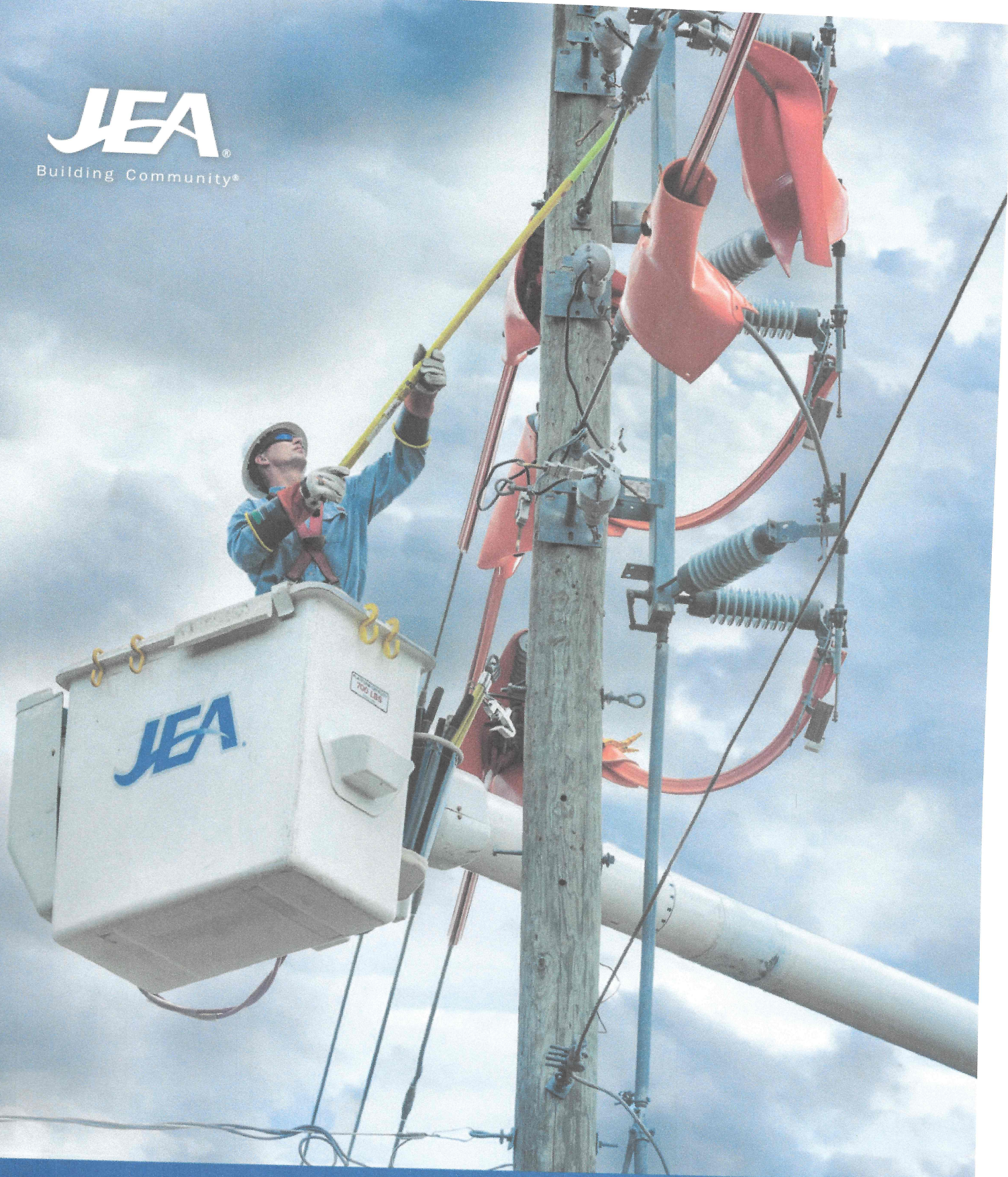


JEA
Building Community®



JEA 2017 ANNUAL REPORT

RESILIENCY

Δ π EXHIBIT 1
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LETTER FROM BOARD CHAIR AND MANAGING DIRECTOR/CEO

The fiscal year that ended September 30, 2017 can be fairly summed up in one word: resiliency. Hurricanes Matthew and Irma framed the year like bookends. In some ways, Matthew, which hit in early October 2016, was a warmup act for Irma that struck 11 months later. During both storms, the dedicated JEA team worked nonstop to restore power to our customers.



Paul McElroy,
JEA Managing Director & CEO

G. Alan Howard,
JEA Board Chair

Despite these storms, JEA registered an excellent, stable and predictable financial performance for the fifth consecutive year. We assumed no new debt and set in place a five-year plan that will reduce current debt by nearly \$1 billion—an accomplishment made possible in part by the January 2018 decommissioning of St. Johns River Power Park (SJRPP). By closing this coal-fired plant co-owned with FPL, JEA will save \$50 million every year, freeing up funds to pay down debt and fund other needed capital projects while keeping rates stable for our customers.

The closure also proves JEA's ability to adapt to changing market conditions. With the price of solar dropping, JEA began expanding its carbon-neutral generation in FY2017 by adding 27 megawatts (MW) of utility-scale solar power through purchase power agreements (PPA) in our service territory. JEA

customers can participate in this new solar generation through a new program called JEA SolarSmart.

Additionally, our solar initiatives are getting national attention. Environment America's Shining Cities 2017 report ranked Jacksonville one of the top 20 U.S. cities for solar power in America, thanks in part to a 30-year agreement begun in 2009 to buy solar power from a nearby 12 MW solar farm. We're purchasing additional tracts of land to build five new 50 MW solar plants over the next five years to provide another 250 MW of utility scale solar through PPAs to our electric grid.

Our customers appreciate our resiliency. In FY2017, we finished in the first quartile of the J.D. Power Electric Utility Customer Satisfaction Study for both business and residential customers. In the community, our employees raised \$400,000 for United Way of Northeast Florida and Community Health Charities, and participated in 453 volunteer events and ambassador projects such as speaking to groups and teaching classes on electric safety in schools.

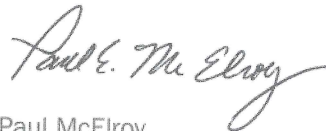
Finally, we launched a major initiative during the fiscal year that you'll read about in the pages ahead. It's called FutureSmart and it's designed to make JEA more data-driven when it comes to optimizing our processes so that we can utilize the right resources for the right cost at the right time.

Thanks to investments in resiliency and reliability, JEA held up remarkably well during the storms that bookended our fiscal year. We will need to maintain this resiliency in the future no matter what Mother Nature has in store for us because, as we know all too well, our lives wouldn't be the same without the world-class electric, water and sewer service our customers have come to expect from us.

Sincerely,



G. Alan Howard, JEA Board Chair
Shareholder, Milam Howard
Nicandri Gillam & Renner, P.A.



Paul McElroy,
JEA Managing Director & CEO

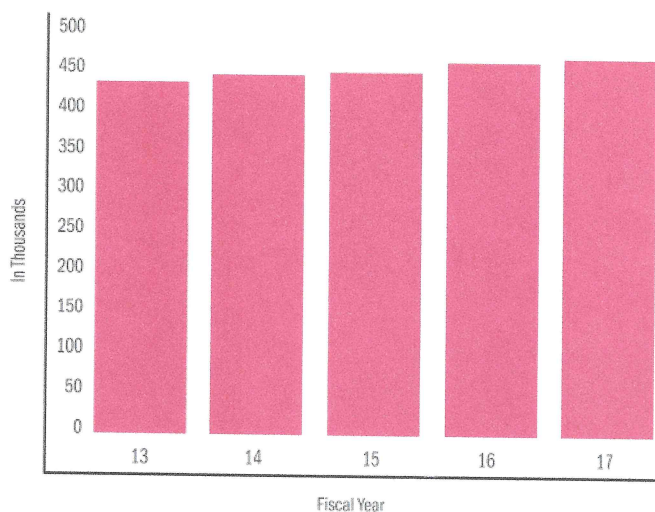
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ELECTRIC FINANCIAL AND OPERATING HIGHLIGHTS

Years Ended September 30

	2017	2016	2015	2014	2013	% Change 2017-2016
FINANCIAL HIGHLIGHTS						
Total operating revenues (thousands)	\$1,428,329	\$1,364,242	\$1,370,212	\$1,479,483	\$1,432,617	4.70%
Fuel and purchased power expenses (thousands)	\$536,250	\$485,874	\$517,239	\$585,021	\$539,646	10.37%
Total operating expenses (thousands)	\$1,088,386	\$1,032,774	\$1,061,853	\$1,196,160	\$1,169,329	5.38%
Debt service coverage:						
Senior and subordinated-Electric	2.53 x	2.89 x	2.63 x	2.41 x	2.57 x	-12.46%
Senior-Electric	7.54 x	6.59 x	5.80 x	5.40 x	5.53 x	14.42%
Bulk Power Supply System	1.75 x	1.81 x	1.24 x	2.24 x	1.52 x	-3.31%
St. Johns River Power Park 1st Resolution	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	0.00%
St. Johns River Power Park 2nd Resolution	1.18 x	1.17 x	1.16 x	2.21 x	1.16 x	0.85%
OPERATING HIGHLIGHTS						
Sales (megawatt hours)	13,893,852	14,586,486	14,379,697	14,312,013	13,782,549	-4.75%
Peak demand-megawatts 60 minute net	2,682	2,674	2,863	2,823	2,596	0.30%
Total accounts-average number	458,953	451,788	443,705	434,917	426,772	1.59%
Sales per residential account (kilowatt hours)	12,672	13,433	13,468	13,301	12,985	-5.67%
Average residential revenue per kilowatt hour	\$11.44	\$11.24	\$11.82	\$11.97	\$11.91	1.78%
Power supply:						
Coal	43%	42%	50%	57%	49%	2.38%
Natural gas	39%	32%	32%	27%	29%	21.88%
Petroleum coke	6%	15%	10%	10%	13%	-60.00%
Other purchases	12%	11%	8%	5%	8%	9.09%
Oil	0%	0%	0%	1%	1%	0.00%

Average Number of Electric Retail Accounts



Retail Megawatt Hour Sales

