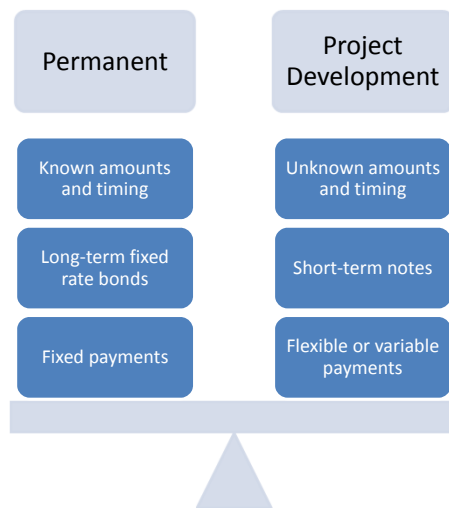
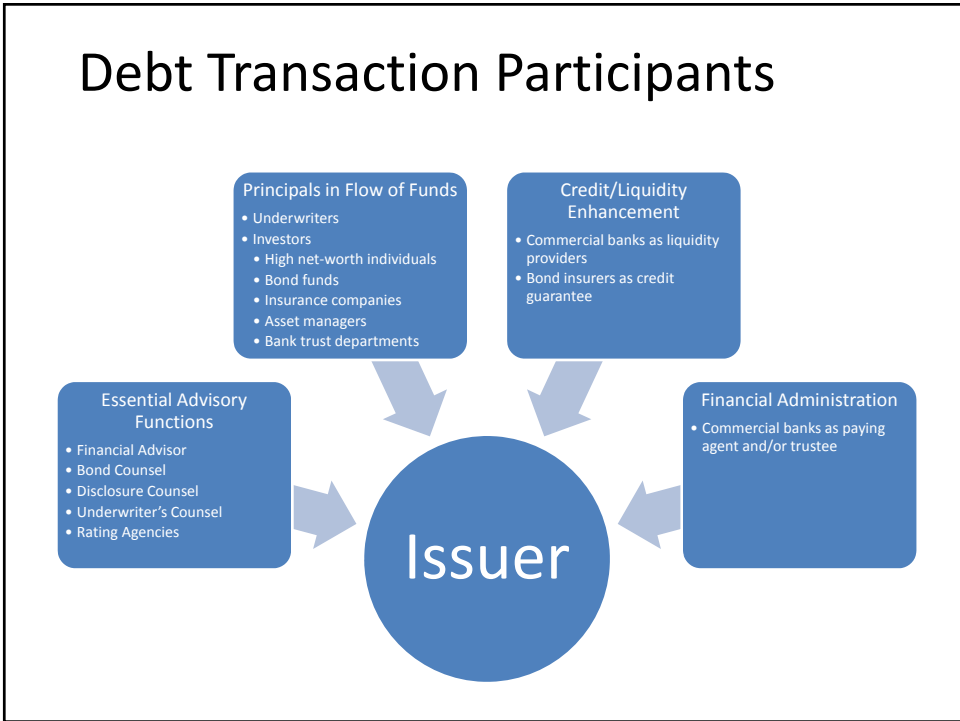
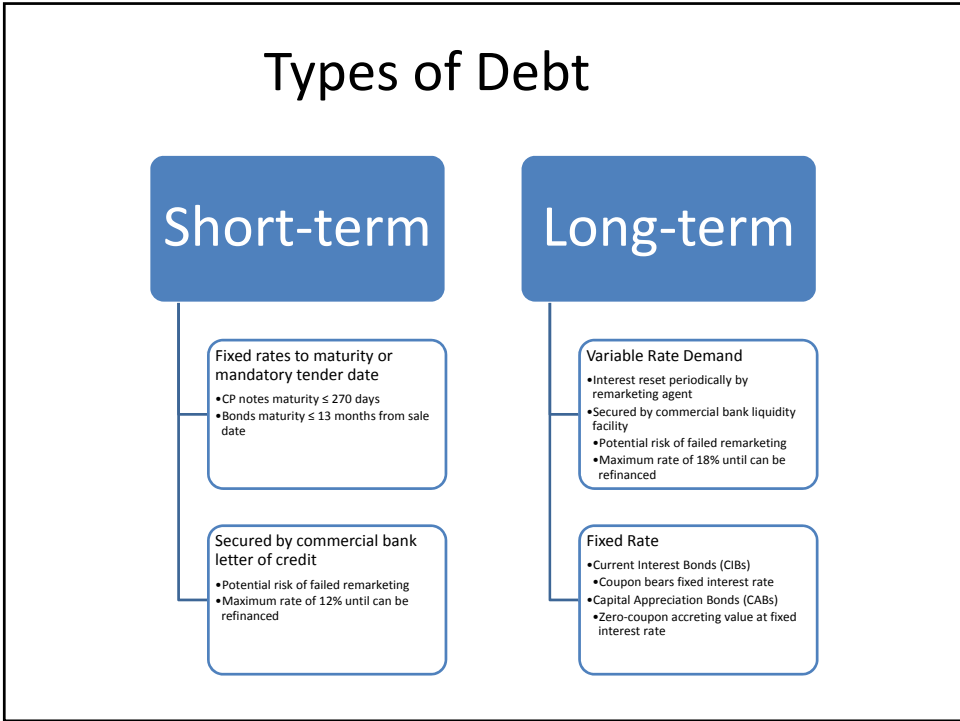


Financing Program

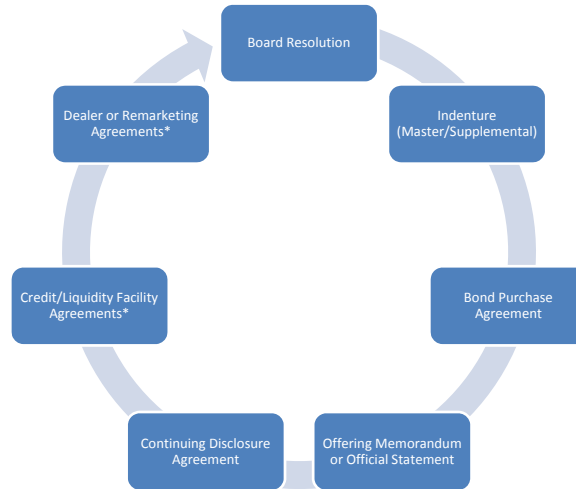
Presentation to _____
February __, 2019

Financing Structure Considerations



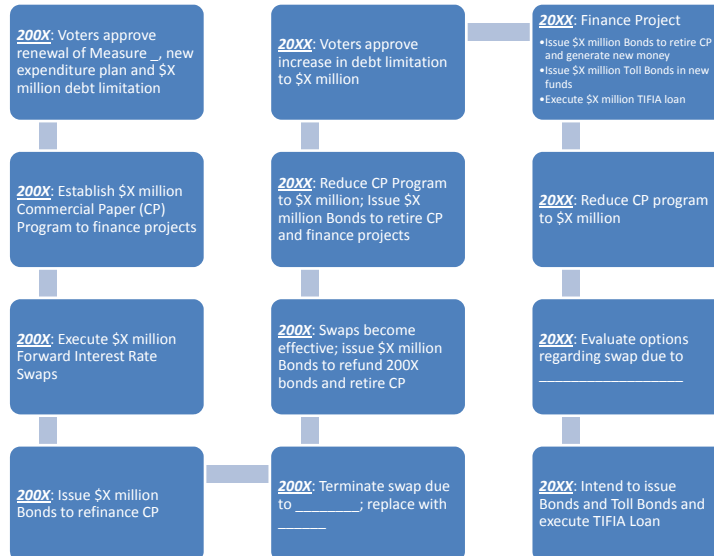


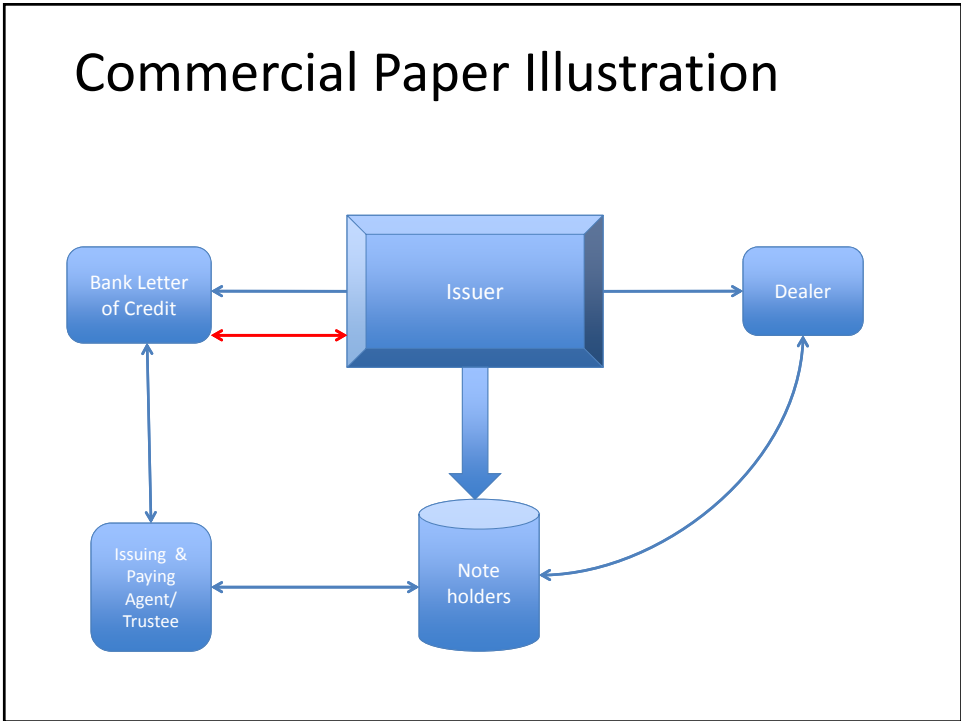
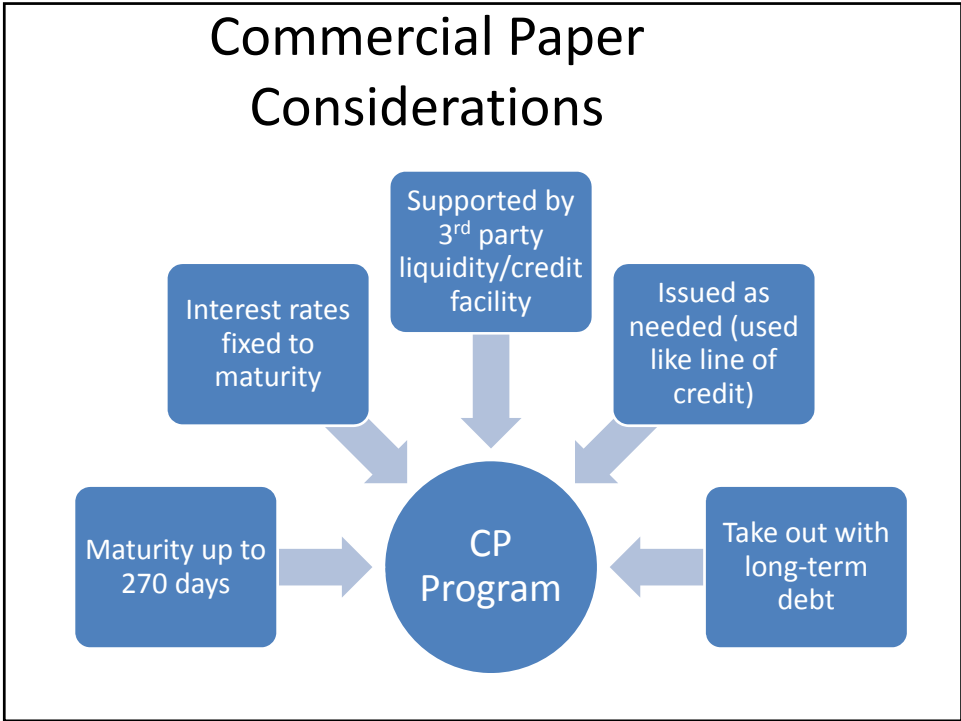
Key Financing Documents



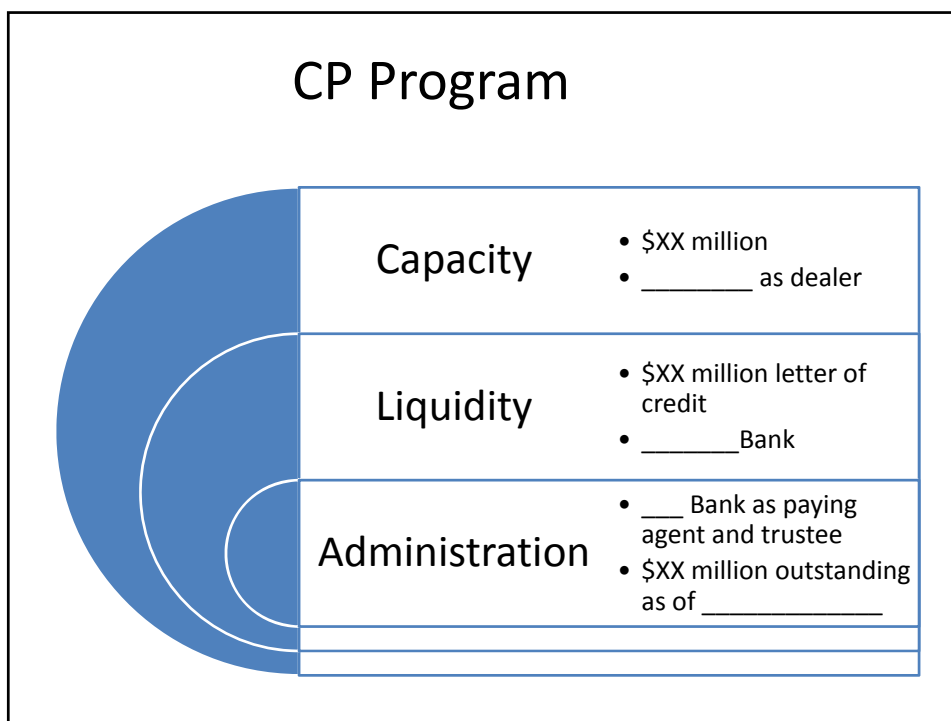
**Applicable to variable rate debt only*

Financing Highlights





CP Program



Interest Rate Swap Considerations

Business decision to hedge against potential rate increases

- Not speculation
- Awareness of risks and mitigation strategies

Contract to exchange cash flows

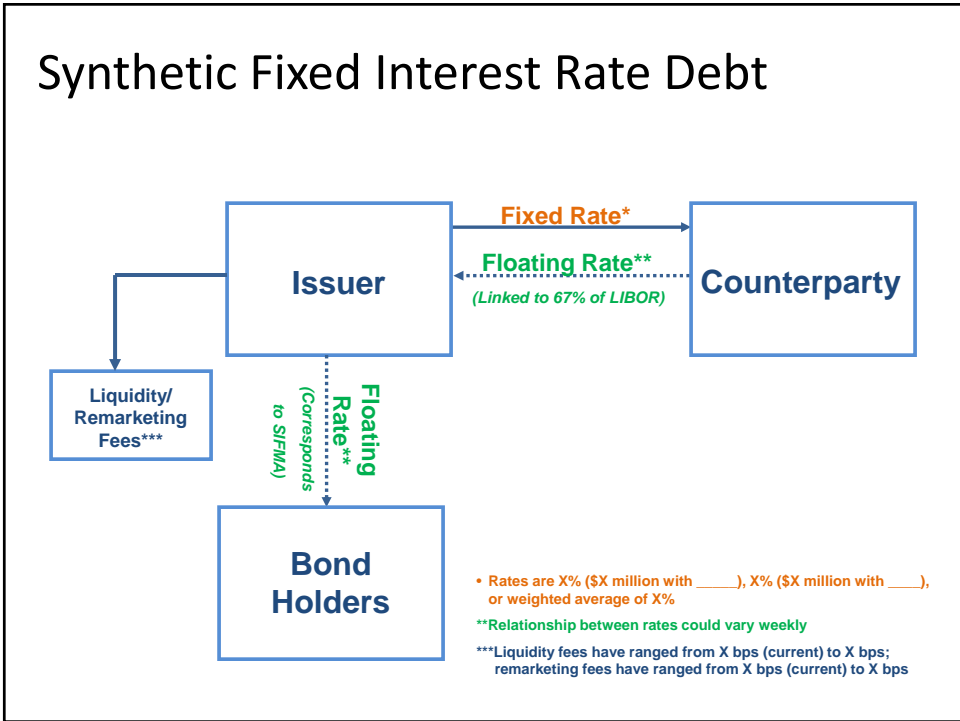
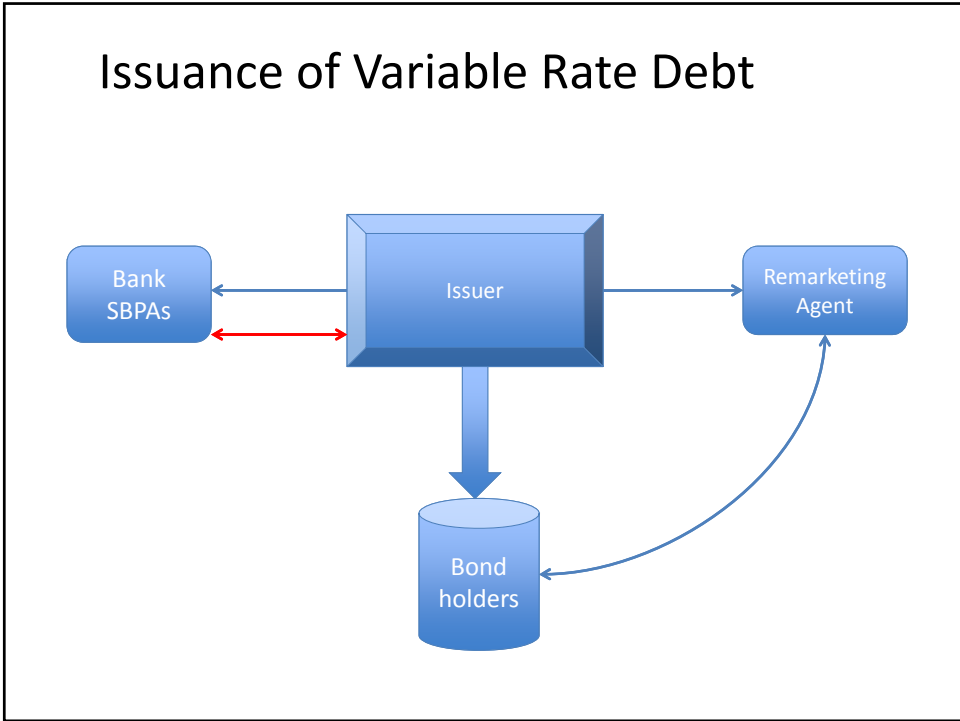
- Starts at future date
- Issuer pays fixed interest rate (X%)
- Counterparty pays floating/variable interest rate (X% of one-month LIBOR)

Payments based on notional amount

- Principal amounts not exchanged

Cash flows derived from reference to index rates

- London Interbank Offer Rate (LIBOR) — associated with taxable financings and swaps
- Securities Industry and Financial Markets Association (SIFMA) — related to tax-exempt financings



Integrated Swap Performance

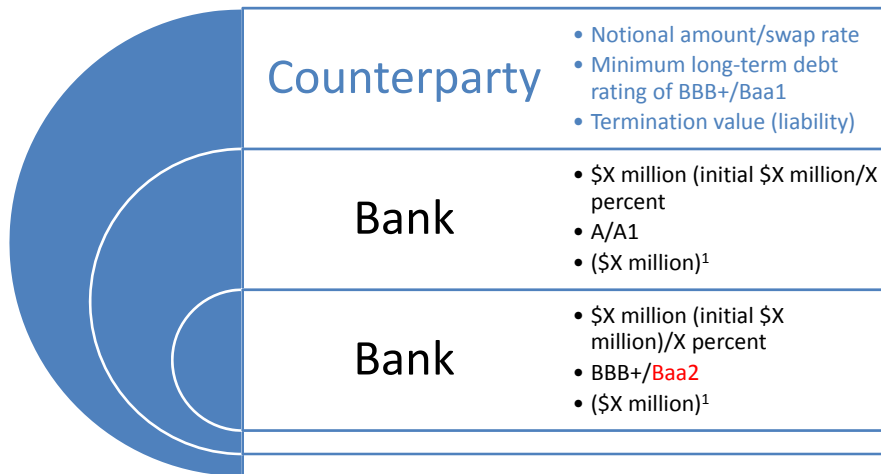
	Issuer Basis Gain ¹	Issuer Basis Cost ²
Issuer receives X% of LIBOR (floating rate)	0.29%	0.31%
Issuer pays SIFMA to bondholders (floating rate)	(0.01%)	(0.39%)
Issuer basis differential Gain (cost)	0.28%	(0.08%)
Issuer pays counterparty (fixed rate)	(3.42%)	(3.42%)
Issuer pays liquidity & remarketing fees (fixed cost)	(0.50%)	(0.50%)
Issuer net cost of funds for week ³	(3.64%)	(4.00%)

¹January 20XX example

²June 20XX example

³20-year fixed interest rate in August 200X approximated X% and in October 200X approximated X%

Swap Status



¹ As of June 15, 20XX, subject to change

Swap Options

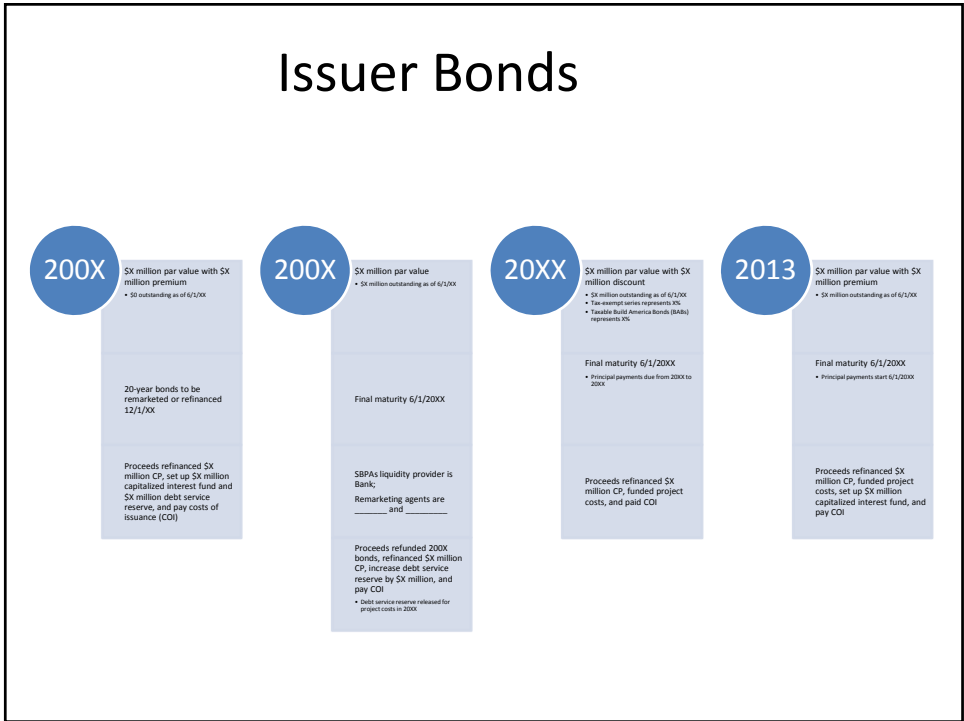
Accept Bank replacement swap, if proposed

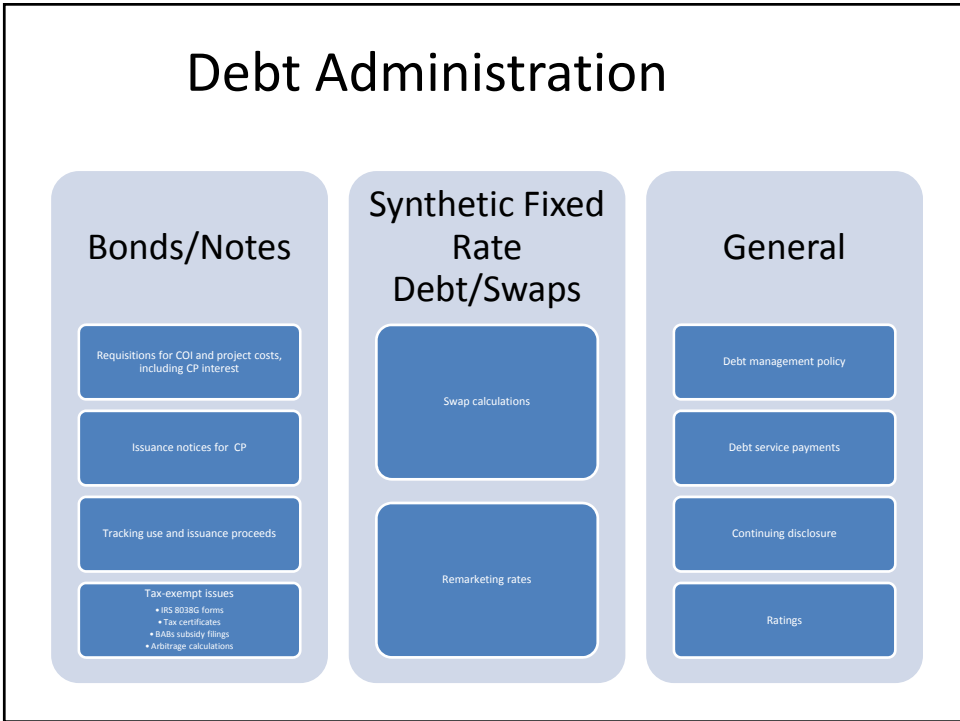
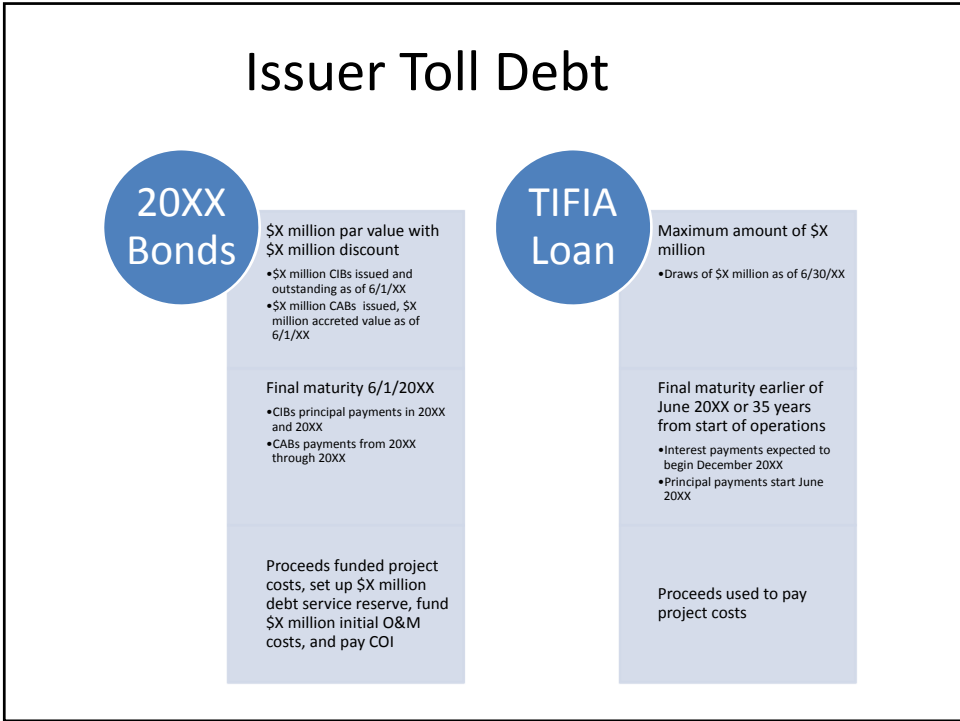
Waive right to terminate swap

Terminate swap and pay termination payment

- **No replacement swap**
 - Unhedged position
- **Replacement swap**
 - Lower rate but limited qualified counterparties
- **Refinance 200X Series A at fixed interest rate**
 - Interest rate decrease absorbs about 75 percent of termination cost
 - Interest rate certainty through 2029

Issuer Bonds





Financings Are A Team Effort

