discussion document
Attachments: 2018-11-29 JEA Management Meeting - v3.pdf

The doc and comments from Melissa are a great starting point. For a bit of up to date information attached is a simple presentation provided to our management group 300+. Culture is Priority 1.

I think another important element at the beginning of strategic planning will be a review of our current dashboard and corporate metrics. These tie to the Corporate Measures of value outlined in the Guiding Principles (saw you picked up on those). Simply,

- 1) Are tracking and monitoring the right metrics that will drive intended results?
- 2) What are the big levers that move the metrics?
- 3) What should metrics look like upon success and along the way?

You get the idea.

Aaron Zahn

Managing Director & Chief Executive Officer

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From: Anton Derkach <anton_derkach@mckinsey.com>
Sent: Monday, December 3, 2018 7:28 PM
To: Dykes, Melissa H. - President/COO <dykemh@jea.com>
Cc: Zahn, Aaron F. - Interim Managing Director/CEO <zahnaf@jea.com>; Wannemacher, Ryan F. - Chief Financial Officer <wannrf@jea.com>
Subject: RE: Our meeting on Thursday and a draft of the discussion document

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Melissa,

Thank you very much ! Will add this topic to the document (am resending the doc just in case as well).

Looking forward to meeting everyone on Thursday,

Best regards

Anton

From: Dykes, Melissa H. - President/COO <dykemh@jea.com>
Sent: Monday, December 3, 2018 6:20 PM
To: Anton Derkach <anton_derkach@mckinsey.com>
Cc: Zahn, Aaron F. - Interim Managing Director/CEO <zahnaf@jea.com>; Wannemacher, Ryan F. - Chief Financial Officer <wannrf@jea.com>
Subject: [EXT]Re: Our meeting on Thursday and a draft of the discussion document

Thank you, Anton. Really looking forward to our meeting this week and kicking off our strategic planning in earnest. Your discussion guide looks good to me. I would also like to include culture and employee engagement as a major discussion topic. We have repairs to do on the employee engagement front given how much change our employees have been through over the past year, and layered on that is the need to become a more adaptable culture generally.

Thank you for reaching out. I've also forwarded your attachment to Aaron and Ryan for comment, they may respond separately. See you soon.

On Dec 3, 2018, at 7:03 PM, Anton Derkach <anton_derkach@mckinsey.com> wrote:

[External Email - Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.]

Hello, Melissa,

Hope you are doing well ! We are very much looking forward to meeting with you and Aaron this Thursday to start shaping the strategic planning engagement (and catch up !).
In preparation for this meeting I wanted to share with you a draft of the document we are planning to use and see whether it resonates or whether you would like to add anything else / modify it, etc.

We would like to talk about current status of JEA strategy, cover main industry trends, align on how we define success and discuss the structure of the effort.

Please let me know your thoughts,
Looking forward to our discussion on Thursday !

Best regards,
Anton

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<20181206 JEA Strategic Planning Kick-Off document vF.pdf>

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JEA[®]



A UTILITY OF
THE FUTURE

HEADLINE PRIORITIES

Five focus areas of JEA necessary for future success.

- 1) Adaptive Culture
- 2) Aligned to pervasive commitment to profitability and value
- 3) Platform for customer choice
- 4) De-Risk Business
- 5) 10-Year Strategic Plan in line with Guiding Principles

Cultural Values of JEA

Safety

Service

Growth²

Accountability

Integrity

Ideas

////
CULTURE EATS
STRATEGY



Strategic Framework

Customer Value

Financial Value

Community Impact Value

Environmental Value



Drive Profitability and Value

1

Stakeholders

(Customers, Employees, Unions & Community)

- 1) Communicate “Guiding Principles”
- 2) Align actions with results
- 3) Welcome feedback & ideas

2

Shareholders

(Mayor & City Council)

- 1) Align and Document Expectations (e.g. “Strategic Framework”)
- 2) Welcome feedback & ideas

3

Board & Leadership

- 1) Lead “2019 Year of Innovation”
- 2) Execute 10-Year Strategic Plan
- 3) Welcome feedback & ideas

Platform for Customer Choice

(Collect and Use Data)

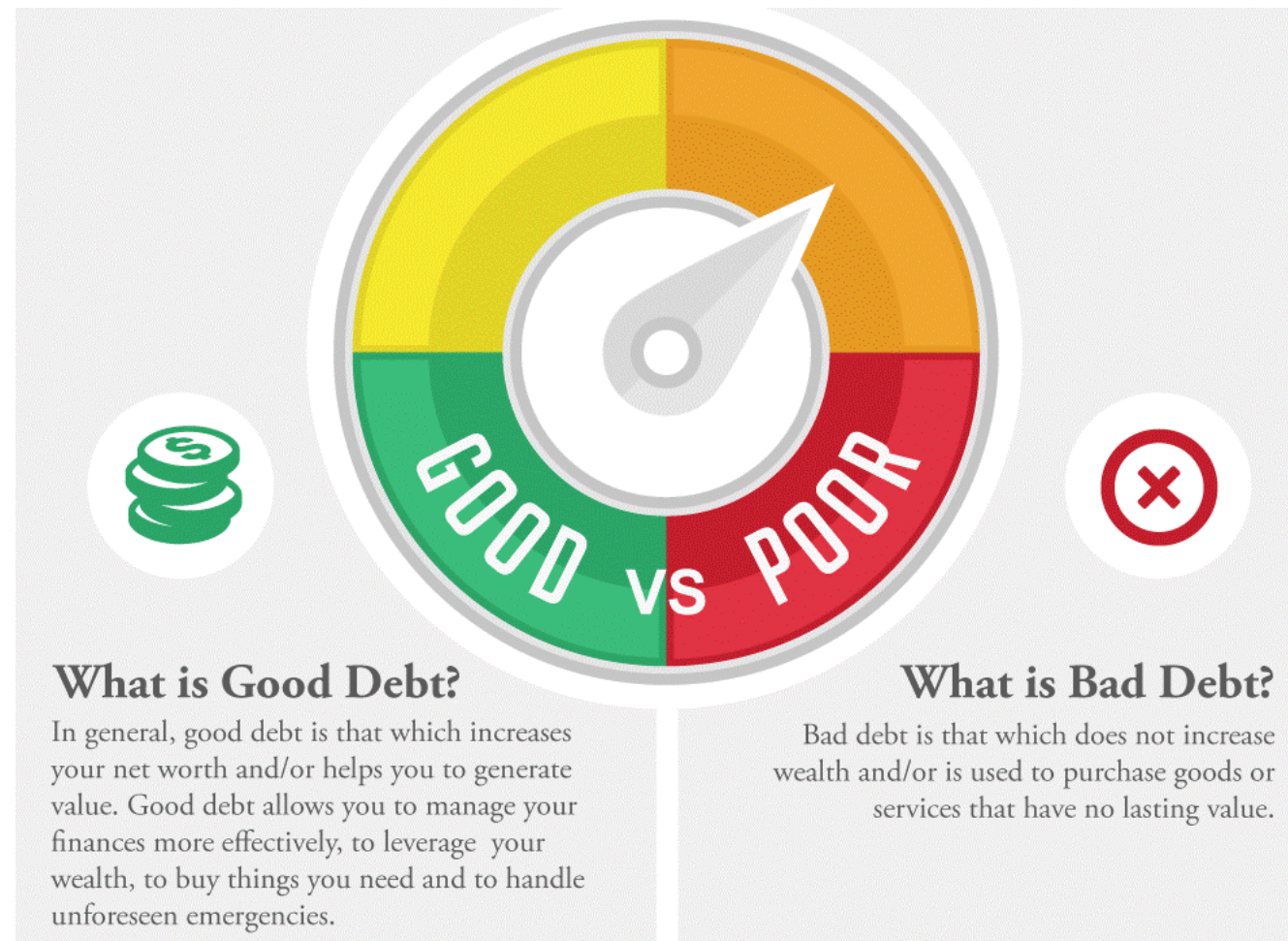


The New Oil

De-Risk and Deleverage

- Repay over \$480 million in debt in 2019 and over \$1 billion over the next 5 years between both systems
- Continue to invest \$1.9 billion in the system over the next 5 years with no new debt and no base rate increases
- Electric debt to capitalization drops to 49% and water debt to capitalization drops to 31%
- Increase operating efficiency of the company
- Demonstrate ability and willingness to pay
- Maintain solid AA financial credit metrics

(\$ millions)	2018	2019	2020	2021	2022	2023
Electric Debt Acceleration	\$0	\$148	\$41	\$163	\$107	\$61
Water Debt Acceleration	\$0	\$157	\$0	\$0	\$0	\$0
Cumulative Debt Acceleration	\$0	\$305	\$346	\$509	\$616	\$676
Debt to Capitalization (E/WWW)	65%/44%	58%/40%	55%/38%	51%/36%	49%/33%	49%/31%





Building Community

a Bold



JUNE 2018

OCT 2018

OCT 2019



Strategic Framework

Customer Value

Financial Value

Community Impact Value

Environmental Value

Strategic Planning
Timeline & Measures