

**UNDERWRITING SERVICES
LURC SOLICITATION FOR OFFERS**

in connection with the proposed issuance of

**APPROXIMATELY \$1.66 BILLION
[ISSUER TO BE DETERMINED]
SYSTEM RESTORATION BONDS
(LOUISIANA UTILITIES RESTORATION CORPORATION PROJECT/ELL 2023)
TO BE ISSUED IN ONE OR MORE SERIES**

JULY 7, 2022

The Louisiana Utilities Restoration Corporation, a Louisiana nonprofit corporation (“LURC”), proposes to borrow funds from a conduit issuer (to be selected by the Louisiana Public Service Commission) through the issuance of the above-referenced bonds (the “Bonds”). The Issuer will be a political subdivision of the State of Louisiana established for public purposes pursuant to the applicable enabling statutory provisions. Pertinent information regarding the proposed financing, pledged revenues and criteria for selection are contained later in this Solicitation.

The purpose of this Solicitation is to provide for a fair and competitive process for the selection of underwriters (both senior managing and co-managing firms) in order to produce the highest quality investment banking services at a reasonable cost. Only firms submitting proposals in accordance with this Solicitation will be considered. Within this Solicitation, prospective underwriting firms will sometimes be referred to as "Offerors".

The Bonds are to be issued for the purpose of minimizing costs charged to customers of Entergy Louisiana, LLC (“ELL”) related to ELL’s system restoration costs resulting from Hurricane Ida, estimated at approximately \$1.66 billion. The Bonds are authorized pursuant to the Louisiana Restoration Corporation Act of 2007 (Act 55 of the 2007 Regular Session of the Louisiana Legislature; amended in the 2021 Regular Session of the Louisiana Legislature by Act 293) (the “Restoration Law”) and a financing order to be issued by the Louisiana Public Service Commission (the “Financing Order”). The Bonds are expected to be rated AAA/Aaa. Underwriters chosen pursuant to this Solicitation will work toward the goal of issuing the Bonds as promptly as practicable targeting first quarter of 2023.

Proposals are being sought from investment banks interested in serving as underwriters for these Bonds. The Louisiana Public Service Commission (“LPSC”) has issued a request for proposals for a securitization consultant to assist the LPSC and its Staff in evaluating and making recommendations on the proposed offerings. The LURC may elect to retain an independent Financial Advisory Firm. Interested underwriters will be expected to cooperate with LURC, LURC’s Special Counsel, LURC’s Bond Counsel, LURC’s Financial Advisor, if retained, Issuer, the LPSC, LPSC Staff, its Counsel, Special Counsel and Securitization Consultant, the Louisiana State Bond Commission (the “State Bond Commission”), ELL and its respective counsel and

advisors. This Solicitation will serve as the only written communication for such services.

I. Background

The severity of the damage to electric utilities resulting from Hurricanes Katrina and Rita in 2005, and the importance of maintaining reliable and reasonably priced sources of electricity for the State's economic recovery, prompted the Louisiana Legislature to assist electric utilities by creating a new financing structure to provide utilities with low-cost capital. The Louisiana Legislature enacted the Restoration Law in 2007, which authorized the creation of the LURC. Following Hurricanes Laura, Delta and Zeta in 2020, the Louisiana Legislature amended the Restoration Law in 2021 to afford additional methods to minimize system restoration costs assessed to utility ratepayers. In addition to the requirements of the Restoration Law, the LPSC is expected to issue a financing order that will contain additional terms and conditions governing the offerings and intended to benefit ratepayers.

On August 29, 2021, Hurricane Ida made landfall near Port Fourchon, Louisiana, as a strengthening Category 4 hurricane with sustained winds of 150 miles per hour. Hurricane Ida tied 2020's Hurricane Laura as the strongest storm to make landfall in Louisiana since the Last Island Hurricane of 1856, and the three storms are tied for the fifth strongest to ever make landfall in the continental United States. Most hurricanes rapidly weaken following landfall, limiting the most extensive damages to at or near the coastline. Hurricane Ida did not follow this pattern. Instead, Hurricane Ida maintained its catastrophic Category 4 strength for six hours after landfall, inflicting extensive damage well inland. That, combined with an eastward shift from its expected track, made for a devastating impact and the storm left a tremendous amount of damage in its path, including damage to power infrastructure. For example, across the areas served by the Entergy Operating Companies ("EOCs"), more than 30,000 poles were damaged or destroyed, more than were damaged or destroyed by Hurricanes Katrina, Ike, Delta, and Zeta combined. Approximately 950,000 EOC customers across southeast Louisiana and southwest Mississippi had power outages resulting from the storm.

Appendix A of this Solicitation is a preliminary draft of a Summary Statement section of the Official Statement for the Bonds. This Summary Statement is subject to modification but should be indicative of the final transaction. Although the Summary Statement contains references to definitions within the Official Statement, the Summary Statement provides sufficient information to understand the overall transaction and its mechanics. Additional documents and testimonies associated with the anticipated transaction may be found on the LPSC website (<http://www.lpsc.org>) under Docket No. U-36350.

II. Basis of Award

The award decision will be made on the basis of the best proposals received. The selection of underwriters for the offering is within the sole discretion of a committee or grading team appointed by the LURC and the LPSC (the "Committee"). That determination will be made based on how to minimize the actual cost to ratepayers and other criteria including but not limited to experience, creativity, and distribution capabilities as outlined below.

Please be advised that the Committee reserves the right to include one or more underwriters as co-managers on this transaction. The Committee also reserves the right to reject any or all proposals and to waive any irregularity contained in any proposal received. The Committee further reserves the right to negotiate all elements, including fees which are contained in or which relate to any offer.

III. Evaluation Criteria and Process

Selection for underwriters in accordance with the requirements of this Solicitation will be formalized by a resolution of the Issuer. Selection may be made on the basis of a consensus by the Committee using the evaluation criteria described below.

1. Capabilities of the firm.
2. Experience with ratepayer-backed securitization and overall experience with the asset-backed securitization markets.
3. Proposed structuring, marketing and sales plan.
4. Fees for services.

The Committee reserves the right to act without verbal presentations or other discussions with Offerors. Therefore, all offers should be submitted on the most favorable terms.

IV. Required Form of Proposal

Please answer all questions in the order presented using a type font of no less than 12 point. Initiate each response by restating the question and paginate your proposal. Please limit the total number of written pages to twenty (20) (excluding attachments such as appendices and promotional addenda), and the proposal must be bound in one volume. We request that you limit the amount of promotional addenda included to five (5) pages. The proposal must be submitted in a sealed envelope and identified with a label reading as follows: "Proposals to provide Underwriting Services in Accordance with the Solicitation for Offers dated June 30, 2022." Those proposals which do not follow this format may be subject to disqualification.

V. Responses

All firms responding to this Solicitation must submit three (3) originals of their proposal to:

Brandon Frey
Chair, LURC Board of Directors
602 North 5th Street
P. O. Box 91154
Baton Rouge, Louisiana 70821-9154

VI. Time of Submission of Proposal

Proposals must be received no later than **4:00 P.M. Central Time on August 5, 2022**. No proposals submitted by fax will be accepted. As a courtesy, each firm shall forward an electronic copy of its proposal, via email, to the Committee at the following email addresses:

jcarroll@wellspringadvisor.com

tligi@treasury.la.gov

jhw@longlaw.com

ces@longlaw.com

ppatrick@patrickmillerlaw.com

The LPSC's Securitization Consultant, if retained, may also participate on the Committee.

VII. Required Content From Those Firms Submitting a Proposal Only For Senior Managing Underwriter

To be considered as a candidate for senior managing underwriter, interested firms must provide indicative responses to the following questions and items:

1. Please discuss why your firm should be considered as a senior or lead manager for this offering. Include in your response a discussion of technical and structuring resources, the firm's distribution capabilities (regionally, nationally and/or globally), the firm's marketing resources and any other relevant capabilities of which we should be aware.
2. Given the current market, please discuss why your firm is best positioned to handle this offering at this particular time as a senior or lead manager.
3. Please describe your firm's commitment to asset-backed and ratepayer-backed securitization including those involving storm cost recovery, since January 1, 2010. If necessary, please disclose any current, planned, or anticipated changes to your firm's personnel, organization, or credit which may affect your firm's ability to efficiently execute these transactions.
4. Identify the members of your firm who would be assigned to act on behalf of your firm in providing the underwriting, marketing and sales services required by these transactions and the functions to be performed by each. Include brief resumes or curriculum vitae of each such staff member, including name, position, office location, education, and years and type of asset-backed, securitization and/or public finance experience. (Note, the listing of personnel can be shown in an appendix and will not count against the overall page limitation).

5. Give a brief but complete description of any criminal proceeding, criminal investigation, or other oversight entity's investigation of alleged securities laws violations involving your firm (all areas of the firm) or any professionals in your firm who would be involved in this financing. Please cover the period January 1, 2010, through the present.
6. Describe your firm's experience with asset-backed and ratepayer-backed securitization including those involving storm cost recovery, for which your firm has served as senior managing underwriter or co-senior manager beginning in January 1, 2010, including issues not yet completed for which your firm has been selected as senior managing underwriter or as co-senior manager, and prior issues involving ratepayer-backed securitization including those on behalf of the LURC. Please provide a listing of these issues as part of your answer. Include in the description the names of the issuers, the dates of the offerings, the amounts of the bonds issued, the assigned ratings, the achieved pricing levels relative to the underlying index and benchmark spreads, and the firm's role in the offering. Describe the characteristics of any or all of these issues, which would be relevant in evaluating the experience of your firm to handle the financing of the transactions contemplated by this Solicitation. (Note, the listing of issues can be shown in an appendix and will not count against the overall page limitation).
7. Describe your firm's experience with any other securitization in which your firm has been involved since January 1, 2010, including issues not yet completed for which your firm has been selected to participate. Please provide a listing of these issues as part of your answer. Include in the description the names of the issuers, the dates of the offerings, the amounts of the bonds issued, the assigned ratings, the achieved pricing levels relative to the underlying index and benchmark spreads, and the firm's role in the offering. (Note, the listing of issues can be shown in an appendix and will not count against the overall page limitation).
8. Provide your firm's recommendation for structuring the proposed transactions in sufficient detail to fully convey the nature of the transaction (i.e. tranches, average life, pricing expectations, scheduled final maturity dates, legal final maturity dates, substantially level debt service and revenue requirements, etc.). Your firm's recommendation should be tailored to provide for the most efficient distribution of bonds across multiple maturities. As part of the discussion, please describe your opinions of investor demand and liquidity for the maturities that are outlined. Assume a hypothetical pricing timeframe of first quarter of 2023 for purposes of setting mid-market swaps benchmarks and provide an indication as of that date regarding the expected margin over the benchmark (the credit spread) for each tranche. As part of your firm's response:

- a. Clearly identify all underlying assumptions of the proposal;
 - b. Discuss any other structural approaches to the transactions that you think should be considered;
 - c. Discuss any financial and non-financial vulnerabilities of the submitted proposal;
 - d. Provide a detailed indicative execution timetable with specific steps to be taken in order to close the transactions in the first quarter of 2023. (Please be advised that this date is provided solely as an example for purposes of a response and the LURC, the Issuer, the LPSC, the State Bond Commission and ELL can provide no assurance that a bond closing would actually occur on or before this date).
9. It is imperative that the Bonds achieve a “AAA/Aaa” rating from the credit rating agencies. Please discuss your firm’s experience in working with the rating agencies in ratepayer-backed securitizations. Describe your plan to thoroughly discuss and describe the transactions with the rating agencies, provide stress test cash flow modeling and assist with all other aspects of the rating agency due diligence process. Describe any issues raised by the rating agencies in prior ratepayer-backed (transition bond) deals, how your firm was able to resolve the issue and the ultimate rating achieved by the Bonds. Discuss your recommendations for how many, and which rating agencies should rate the Bonds.
10. Please offer your recommendations regarding the strategy and approach to be used with other senior and junior underwriters of this offering. What would be the optimal "syndicate structure" to achieve the lowest storm recovery charges for the offering? How many book running managers, co-managers and/or selling group members would you recommend? Are there any specific firms you recommend for such positions (or firms with which you have cooperated in the past), and how would each contribute uniquely to the goal of achieving the lowest storm recovery charges?
11. Given the size of the anticipated offerings and your firm's view of present market conditions and investor demand, please provide a recommendation and supporting commentary regarding how many investors should be targeted for this offering. Identify the likely buyer types or groups (not the specific names) of the Bonds that your firm would target (ex.: money managers, domestic and international banks, insurance companies, state trust funds, crossover investors, taxable municipal investors, other opportunistic investors, etc.) noting which of these buyer groups have participated in past ratepayer-backed securitizations. If appropriate, please describe your plan for soliciting new investors (domestic and international), e.g., potential investors that have not been active in this specific space in past transactions. Please discuss the rationale for all of your recommendations above.

12. Please discuss any unique approaches your firm would employ to market the transactions and reach investors. Describe creative approaches that may have been undertaken by the firm in previous transactions, the reasons why such approaches were adopted, and the results of such approaches.
13. Please describe how the Bonds will be marketed and sold through your sales organization. Describe your preferred marketing plan for the Bonds, outlining your recommended pre-sale marketing approach, including steps such as investor meetings and roadshows, sales force presentations (ABS, corporate, agency, other), relative value comparisons and other steps as appropriate. Outline and discuss any marketing issues that have developed in other recent and similar transactions in which your firm was involved and your plan to resolve such issues. Your response should discuss which sales force will be primarily responsible for selling the Bonds, what group will price the Bonds and what group will be responsible for secondary market support post-closing.
14. What would be an optimal time frame to commence the marketing phases of the offering in order to achieve the lowest system restoration charges, given current and anticipated market conditions? (Your recommendation may concur with the hypothetical closing date provided in question 8(d) above or you may choose to support a different time schedule given your firm's view of current and anticipated market conditions).
15. What is your opinion regarding the timing of this offering in relation to similar expected offerings? Please indicate whether your firm is involved in an underwriting group for any similar offerings expected during the time of this offering.
16. Attorneys and advisors for the LURC, the LPSC, ELL, the Issuer, including the LPSC Staff's Securitization Consultant, the LURC's Financial Advisor, if retained, expect to have live access to the order books during the order period through the Game Day platform, and will treat any information obtained through this process as confidential. Is such access agreeable to you?
17. Please discuss your firm's expected underwriting fee for the offering and state the response in terms of basis points. Show take downs by maturity and expenses for a \$1.634 billion transaction with final maturity expected to be in twelve to fifteen years. If your firm believes that the fee should be determined using another methodology, please provide a complete explanation and justification of the alternative method.
18. Please discuss your firm's proposal to structure the underwriting fees to incorporate incentive compensation for work performed.

19. Among other requirements, the Financing Orders requires that the structuring and pricing of the Bonds will result in the lowest-cost system restoration charges consistent with market conditions and the terms of the Financing Orders. Should your firm participate in the offering as a managing bookrunner, it will be required to sign and deliver a certification to that effect. Is your firm willing to sign such a certification?

VIII. Required Content From Those Firms Submitting a Proposal Only For Co-Managing Underwriter

To be considered as a candidate for a co-managing underwriter position only, interested firms must provide responses to the following questions and items:

1. Please discuss why your firm should be considered as a co-managing firm for this offering. Include in your response a discussion of technical and structuring resources, the firm's distribution capabilities (regionally, nationally and/or globally), the firm's marketing resources and any other relevant capabilities of which we should be aware. How would your firm uniquely contribute to achieving the lowest storm cost recovery charges for ratepayers? Describe your firm's commitment to Louisiana by highlighting the number of offices you maintain in Louisiana and the number of employees you have in Louisiana. In addition, please discuss which office(s) or location(s) will be principally responsible for your activities as a co-managing underwriter.
2. Please describe your firm's commitment to asset-backed and ratepayer-backed securitization including those involving storm cost recovery, since January 1, 2010. If necessary, please disclose any current, planned, or anticipated changes to your firm's personnel, organization, or credit which may affect your firm's ability to efficiently execute these transactions.
3. Identify the members of your firm who would be assigned to act on behalf of your firm in providing the underwriting, marketing and sales services required by these transactions and the functions to be performed by each. Include brief resumes or curriculum vitae of each such staff member, including name, position, office location, education, and years and type of securitization and/or public finance experience. (Note, the listing of personnel can be shown in an appendix and will not count against the overall page limitation).
4. Give a brief but complete description of any criminal proceeding, criminal investigation, or other oversight entity's investigation of alleged securities laws violations involving your firm (all areas of the firm) or any professionals in your firm who would be involved in this financing. Please cover the period January 1, 2010, through the present.
5. Describe your firm's experience with asset-backed and ratepayer-backed securitization including those involving storm cost recovery, for which your firm has served as

a co-managing underwriter beginning in January 1, 2010, including issues not yet completed for which your firm has been selected as a co-managing underwriter. Please provide a listing of these issues as part of your answer. Include in the description the names of the issuers, the dates of the offerings, the amounts of the bonds issued, the assigned ratings, the achieved pricing levels relative to the underlying index and benchmark spreads, and the firm's role in the offering. Describe the characteristics of any or all of these issues, which would be relevant in evaluating the experience of your firm to handle the financing of the transactions contemplated by this Solicitation. (Note, the listing of issues can be shown in an appendix and will not count against the overall page limitation).

6. Describe your firm's experience with any other securitizations in which your firm has been involved since January 1, 2010, including issues not yet completed for which your firm has been selected to participate and prior issues involving ratepayer-backed securitizations on behalf of the LURC. Please provide a listing of these issues as part of your answer. Include in the description the names of the issuers, the dates of the offerings, the amounts of the bonds issued, the assigned ratings, the achieved pricing levels relative to the underlying index and benchmark spreads, and the firm's role in the offering. (Note, the listing of issues can be shown in an appendix and will not count against the overall page limitation).
7. Please offer your recommendations regarding the strategy and approach your firm would take with senior managing and other co-managing underwriters of this offering. What would be the optimal "syndicate structure" to achieve the lowest storm recovery charges for the offering? How many book running managers, co-managers and/or selling group members would you recommend? Are there any specific firms you recommend for such positions (or firms with which you have successfully cooperated in the past)?
8. Given the size of the anticipated offerings and your firm's view of present market conditions and investor demand, please provide a recommendation and supporting commentary regarding how many investors should be targeted for this offering. Identify the likely buyer types or groups (not the specific names) of the Bonds that your firm would target (e.g., money managers, domestic and international banks, insurance companies, state trust funds, crossover investors, taxable municipal investors, other opportunistic investors, etc.) noting which of these buyer groups have participated in past ratepayer-backed securitizations. If appropriate, please describe your plan for soliciting new investors (domestic and international), e.g., potential investors that have not been active in this specific space in past transactions. Please discuss the rationale for all of your recommendations above.
9. Please discuss any unique approaches your firm would employ to market the transactions and reach investors. Describe creative approaches that may have been undertaken by the firm in previous transactions, the reasons why such approaches were adopted, and the results of such approaches.

10. Please describe how the Bonds will be marketed and sold through your sales organization. Describe your preferred marketing plan for the Bonds, outlining your recommended pre-sale marketing approach, including steps such as investor meetings and roadshows, sales force presentations (ABS, corporate, agency, other), relative value comparisons and other steps as appropriate. Outline and discuss any marketing issues that have developed in other recent and similar transactions in which your firm was involved and your plan to resolve such issues. Your response should discuss which sales force will be primarily responsible for selling the Bonds, what group will price the Bonds and what group will be responsible for secondary market support post-closing.

IX. Inquiries

The Committee will answer inquiries from firms interested in submitting a proposal in response to this Solicitation. All inquiries must be submitted in writing via fax and email and received no later than **4:00 P.M. Central on July 22, 2022** by LURC Special Counsel, Jamie Hurst Watts at JHW@LongLaw.com. Questions should also be emailed to:

jcarroll@wellspringadvisor.com

tligi@treasury.la.gov

jhw@longlaw.com

ces@longlaw.com

ppatrick@patrickmillerlaw.com

Answers to such inquiries will be sent to each inquiring firm, to each firm receiving this Solicitation and to each firm which notifies LURC Special Counsel (at JHW@longlaw.com) of its desire to be included in the list of those to receive answers. It is anticipated that responses to questions will be provided no later than **July 29, 2022**.

OTHER THAN WITH RESPECT TO INQUIRIES REGARDING LEGAL OR STRUCTURAL MATTER RELATING TO THE PROPOSED FINANCING AS SET FORWARD UNDER “INQUIRIES” ABOVE, OFFERORS (INCLUDING ANY REPRESENTATIVE OF AN OFFEROR, SUCH AS A CONSULTANT, LAWYER OR LOBBYIST, ETC.) MAY NOT CONTACT, UNDER ANY CIRCUMSTANCE, DURING THE OFFER REVIEW AND UNDERWRITER SELECTION PROCESS, ANY OFFICIAL EMPLOYEE OR REPRESENTATIVE OF THE STATE BOND COMMISSION, THE LPSC, THE LURC, THE STATE, OR ANY ENTITY THAT IS REPRESENTED BY THE COMMITTEE REGARDING ANY ASPECT OF THE SOLICITATION FOR OFFERS OR REGARDING THE PROPOSED FINANCING. ANY VIOLATIONS OF THIS REQUIREMENT WILL RESULT IN DISQUALIFICATION OF YOUR OFFER. ALL DISQUALIFICATION DECISIONS ARE FINAL.

X. Miscellaneous

All costs directly or indirectly related to preparation of a proposal in response to this Solicitation, oral presentation, if any, and any appearance required by the Committee shall be the sole responsibility of the Offeror.

Any selected underwriters must agree to comply with all applicable State Bond Commission rules, including any applicable sections of Rule No. 1933-A.

The selection of underwriters and their fees are subject to the approval of LURC, the LPSC, the State Bond Commission and the Issuer. Attorneys and advisors for the LURC, the LPSC, ELL, the Issuer, including the LPSC Staff's Securitization Consultant, the LURC's Financial Advisor, if retained and the State Bond Commission shall not be liable for any expenses incurred by the Offerors in the preparation and presentation of the offers and may terminate the selection process at any time without prior notice. All offers submitted pursuant to this Solicitation will become the property of LURC and the Issuer. LURC and the Issuer will not pay any fees to the firm(s) selected in the event that any anticipated financing is not completed. LURC and the Issuer reserve the right to waive any informality in any offer.

We thank you for your consideration.

LOUISIANA UTILITIES RESTORATION CORPORATION

APPENDIX A

SUMMARY STATEMENT

The following information is furnished solely to provide limited introductory information regarding the Bonds and does not purport to be comprehensive. This Summary Statement is subject in all respects to the more detailed descriptions to be contained in the Official Statement.

The Issuer: The Issuer is a political subdivision of the State, organized under the applicable enabling statutory provisions contained in the Act. The purpose of the Issuer is to assist in financing authorized projects in the State as enumerated in the Act. The Issuer is an "issuer" within the meaning of the Restoration Law (as hereinafter defined).

The Borrower: The formation and incorporation of LURC (the "Borrower") was authorized by the Restoration Law and the Borrower was incorporated on July 31, 2007, by an incorporator selected by the Executive Secretary of the LPSC. The Borrower is a public corporation and instrumentality of the State of Louisiana and has a legal existence separate and distinct from the State of Louisiana.

The formation of the Borrower was authorized under the Restoration Law for the purpose of providing an alternative financing mechanism available to the LPSC and the City Council of New Orleans, as applicable, to attract low-cost capital to finance utility restoration and capital contributions to financially strengthen and stabilize utilities.

On November 9, 2007, the Internal Revenue Service issued a private letter ruling to the Borrower (the "Ruling") concluding that, based on the facts and representations presented to the IRS, the Borrower's income from the System Restoration Charges is excludable from gross income under Section 115 of the Internal Revenue Code. As a consequence of the Ruling, the Borrower will not be required to pay federal income tax with respect to its receipt of the System Restoration Charges.

The Initial Servicer: ELL is a limited liability company duly authorized and qualified to do and doing business in the State of Louisiana, created and organized for the purposes, among others, of generating, transmitting, distributing, and selling electricity for power, lighting, heating, and other

such uses; and ELL is engaged in the business thereof in fifty-eight (58) of the sixty-four (64) parishes of the State of Louisiana.

ELL provides electric service to more than 1 million customers. A significant portion of ELL's service area in Louisiana is comprised of communities that are regularly exposed to extreme weather and flooding.”

*Transaction
overview:*

In 2005, Louisiana was struck by Hurricanes Katrina and Rita, which caused widespread damage to infrastructure and power outages throughout ELL's systems in Louisiana. The severity of the damage to ELL and other utilities and the importance of maintaining a reliable and reasonably priced source of electricity to the State's economic recovery prompted the Louisiana Legislature to assist electric utilities by creating a new financing structure to provide utilities with low-cost capital. As a result of such damage, the Louisiana Legislature authorized the creation of the Borrower, a nonprofit corporation that is a public corporation and an instrumentality of the State of Louisiana, to facilitate a financing structure that provides utilities with access to low cost capital through the issuance of “system restoration bonds.” See “THE BORROWER” herein. This provision of Louisiana law, the Louisiana Utilities Restoration Corporation Act, Act No. 55 of the Louisiana Regular Session of 2007; amended in the 2021 Regular Session of the Louisiana Legislature by Act 293, is codified at La. R.S. 45: 1311-1328, 1331-1343 (the "Restoration Law").

A utility subject to the jurisdiction of the LPSC must apply to the LPSC for a financing order under the Restoration Law to authorize the issuance of system restoration bonds. If the LPSC determines, in its discretion, that certain criteria in the Restoration Law are met, the LPSC may issue a financing order that, among other things, authorizes the Borrower to impose system restoration charges on the customers of a utility, authorizes the Borrower to create a special public trust to provide an alternative financing mechanism available to the Louisiana Public Service Commission and the New Orleans City Council, as utility regulators, authorizes the Borrower's beneficial interest in the trust that it pledges to satisfy obligations to the Issuer, and authorizes the petitioning utility to serve as collection agent for the system restoration charges. See “THE FINANCING ORDER” herein.

ELL and the Borrower are expected to file a joint application for a financing order under the Restoration Law to be issued by the LPSC (the “Financing Order”). See “THE FINANCING ORDER” herein.

The Financing Order:

The LPSC is expected to issue a Financing Order to ELL and the Borrower which is anticipated to: (1) approve and authorize the financing requested by ELL and the Borrower; (2) authorize the issuance of Bonds in one or more series in an aggregate principal amount estimated not to exceed \$1.634 billion; (3) approve the structure of the proposed financing and special public trust; (4) create System Restoration Property solely in favor of the Borrower, including the right to impose and collect System Restoration Charges in an amount to be calculated as provided in a Financing Order; and (5) approve the form of tariff to impose the System Restoration Charges on behalf of the Borrower. The financing order will be final and non-appealable.

Limited Obligation of Issuer:

The Bonds are limited and special obligations of the Issuer and do not constitute or create an obligation, general or special, debt, liability or moral obligation of the State or any political subdivision (other than the Issuer) thereof within the meaning of any constitutional or statutory provisions whatsoever and neither the full faith and credit nor the taxing power of the State or of any political subdivision (other than the Issuer) thereof is pledged to the payment of the principal of, premium, if any, or the interest of the Bonds.

The Bonds are not a general obligation of the Issuer (which has no taxing power and receives no funds from any governmental body) but are a limited and special revenue obligation of the Issuer payable solely from the income, revenues and receipts derived or to be derived from payments made pursuant to the Loan Agreement between the Issuer and the Borrower.

Use of proceeds:

Upon the issuance of the Bonds, the Borrower will make a contribution to the special public trust, the special public trust will use proceeds to invest in affiliate stock, ELL will fund storm escrow, ELL will collect the storm surcharge on behalf of and remits to LURC to service the Bonds, one (1%) percent of affiliate stock dividends and redemption proceeds are held in escrow by the Borrower and then credited to ELL customers.

<i>Bond tranche maturities:</i>	[To be Determined based upon market conditions]
<i>Trustee:</i>	[To be Determined]
<i>Average life profile:</i>	The Bonds are not callable and cannot be prepaid. The True-Up Adjustment mechanism is designed to ensure the timely payment of scheduled principal and interest. Extension risk is possible but is expected to be statistically remote.
<i>Optional redemption:</i>	The Bonds are not subject to optional redemption prior to maturity.
<i>Minimum denomination:</i>	\$100,000, or integral multiples of \$1,000 in excess thereof, except for one bond of each Tranche which may be of a smaller denomination.
<i>Credit/security:</i>	<p>The Bonds are secured only by the System Restoration Bond Collateral, consisting primarily of the System Restoration Property and funds on deposit in the Collection Account for the Bonds and related subaccounts.</p> <p>System Restoration Property includes the irrevocable right, created by the Financing Order and vested solely in the Borrower, to impose, collect and receive the nonbypassable consumption-based System Restoration Charge from all existing and future LPSC-jurisdictional electric customers receiving electric transmission or distribution service, or both from ELL or its successors or assignees under rate schedules or special contracts approved by the LPSC including all individuals, corporations, other business entities and governmental and municipal entities, subject to certain exceptions for self-generators.</p> <p>The subaccounts created under the Indenture consist of the Debt Service Reserve Subaccount (the "DSRS"), which will be funded at closing in the amount of [0.5%] of the original principal amount of the Bonds, a General Subaccount, into which the Servicer will deposit all SRC Collections, and an Excess Funds Subaccount, representing SRC Collections and any investment earnings in the Collection Account in excess of the amounts needed to pay current principal and interest on the Bonds as well as other expenses relating to the Bonds. Amounts on deposit in each of these Subaccounts will be available to make payments on the Bonds on each payment date.</p>

*True-up adjustment
mechanism
for payment of
scheduled principal
and interest:*

As authorized by the Restoration Law, the Financing Order is expected to require that System Restoration Charges be adjusted at least semi-annually; and permit, and in some cases requires, the Servicer to make interim true-up adjustments as necessary, (i) if the Servicer forecasts that SRC Collections will be insufficient to make all scheduled payments of principal, interest and other amounts in respect of the Bonds or (ii) to replenish any draws on the DSRS. These adjustments are intended to ensure the expected recovery of amounts sufficient to timely provide all payments of debt service and other required amounts and charges in connection with the Bonds.

The Financing Order is not anticipated to cap the level of System Restoration Charges that may be imposed on Customers as a result of the True-Up Mechanism; to pay on a timely basis scheduled principal and interest on the Bonds. Through the True-Up Mechanism, all Customers cross-share in the liabilities of all other Customers for the payment of System Restoration Charges.

*Nonbypassable System
Restoration Charges:*

The Restoration Law provides that the System Restoration Charges are nonbypassable subject to the terms of the Financing Orders. "Nonbypassable" means that ELL collect these charges, pursuant to a Servicing Agreement with the Borrower, from their Customers, even if the Customer elects to purchase electricity from an alternative electricity supplier as a result of a fundamental change in the manner of regulation of public utilities in Louisiana. Under current law, customers of Louisiana public utilities cannot buy their electricity from alternative electricity suppliers. System Restoration Charges will not be imposed upon certain customers who self-generate based upon commitments made prior to the date of the Financing Order.

*State Pledge and
LPSC Pledge:*

Under the Restoration Law, the State of Louisiana has pledged, for the benefit and protection of Borrower, the Holders of Bonds and other Financing Parties, that it will not take or permit any action that would impair the value of the System Restoration Property, reduce, alter, or impair the System Restoration Charges to be imposed,

collected and remitted to Bondholders until the principal, interest and premium, if any, and any other charges incurred and contracts to be performed in connection with the Bonds have been paid and performed in full.

The LPSC has jurisdiction over ELL pursuant to Article 4, Section 21, of the Louisiana Constitution and the Borrower pursuant to the Restoration Law. In the Financing Order, the LPSC will pledge that the Financing Order is irrevocable until the indefeasible payment in full of the Bonds and the Financing Costs. Except in connection with a refinancing, or to implement any True-Up Adjustment Mechanism authorized by the Restoration Law, the LPSC will pledge that it will not amend, modify, or terminate the Financing Order by any subsequent action or reduce, impair, postpone, terminate, or otherwise adjust the System Restoration Charges.

*Priority of
Distributions:*

On each Payment Date (or in the case of clauses 1, 2 or 3 below, on any date directed by the Borrower or the Servicer on behalf of the Borrower), the Trustee shall apply all amounts on deposit including all net earnings thereon, to pay the following amounts, in accordance with a Semi-Annual Servicer's Certificate, in the following order of priority:

1. amounts owed by the Issuer or by the Borrower to the Trustee (including legal fees and expenses and indemnity payments) not to exceed [\$____] in any calendar year shall be paid to the Trustee;
2. the Servicing Fee (as hereinafter defined) for such Payment Date and all unpaid Servicing Fees for prior Payment Dates shall be paid to the Servicer;
3. the Issuer's Fees for such Payment Date shall be paid to the Issuer; Periodic Interest for such Payment Date, including any overdue Periodic Interest (together with, to the extent lawful, interest on such overdue Periodic Interest at the applicable Interest Rate), shall be paid to the Holders, pro rata;
4. all other Ongoing Financing Costs for such Payment Date not described in another clause herein shall be paid to the parties to which such Ongoing Financing Costs are owed;

5. principal due and payable on the Bond as a result of an Event of Default under the Indenture or on the Final Maturity Date of a Tranche of the Bonds shall be paid to the Holders, pro rata;
6. Periodic Principal scheduled to be paid for such Payment Date on a Tranche of Bonds according to the Expected Amortization Schedule, including any overdue Periodic Principal, shall be paid to the Holders of any such Tranche Pro rata, provided that if more than one tranche is scheduled to be paid on such Payment Date then Periodic Principal shall be paid sequentially in the numerical order of such Tranches;
7. any other unpaid Issuance Costs of the Issuer or the Borrower included in the Periodic Payment Requirement (“PPR”) pursuant to the Financing Order, and any remaining fees, expenses and indemnity amounts owed to the Trustee, shall be paid to the parties to which such amounts, if any, are owed;
8. the amount, if any, by which Required Reserve Level exceeds the amount in the DSRS as of such Payment Date shall be allocated to the DSRS;
9. the balance, if any, shall be allocated to the Excess Funds Subaccount for distribution on subsequent Payment Dates; and
10. after principal of and interest on the Bonds, and all of the other foregoing amounts, have been paid in full, including amounts due and payable to the Trustee, the balance (including all amounts then held in the DSRS and the Excess Funds Subaccount), if any, shall be paid to the Borrower for disbursement to the LPSC, free from the Lien of the Indenture.

Servicing Fee:

The annual Servicing Fee for the Bonds payable to ELL, as the initial Servicer, or any affiliate thereof while it is acting as Servicer will be determined.

Legality for Investment: Pursuant to the Restoration Law, the Bonds are legal investments for all governmental units, financial institutions, insurance companies, fiduciaries, and other persons that require statutory authority regarding legal investment.

Payment Dates and interest accrual: Semi-annually, to be determined. Interest will be calculated on a 30/360 basis. The first scheduled Payment Date is to be determined.

Scheduled Final Payment Dates and Final Maturity Dates: Failure to pay a scheduled principal payment on any Payment Date or the entire outstanding amount of the Bonds of any Tranche or Series by the scheduled final Payment Date will not result in a default with respect to that Tranche or Series. The failure to pay the entire outstanding principal balance of the Bonds of any Tranche or Series will result in a default only if such payment has not been made by the final maturity date for the Tranche or Series, or on any date set for redemption of the Series.

Expected settlement: _____, settling flat, DTC, Clearstream and Euroclear.