

UTILITY DEBT INCLUSION OF MINORITY, WOMEN, DISABLED VETERAN BUSINESS ENTERPRISE INVESTMENT BANKS



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EXECUTIVE SUMMARY



- In 1H16, 21 out of 27 states (77%) with utility bond issuance utilized MWDVBE investment banks
 - 2015 rate was 22 out of 33 states (67%)
 - 2014 rate was 22 out of 32 states (69%)
- Indiana (Duke Indiana), Ohio (Duke Ohio) and Virginia (AES Corp.) used MWDVBE banks for the first time in years. Dominion Resources/Virginia Electric remains in the minority by never engaging MWDVBE banks.
- Colorado and Idaho utilities have never, or rarely, used MWDVBE investment banks
- Holding companies often do not use MWDVBE banks, preferring to use them at the operating company (i.e. regulated) level
- Utilities which do not engage MWDVBE banks deal exclusively with their “revolver banks”



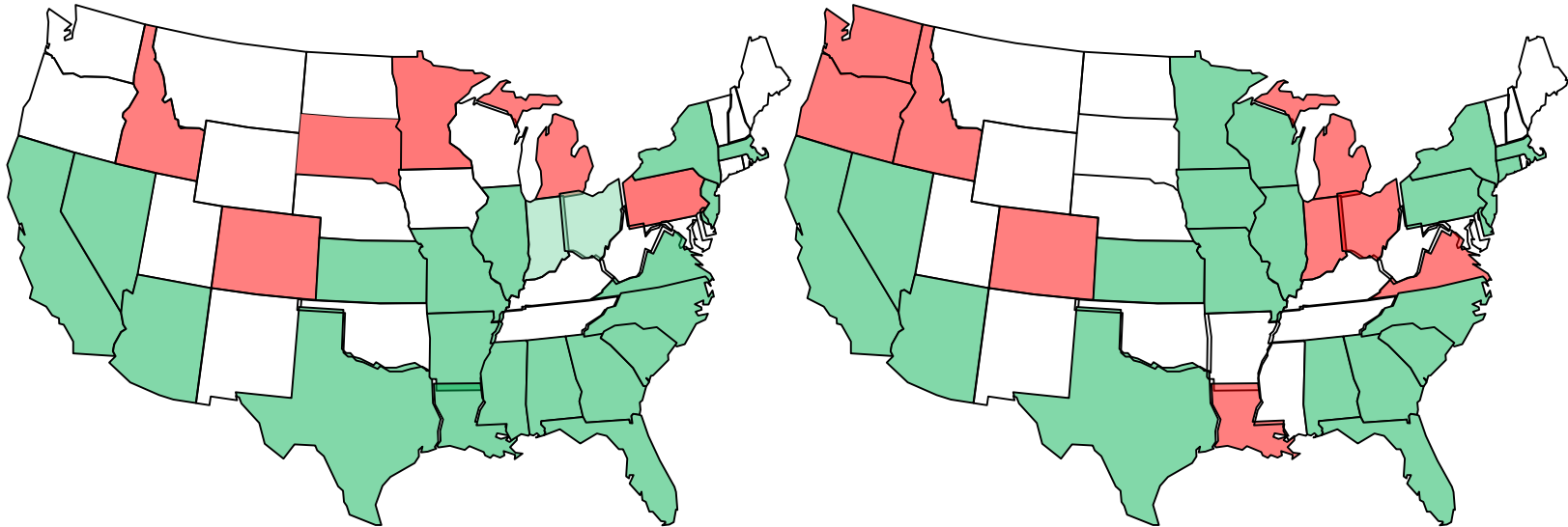
HIGH LEVEL REVIEW OF ALL STATES

STATE BY STATE – 2015 AND 1H16

Repeat states with no MWDVBE bank participation include CO and VA

1H16	
States with Issuance	27
MWDVBE Bank used?	21
Percentage	77 %

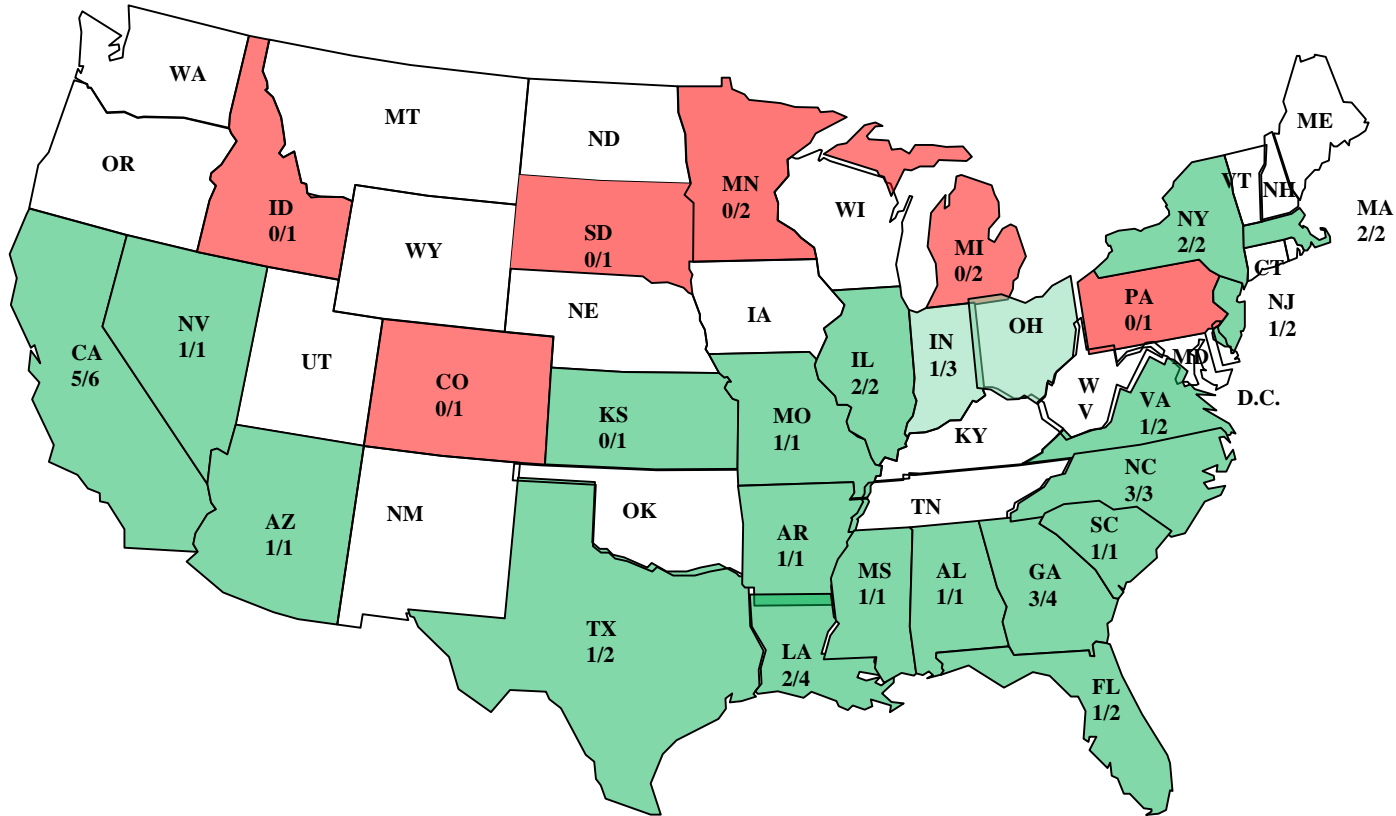
2015	
States with Issuance	33
MWDVBE Bank used?	22
Percentage	67 %



State utility(ies) used MWDVBE banks
No use of MWDVBE banks by state utility(ies)
No utility bond issuance

STATE BY STATE – 1H16

deals per state / # with MWDVBE participation



State utility(ies) used MWDVBE banks

No use of MWDVBE banks by state utility(ies)


No utility bond issuance



WMDVBE LEAD MANAGER MANDATES

WMDVBE LEAD MANAGER MANDATES 2015 AND 1H16

North Carolina joins California's leadership

 <p>\$250M 3.70% FMB due 2046</p> <p>The Williams Capital Group, L.P. Loop Capital Markets LLC Samuel A. Ramirez & Co Inc Lebenthal & Co LLC Mischler Financial Group Bookrunners</p> <p>June 2016</p>	 <p>\$500M 2.60% FMB due 2026</p> <p>Samuel A. Ramirez & Co Inc Bookrunner</p> <p>May 2016</p>	 <p>\$500M 2.50% FMB due 2026</p> <p>Loop Capital Markets LLC Bookrunner</p> <p>May 2016</p>	 <p>\$600M 2.95% Notes due 2026</p> <p>The Williams Capital Group, L.P. Bookrunner</p> <p>February 2016</p>
 <p>\$250M FMB due 2018 \$359M FMB due 2025</p> <p>CastleOak Securities Bookrunner</p> <p>June 2015</p>	 <p>\$100M 3.50% Notes due 2025 Reopening</p> <p>Loop Capital Markets LLC Bookrunner</p> <p>June 2015</p>	 <p>\$140M 3L+20 FMB due 2017 \$250M 1.914% Notes due 2022</p> <p>The Williams Capital Group, L.P. Bookrunner</p> <p>March 2015</p>	



UTILITY DETAIL BY STATE

1H16 UNDERWRITING MANDATES USING MWDVBE FIRMS

AL	AR	AZ	CA
ALABAMA POWER CO CastleOak Securities Siebert Brandford Shank & Co Williams Capital Group LP	ENTERGY ARKANSAS INC Mischler Financial Group Williams Capital Group LP	ARIZONA PUBLIC SERVICE CL King & Associates Inc	EDISON INTERNATIONAL (Exclusively revolver banks)
CA	CA	CA	CA
PACIFIC GAS & ELECTRIC CL King & Associates Great Pacific Securities Williams Capital Group LP	SAN DIEGO G & E CAVU Securities LLC Guzman & Co	SOUTHERN CALIF EDISON Pfd Blaylock Beal Van LLC CL King & Associates Loop Capital Markets LLC Mischler Financial Group Siebert Capital Markets	SOUTHERN CALIF GAS CO MFR Securities Inc Siebert Capital Markets
CA	CO	FL	FL
SEMPRA ENERGY MFR Securities Inc Siebert Capital Markets	PUBLIC SERVICE COLORADO (Exclusively revolver banks)	DUKE ENERGY PROJ FINANCE Drexel Hamilton LLC Samuel A Ramirez & Co Inc Williams Capital Group LP	NEXTERA ENERGY CAPITAL (Exclusively revolver banks)

1H16 UNDERWRITING MANDATES USING MWDVBE FIRMS

GA	GA	GA	GA
AGL CAPITAL CORP Loop Capital Markets LLC Williams Capital Group LP	GEORGIA POWER CO Blaylock Beal Van LLC Mischler Financial Group Samuel A Ramirez & Co Inc	OGLETHORPE POWER CORP (Exclusively revolver banks)	SOUTHERN CO Apto Partners LLC Blaylock Beal Van LLC CastleOak Securities CL King & Associates Inc Drexel Hamilton LLC Loop Capital Markets LLC MFR Securities Inc Mischler Financial Group Regions Securities LLC Samuel A Ramirez & Co Inc Siebert Brandford Shank & Co Williams Capital Group LP
ID	IL	IL	IN
IDAHO POWER CO (Exclusively revolver banks)	COMMONWEALTH EDISON Blaylock Beal Van LLC Drexel Hamilton LLC Great Pacific Securities Loop Capital Markets LLC	EXELON CORP Apto Partners LLC Blaylock & Partners Lebenthal & Co Inc Loop Capital Markets LLC Mischler Financial Group Siebert Capital Markets Williams Capital Group LP	DUKE ENERGY INDIANA CastleOak Securities Great Pacific Securities Williams Capital Group LP

1H16 UNDERWRITING MANDATES USING MWDVBE FIRMS

IN	IN	KS	LA
INDIANAPOLIS PWR & LIGHT (Exclusively revolver banks)	INDIANA MICHIGAN POWER (Exclusively revolver banks)	WESTAR ENERGY INC Loop Capital Markets LLC	CLECO CORPORATE HOLDINGS (Exclusively revolver banks)

LA	LA	LA	MA
ENTERGY CORP CastleOak Securities Mischler Financial Group Williams Capital Group LP	ENTERGY LOUISIANA LLC CastleOak Securities Mischler Financial Group	ENTERGY NEW ORLEANS INC (Exclusively revolver banks)	EVERSOURCE ENERGY Samuel A Ramirez & Co Inc

MA	MI	MI	MN
NSTAR ELECTRIC CO Williams Capital Group LP	CMS ENERGY CORP (Exclusively revolver banks)	DTE ELECTRIC CO (Exclusively revolver banks)	NORTHERN STATES PWR-MINN (Exclusively revolver banks)

1H16 UNDERWRITING MANDATES USING MWDVBE FIRMS

MN	MO	MS	NC
XCEL ENERGY INC (Exclusively revolver banks)	UNION ELECTRIC CO. Blaylock & Partners CL King & Associates	ENTERGY MISSISSIPPI INC Mischler Financial Group Williams Capital Group LP	DUKE ENERGY CAROLINAS Apto Partners LLC Blaylock Beal Van LLC Lebenthal & Co LLC Mischler Financial Group
NC	NC	NJ	NJ
DUKE ENERGY CAROLINAS Apto Partners LLC Blaylock Beal Van LLC Mischler Financial Group	DUKE ENERGY CORP (equity) Loop Capital Markets LLC	PSEG POWER LLC (Exclusively revolver banks)	PUBLIC SERVICE ELECTRIC Loop Capital Markets LLC Williams Capital Group LP
NS	NY	NY	NV
EMERA INC. (TECO Energy) (Exclusively revolver banks)	BROOKLYN UNION GAS CO Loop Capital Markets LLC Samuel A Ramirez & Co Inc	CONSOLIDATED EDISON CO Samuel A Ramirez & Co Inc	SIERRA PACIFIC POWER CO Williams Capital Group LP

1H16 UNDERWRITING MANDATES USING MWDVBE FIRMS

OH	PA	SC	SD
DUKE ENERGY OHIO Lebenthal & Co Inc Loop Capital Markets LLC Mischler Financial Group Samuel A Ramirez & Co Inc Williams Capital Group LP	PPL CAPITAL FUNDING INC (Exclusively revolver banks)	SOUTH CAROLINA ELEC&GAS Drexel Hamilton LLC	BLACK HILLS CORP (Exclusively revolver banks)
TX	TX	VA	VA
CENTERPOINT ENER HOUSTON Academy Securities Inc MFR Securities Inc Samuel A Ramirez & Co Inc Williams Capital Group LP	ENTERGY TEXAS INC (Exclusively revolver banks)	AES CORPORATION Samuel A Ramirez & Co Inc	VIRGINIA ELECTRIC CO. (Exclusively revolver banks)



METHODOLOGY

METHODOLOGY AND SOURCES

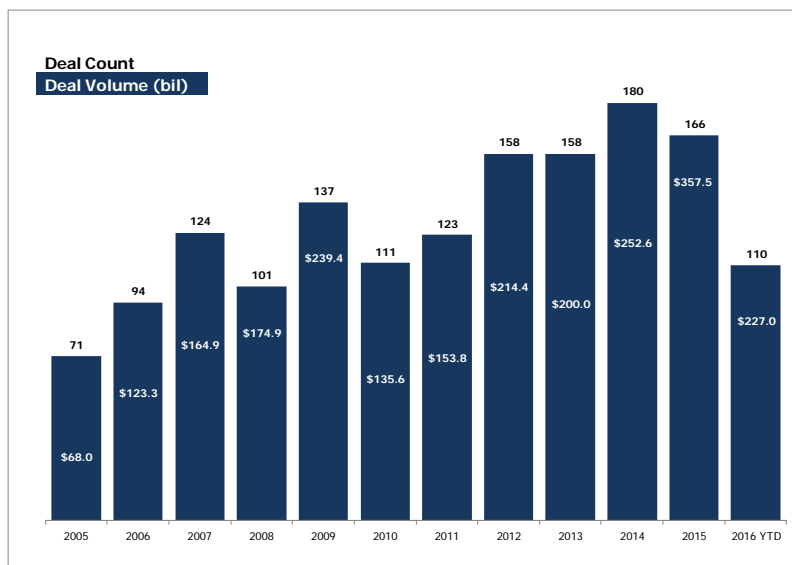
- Analysis includes utility bonds with the following characteristics:
 - Fixed-rate coupon
 - Maturities of 2-years or more
 - Issue size of \$250 million or more
 - Investment grade ratings
 - Moody's Baa3 and above
 - Standard and Poor's BBB and above
- Source: Bloomberg, L.P, The Williams Capital Group, L.P.



THE WILLIAMS CAPITAL GROUP, L.P.

INVESTMENT GRADE CORPORATE DEBT UNDERWRITING

Historical Fixed Income Underwriting











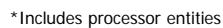
Most Active U.S. IG Debt Co-Manager⁽¹⁾

Rank	Co-Manager	Mkt.Share (%)
1	Williams Capital Group LP	3.1
2	US Bancorp	3.0
3	Mitsubishi UFJ Financial Group	2.4
4	Wells Fargo & Co	2.3
5	PNC Financial Services Group	2.1
6	HSBC Holdings PLC	2.1
7	Mizuho Financial Group	2.0
8	RBC Capital Markets	2.0
9	Samuel A. Ramirez & Co.	2.0
10	Sumitomo Mitsui Finl Grp Inc	1.9
11	Loop Capital Markets	1.8
12	Deutsche Bank	1.7
13	TD Securities Inc	1.7
14	BNP Paribas SA	1.6
15	Mischler Financial Group Inc	1.6

(1) Source: Thomson Reuters, equal credit to each co-manager
Jan. 1 – Dec. 31 2015
Underwriting as % of total new issue volume

Recent Mandates

 \$250 30yr Notes Bookrunner June 2016	 \$1.294B Multi-tranche Co-Manager June 2016	 \$250 10yr Notes Co-manager May 2016	 \$8.5B Multi-tranche Co-Manager May 2016	 \$325M 15yr Notes Co-Manager May 2016	 \$350M 10y Notes Co-Manager May 2016	 \$500M 30yr Bonds Co-Manager May 2016	 \$355M 12yr Notes Co-Manager May 2016
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TAS STRATEGIES



TIMOTHY ALAN SIMON, ESQ.

UTILITY INFRASTRUCTURE | ENERGY | BROADBAND | FINANCIAL SERVICES

TAS@TASSTRATEGIES.COM
WWW.TASSTRATEGIES.COM

T 415-800-1266



APPENDIX I – NARUC RESOLUTION SUPPORTING SUPPLIER DIVERSITY

NARUC RESOLUTION SUPPORTING SUPPLIER DIVERSITY

JULY 10, 2011

WHEREAS, Historically, financial services institutions have played a critical role in the regulatory framework and market participation of investor-owned utilities including but not limited to cost of capital, debt and preferred equity issuance of securities, investment management of employee pensions, nuclear decommissioning trust funds, mergers and acquisitions, futures markets and other critical components of utility operations; and

WHEREAS, Historically, disabled veterans, women, and minorities (or “diverse and emerging financial services firms”) have been underrepresented in the financial services industries relationships with investor-owned utilities, which has limited the ability of such firms to achieve their economic potential, to spur job growth in underserved communities, that may bring lower cost advantages by way of increased competition to ratepayers; and

WHEREAS, Supporting supplier diversity for the diverse and emerging financial services firms is an essential business need, because it brings enhanced benefits to society by supporting increased competition, and helps to sustain the overall health of America’s economy including underrepresented communities while creating jobs; and

WHEREAS, It is necessary to increase the participation of diverse and emerging firms in the investor-owned utilities in order to utilize their unique talents and resources which can broaden the number of investors seeking to purchase utilities’ financial instruments, both of which may lower utilities’ cost of capital due to expanding markets for common and preferred stock as well as long-term debt, leading to lower costs to ratepayers; and; and

WHEREAS, It is beneficial to increase the participation of diverse and emerging firms in utility employee pension, Nuclear Decommissioning Trust Funds (NDTF), and investment management to better shape the governance of the trust funds improve returns and/or lowering risks through the diversification of ideas and investments that these firms offer; and

NARUC RESOLUTION SUPPORTING SUPPLIER DIVERSITY

JULY 10, 2011

WHEREAS, It is necessary to increase the participation of diverse and emerging firms in the investor-owned utilities in order to provide additional competition to the large money center banks and thereby providing opportunities for lower financial costs; and

WHEREAS, Since access to capital is the lifeline of small, diverse, and emerging community banks in the United States, it is necessary for investor-owned utilities to increase the compensatory deposit amounts maintained with these banks to facilitate a more liquid and diverse capital market for loans and community development investments; and

WHEREAS, It is beneficial to increase the participation of diverse and emerging firms in the competitive and/or negotiated bidding rules for the utilities to provide additional opportunities to strengthen emerging firms, which may be to the ultimate benefit of the utilities' ratepayers and shareholders; and

WHEREAS, To the extent that mergers and acquisition are important in shaping how communities are served by investor-owned utilities, it is recommended that the ideas and expertise of diverse and emerging firms be utilized as part of the advisory team for the benefit of the ratepayers and the communities in which they live; now, therefore be it

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2011 Summer Committee Meetings in Los Angeles, California, supports enhanced efforts to support supplier diversity within investor-owned utilities.

Sponsored by the Subcommittee on Utility Marketplace Access

Adopted by the NARUC Board of Directors July 20, 2011



APPENDIX II – STATE DIVERSITY ROUNDTABLES

ROUNDTABLE SPONSORS



PAST ROUNDTABLES

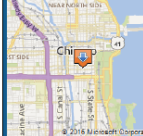
Luncheon Featuring Commissioner Sherina Maye Edwards of the Illinois Commerce Commission



The Honorable Sherina Maye Edwards, Commissioner of the Illinois Commerce Commission

When
Thursday March 31, 2016 from 11:00 AM to 1:30 PM CDT
Add to Calendar

Where
Union League Club Chicago
65 West Jackson Blvd
Chicago, IL 60604



Contact:
Preya Nixon
National Utilities Diversity Council
preya.nixon@nudc.com



Greetings!
We look forward to the investment of the Honorable Illinois Commerce Commission, Executive Responsibility Company.

We will gather 65 W. Jackson

The agenda is

11:00 am - 11:15 am - 11:30 am - 11:45 am - 12:00 pm - 12:15 pm - 12:30 pm - 1:00 pm - 1:30 pm - 2:00 pm

Dress Code:
The Union League Club Chicago

Parking:
Valet Parking at Federal and V with tickets to the

If you have not yet received your tickets to the

Best regards,

Sincerely,

Sidney Dillard
Loop Capital Markets
sidney.dillard@loopcapital.com
(312) 356-5008

David Finkelstein
The Williams Capital Group
dfinkelstein@williams.com
(212) 830-4538

Ray O'Connor
Samuel A. Ramirez & Co.
ray.oconnor@ramirez.com
(212) 248-1215

Jeremy Traska
Drexel Hamilton
jtraska@drexelhamilton.com
(646) 412-1511

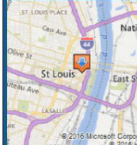
Luncheon Featuring Chairman Robert Kenney of the Missouri Public Service Commission



The Honorable Robert Kenney, Chairman of the Missouri Public Service Commission

When
Thursday May 14, 2015 from 11:00 AM to 1:30 PM CDT
Add to Calendar

Please RSVP by May 7, 2015
Where
Kamell's at the Top of the Met
211 N. Broadway
St. Louis, MO 63102



Contact:
Preya Nixon
National Utilities Diversity Council
preya.nixon@nudc.com



Dear Preya,

We are pleased to have you at the Missouri Public Service Commission.

Chairman of the Missouri Public Service Commission, we are pleased to have you at the Missouri Public Service Commission.

We hope you will be joined by members of the Missouri Public Service Commission.

Thank you for your interest in the Missouri Public Service Commission.

Sincerely,

John P. P. Blaylock
Blaylock Associates
(312) 541-5411

Sidney Dillard
Loop Capital Markets
sidney.dillard@loopcapital.com
(312) 356-5008

Ray O'Connor
Samuel A. Ramirez & Co.
ray.oconnor@ramirez.com
(212) 248-1215

David Finkelstein
The Williams Capital Group
dfinkelstein@williams.com
(212) 830-4538

Luncheon Featuring Commissioner Lamar B. Davis of the Arkansas Public Service Commission

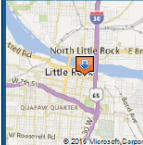


The Honorable Lamar B. Davis, Commissioner of the Arkansas Public Service Commission

When
Tuesday December 1, 2015 from 12:30 PM to 2:00 PM CST
Add to Calendar

Please RSVP by November 23, 2015

Where
Copper Grill
301 E. Third Street
Little Rock, AR 72201



Contact:
preya.nixon@nudc.com



Greetings!

We are pleased to have you at the Arkansas Public Service Commission.

Commissioner of the Arkansas Public Service Commission, we are pleased to have you at the Arkansas Public Service Commission.

We hope you will be joined by members of the Arkansas Public Service Commission.

Thank you for your interest in the Arkansas Public Service Commission.

Sincerely,

Jeremy T. Drexel
Drexel Hamilton
(646) 412-1511

Sidney Dillard
Loop Capital Markets
sidney.dillard@loopcapital.com
(312) 356-5008

Ray O'Connor
Samuel A. Ramirez & Co.
ray.oconnor@ramirez.com
(212) 248-1215

David Finkelstein
The Williams Capital Group
dfinkelstein@williams.com
(212) 830-4538

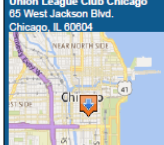
Luncheon Featuring Commissioner Sherina Maye Edwards of the Illinois Commerce Commission



The Honorable Sherina Maye Edwards, Commissioner of the Illinois Commerce Commission

When
Thursday March 31, 2016 from 11:00 AM to 1:30 PM CDT
Add to Calendar

Kindly RSVP by March 25, 2016
Where
Union League Club Chicago
65 West Jackson Blvd.
Chicago, IL 60604



Contact:
Preya Nixon
National Utilities Diversity Council
preya.nixon@nudc.com



Greetings!

We are pleased to have you at the Illinois Commerce Commission.

Commissioner of the Illinois Commerce Commission, we are pleased to have you at the Illinois Commerce Commission.

We hope you will be joined by members of the Illinois Commerce Commission.

Thank you for your interest in the Illinois Commerce Commission.

Sincerely,

Sidney Dillard, P.
Loop Capital Markets
sidney.dillard@loopcapital.com
(312) 356-5008

David Finkelstein
The Williams Capital Group
dfinkelstein@williams.com
(212) 830-4538

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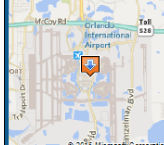
Luncheon Featuring Commissioner Ronald Brisé of the Florida Public Service Commission



The Honorable Ronald Brisé, Commissioner of the Florida Public Service Commission

When
Monday May 9, 2016 from 11:00 AM to 1:30 PM EDT
Add to Calendar

Kindly RSVP by May 3, 2016
Where
Hyatt Regency Orlando Airport
9300 Jeff Riffe Blvd.
Orlando, FL 32827



Contact:
Preya Nixon
National Utilities Diversity Council
preya.nixon@nudc.com



Greetings!

We are pleased to have you at the Florida Public Service Commission.

Commissioner of the Florida Public Service Commission, we are pleased to have you at the Florida Public Service Commission.

We hope you will be joined by members of the Florida Public Service Commission.

Thank you for your interest in the Florida Public Service Commission.

Sincerely,

Sidney Dillard, Partner
Loop Capital Markets
sidney.dillard@loopcapital.com
(312) 356-5008

David Finkelstein
The Williams Capital Group
dfinkelstein@williams.com
(212) 830-4538

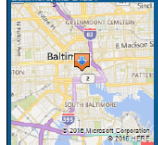
Ray O'Connor, M.
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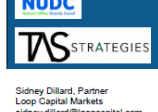
Advancing Utility Supplier Diversity Luncheon

When
Thursday July 21, 2016 from 12:00 PM to 1:00 PM EDT
Add to Calendar

Where
Hotel Monaco Baltimore
2 North Charles Street
Baltimore, MD 21201



Contact:
Preya Nixon
National Utilities Diversity Council
preya.nixon@nudc.com



Greetings!

On behalf of CastleOak Securities, Drexel Hamilton, Loop Capital Markets, Ramirez and Company, and The Williams Capital Group we are pleased to invite you to a July 21, 2016 luncheon during the scheduled break of Maryland Public Service Commission Case No. PC16 - 2015 Annual Reports - Maryland Supplier Diversity Programs. This luncheon will be held at the Hotel Monaco Baltimore, 2 North Charles Street, Baltimore, MD 21201.

The theme of this luncheon is Advancing Utility Supplier Diversity with Minority, Woman and Service Disabled Veteran Investment Banking Firms. Participating utilities will be asked to give a five-minute presentation on their efforts in this sector. Invited are Maryland PSC Commissioners, The Honorable W. Kevin Hughes, Chairman, The Honorable Harold D. Williams, The Honorable Anne E. Hoskins, The Honorable Jeanette M. Mills, and the Honorable Michael T. Richard.

The invited Commissioners will also share their thoughts on the topic of supplier diversity as it pertains to minority-, women-, service disabled veteran-owned and small investment banks. We hope you will join us for the lunch, which will include networking time as well. Maryland Public Service Commission staff members, along with representatives from additional MWDB small investment banking firms, will join us. Following the luncheon we will return to the hearing.

Thank you very much, and we look forward to seeing you on July 21, 2016. If you have any questions or concerns please contact one of the host listed below.

Ray O'Connor, Managing Director
Samuel A. Ramirez & Co.
ray.oconnor@ramirez.com
(212) 248-1215



Jeremy Traska, Director
Capital Markets
Drexel Hamilton
jtraska@drexelhamilton.com
(646) 412-1511

Michael A. Turner, Senior Managing Director
CastleOak Securities, L.P.
mturner@castleoak.com
212-820-4705

SAMPLE ROUNDTABLE AGENDA

Florida Utility Roundtable Luncheon on Supplier Diversity

March 30, 2015

Agenda

Start Time	End Time	
11:30 AM	- 11:40 AM	Introductory Remarks and Welcome, Sam Ramirez Jr., Managing Director, Ramirez & Co.
11:40 AM	- 11:55 AM	Keynote: The Honorable Ronald Brisé, Commissioner Florida Public Service Commission
11:55 AM	- 12:35 PM	Introduction of Utility Representatives, David Finkelstein, Principal, Williams Capital
11:55 AM	- 12:05 PM	<i>Duke Energy</i>
12:05 PM	- 12:15 PM	<i>NextEra/Florida Power Light</i>
12:15 PM	- 12:25 PM	<i>The Southern Company/Gulf Power Company</i>
12:25 PM	- 12:35 PM	<i>TECO Energy</i>
12:35 PM	- 12:50 PM	Q&A and Summary Q&A, Louis De Caro, Senior Banker, Blaylock Beal Van
12:50 PM	- 1:35 PM	Lunch
1:35 PM	- 1:45 PM	Closing Remarks, Ani Tchaghlasian, Senior Vice President, Loop Capital Markets