

Heath, Tom

From: Glenn, Erica N
Sent: Monday, July 13, 2015 4:01 PM
To: Heath, Tom
Subject: FW: Fee Quote - on securitization from Fitch

Tom,

Please see below for Fitch's quote. Please note the ongoing annual fee. I would expect that would be an O&M item and was not included in our 2016 budget. Just something to keep in mind as we get the other quotes in. Happy to discuss.

I will let you know when I hear back from the other two.

Thank you,
 Erica

From: Sam Haddad [<mailto:sam.haddad@fitchratings.com>]
Sent: Monday, July 13, 2015 3:36 PM
To: Glenn, Erica N
Subject: Fee Quote

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. ***

Erica,

Thanks for reaching out to Fitch for your ABS deal. Our fees would be as follows:

1. \$150K for the analysis (one time)
2. 3.5 bps issuance fee on the principal amount of the senior debt (subordinated classes would be 4.0 bps) [one time] Issuance fees are subject to 150K min and 300K max per tranche.
3. 10K annual monitoring fee.

Let me know if you need anything else.

Regards,

Sam G. Haddad

Sr. Director & Group Manager

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Heath, Tom

From: Glenn, Erica N
Sent: Thursday, July 16, 2015 8:16 AM
To: Heath, Tom
Subject: S&P securitization fee quote

Tom,

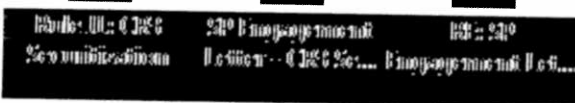
S&P gave us an eight page letter despite the fact I specified that we only needed a fee quote at this time so I am going to call out a few things in the body of this email:

- **Initial rating fee:** 5.5bps of principal (\$150K min and \$550K max) → **\$550K max on \$1.3B**
- **Ongoing surveillance fee: \$20K**
- Travel and misc. (no estimate given)
- Their counsel’s fee, if any (no estimate given)

- I went back to them with a question on their references to the following. Their response was: “The language regarding credit estimates is standard in our boilerplate letter in case there are loans/securities that we need to review. This is not the case here, but we like to keep our letters consistent.” I think we should push to have this removed as we go forward. I personally find it confusing and something that could be misinterpreted.:
 - Credit estimate fee: An additional fee will be assessed for any credit estimate assigned for collateral securing the transaction
 - Credit Estimate Surveillance Fee. A credit estimate surveillance fee covering surveillance will be charged, if applicable, for so long as we maintain the credit estimate. In the event the proposed transaction changes, Standard & Poor’s reserves the right to adjust the Credit Estimate Surveillance Fee.

Relevant emails are attached. Happy to discuss.

Thank you,
Erica



To: Glenn, Erica N
Subject: RE: Request for fee quote on securitization

Erica,
Apologies for the delay. I was out unexpectedly yesterday. Our current typical fee level for a stranded utility cost deal would be 5bps on the principal, with a minimum fee of \$180,000. Surveillance would be \$20,000 per annum.

Please let me know if you need anything else.

Regards,

Patrick J. Griffin

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From: Glenn, Erica N [<mailto:Erica.Glenn@duke-energy.com>]
Sent: Tuesday, July 14, 2015 4:11 PM
To: Griffin, Patrick
Subject: RE: Request for fee quote on securitization

Just the fee quote. Thank you

From: Griffin, Patrick [<mailto:Patrick.Griffin@moodys.com>]
Sent: Tuesday, July 14, 2015 3:35 PM
To: Glenn, Erica N
Cc: Lawes, Coady
Subject: RE: Request for fee quote on securitization

Thanks. At this stage, are you interested solely in a fee quote, or full-fledged engagement documentation?

Patrick J. Griffin

AVP - Account Management
US/Americas Commercial Group
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212.298.6052 fax