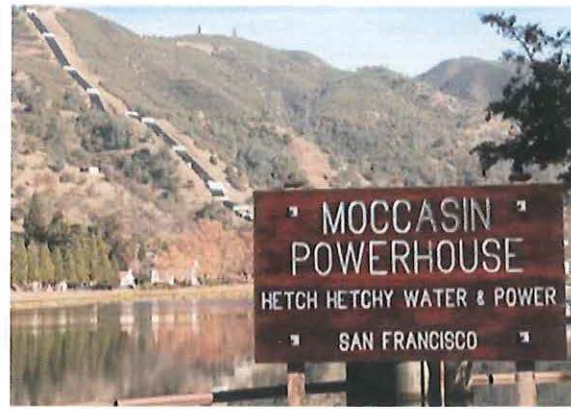


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Services of the San Francisco Public Utilities Commission



Establishing New SFPUC Power Enterprise Commercial Paper Program

November 4, 2015

Charles Perl, SFPUC Deputy CFO



SFPUC Power Enterprise Debt Funding Effort to Date

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- 2005: SFPUC Power Enterprise created as separate system / accounting unit within Hetch Hetchy Water and Power
- 2008-2015: Non-rated federal subsidy bonds sold:
 - 2008 CREBs
 - 2011 QECBs
 - 2012 NCREBs
 - 2015 NCREBs
- May 2015: Inaugural Power Revenue Bonds sold after establishment of new, rated credit
- Fall 2015: New Power Commercial Paper Program to be established following Commission and BOS authorizations



Proposed New Power CP Program

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- \$90M Authorization Sought
- Provides low-cost interim funding for Power capital projects; taken out with long-term Power Bonds – less than 1% all-in cost in current market
- Similar to existing SFPUC Water & Wastewater CP Programs
- Secured with Letter of Credit from Bank of America, after RFP procurement
- 3 Dealers recommended (Barclays Capital Inc., Goldman, Sachs & Co., and RBC Capital Markets) after RFP procurement
 - Sell & remarket CP to investors



Proposed Terms of Agreements

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- Credit Facility Agreement
 - Bank of America LOC; \$90M principal amount
 - 3-year term; two 1-year optional extensions; 5-years total
 - 0.35% annual fee, or \$342,962; comparable to recent SFPUC Water and Wastewater CP fees
- Dealer Agreements
 - Barclays Capital Inc., Goldman, Sachs & Co., and RBC Capital Markets
 - 3-year term; two 1-year optional extensions; 5-years total
 - Annual fee: 0.0475%, up to \$42,750



Requested Action Summary

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- Authorize Establishment of Power Enterprise Commercial Paper Program in the Amount of \$90M
- Direct SFPUC General Manager, and others specified in legislation, to execute SFPUC Power Enterprise Commercial Paper Program



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Questions?