

**Louisiana Public Service Commission**  
**RFP to Provide Advisory Services**  
**RFP Number: 25-07**



**Respondent: Drexel Hamilton, LLC**  
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# Proposal for Consulting Services

Financial Advisor to the **Louisiana Public Service Commission**

RFP: 25-07

Respondent: Drexel Hamilton, LLC

Federal EIN: 20-8032934

Date: July 29, 2024

## Description

Drexel Hamilton is a full-service financial services and advisory firm that focuses on corporate, municipal and securitization finance with a strong concentration in the power & utilities sector.

Drexel Hamilton and its team of professionals have strong backgrounds in many aspects of finance, securities law and regulation matched with long transactional track records spanning their careers.

As has been communicated, the **Louisiana PSC** seeks to retain a financial advisor to consult staff and provide expert advice on all aspects of the securitization process. The advisory team at Drexel Hamilton feels it has the ability to fulfill these and all other related duties successfully due to their long track record and knowledge of all aspects of the legal and structuring tasks that go along with executing these unique transactions.

Throughout their careers at Drexel Hamilton and previous firms, team members have collectively worked on **20 separate utility securitization transactions** spanning the last 10+ years with the most recent mandate successfully closing in **April 2024**.

**Currently, Drexel Hamilton is actively advising on three securitization mandates in separate jurisdictions namely Texas, Virginia and South Carolina.**

Given this transactional track record, team members feel they have had the broadest and most up-to-date experience with the product and a solid perspective on what it takes to complete a successful transaction in the current market environment.

Beyond their knowledge and experience, the team carries a high level of professionalism and an adaptive nature that always seeks the absolute best possible results for its clients. The firm's professionals have earned the respect of many in the finance, legal, corporate and regulatory communities which has translated into a steady flow of business and new opportunities which continues to this day.

### **Advisory Team Professionals**

The advisory team at Drexel Hamilton is comprised of financial services professionals who have significant decades experience in their respective roles. They have long track records in utility and securitization finance and regulation having worked on dozens of corporate and municipal debt financings throughout their careers. The advisory team also employs two full-time associates to assist in analytical duties.

#### Key professionals are as follows:

**Jeremy Traska** – Managing Director. Mr. Traska heads the debt capital markets & advisory effort for power & utilities and oversees all transactions related to the sector. He brings with him a wealth of experience, having spent the last 25+ years in the financial services industry, including senior management leadership positions in investment grade and high yield capital markets and research with a focus on the power, utility, and energy sectors. Prior to working at Drexel Hamilton, Mr.

Traska worked at firms such as Credit Suisse, Deutsche Bank, Cohen & Steers and Oppenheimer & Co. with responsibilities ranging from capital markets and advisory to investment grade and high yield credit research. Mr. Traska is a graduate of Virginia Tech with a Bachelor of Science degree in Finance and served in the United States Coast Guard Auxiliary.

## **Other Internal Staff and Resources**

Drexel Hamilton has a dedicated structured products group that participates in primary issuance and secondary trading for all classes of structured products, including ABS, MBS and CLOs, and acts as an excellent resource that the advisory team can call upon for all information and insights related to the capital markets and investor sentiment.

To monitor all factors affecting utility financials and long-term secular fundamentals the advisory team can also call upon the firm's dedicated power & utility banking and M&A team which in the past has acted as a valuable resource insight into many of these topics.

## **Precision Analytics – Larry Wadler**

For analytical support, Drexel Hamilton has an exclusive partnership with Precision Analytics Inc. ("Precision"), led by Larry Wadler, who has an almost thirty year track record of providing structuring services and transactional and programmatic cash flow verifications to such utility-related issuers as the Southern California Public Power Authority, the Black Belt Energy Gas District, the Southeast Energy Authority, the Tennessee Energy Acquisition Corporation, the Central Plains Energy Project, the Municipal Electric Authority of Georgia ("MEAG"), the South Carolina Public Service Authority (Santee Cooper), the Long Island Power Authority ("LIPA"), the Power Authority of the State of New York, and the Department of Water and Power of the City of Los Angeles.

Precision's structured finance/cash flow verification services for these clients encompass a wide range of transaction types including commodity (gas and electric) prepayment securitizations and complex taxable and tax-exempt revenue bond transactions. Precision also provided cash flow analysis/structuring support for multi-layered project finance plans, as in the case of MEAG's financing of its two new nuclear plants, and for comprehensive ongoing financing programs, as in the case of LIPA.

## **I. Track Record**

Given our team's track record and experience in the utility and securitization space we feel we are extremely qualified and capable to once again assume an advisory role for a potential utility sponsored securitization offering.

Throughout their careers at Drexel Hamilton and previous firms, team members have collectively worked on 20 separate utility securitization transactions spanning the last 10+ years with the most recent mandate closing in April 2024 and three current mandates in separate jurisdictions (Texas, Virginia and South Carolina). Given this transactional track record, the team members feel they have had the broadest and most up-to-date experience with the product and a firm perspective on what it takes to complete a successful transaction in the present market environment.

Members of Drexel Hamilton's advisory team have assumed a variety of roles in utility securitizations over the years. Our experience as an advisor and an underwriter has given us a unique perspective and an innate ability to oversee all aspects of a transaction with the eye to achieve the best possible outcome for the ratepayer. Drexel Hamilton has acted as an advisor to the **Public**

**Utility Commission of Texas** on three separate successfully completed utility securitizations since 2019 and is currently acting in this role again for a current mandate (CenterPoint Houston). In terms of other jurisdictions, from July 2023 – March 2024, the firm served as Financial Advisor to the **Virginia State Corporation Commission** (VSCC) for a +\$1.2bn deferred fuel cost securitization sponsored by Virginia Power and from April 2023-April 2024 served as Financial Advisor to the **South Carolina Office of Regulatory Staff** (ORS) for a \$177mm storm recovery bond sponsored by Duke Energy Progress. Both of these offerings were inaugural transactions in their respective jurisdictions. In both of these cases, as stated before, Drexel Hamilton **provided direct written testimony as well as in-person testimony which are publicly available.**

In terms of **current** mandates, Drexel Hamilton is engaged in three transactions across separate jurisdictions. A summary:

- In **July 2025**, Drexel Hamilton commenced its role as Financial Advisor to the **Virginia State Corporation Commission** for a proposed~\$1.35bn securitization sponsored by **Appalachian Power**
- In **June 2025**, Drexel Hamilton commenced its role as Pricing Advisor to the **Public Utility Commission of Texas** for a proposed~\$402mm storm securitization sponsored by **CenterPoint Houston**
- In **March 2025**, Drexel Hamilton commenced its role as Financial Advisor to the **South Carolina Office of Regulatory Staff (ORS)** for a proposed ~\$556mm storm securitization sponsored by Duke Energy Carolinas. For this case Drexel Hamilton submitted direct written testimony in May 2025 and provided oral testimony before the PSC in June 2025.

**A brief summary of the team's capabilities is as follows:**

- Providing transparency into, and evaluation of, the securitization financing process followed by issuers and their underwriting banks and ensuring that a proposed bond offering is properly marketed and priced.
- Reviewing testimony, discovery, and data related to the proposed financing costs, structuring of the bond issuance, expected pricing of the bonds, and terms and conditions of a proposed securitization. and assist in drafting cross-examination questions and providing technical assistance
- Providing input on market practice, including the ability to refer to and cite practice employed in other securitization cases, as well as the practical challenges of administering, marketing, and pricing of bonds.
- Evaluating testimony, exhibits, filings, and reports in connection with bond issuance, including but not limited to: issuance advice letter, proposed servicing reports, and proposed true-up calculation procedures.
- Providing written and in-person testimony in evidentiary hearings
- Assist in the preparation of briefs, proposed orders, and any related agreements.
- Assist PSC staff in serving as a facilitator or mediator to resolve disputes and issues between parties

## Drexel Hamilton – Utility Securitization Advisory and Underwriting Track Record

Type	Date	Issuer	State	Principal (mm)	Drexel Role	UOP
Investor Owned	Current	CenterPoint Houston	TX	~\$402	Comm. Advisor	Recovery Costs (Storm)
Investor Owned	Current	Appalachian Power - VA	VA	~\$1,350	Comm Advisor	Recovery (Plant/Storm)
Investor Owned	Current	Duke Energy Carolinas - SC	SC	~\$556	ORS Advisor	Recovery Costs (Storm)
Investor Owned	12/10/24	Ameren Missouri Securitization	MO	\$476.0	Co-Manager	Stranded Costs (Coal Gen)
Investor Owned	4/16/24	Duke Energy Progress	SC	\$177.0	ORS Advisor	Recovery Costs (Storm)
Investor Owned	2/5/24	Virginia Power Fuel Securitization	VA	\$1,281.8	Comm. Advisor	Deferred Fuel Cost
Investor Owned	12/5/23	Consumers Energy Securitization	MI	\$646.0	Co-Manager	Recovery Costs (Coal Gen)
Investor Owned	6/21/23	SIGECO Securitization	IN	\$341.15	Co-Manager	Recovery Costs (Coal Gen)
Investor Owned	4/19/23	SCE Recovery Funding LLC	CA	\$775.4	Co-Manager	Recovery Costs (Wildfire)
Investor Owned	6/8/22	TX Electric Market Stabilization (ERCOT)	TX	\$2,115.8	Comm. Advisor	Recovery Costs (Storm)
Investor Owned	5/3/22	PG&E Wildfire Recovery Funding	CA	\$3,600.0	Co-Manager	Recovery Costs (Wildfire)
Investor Owned	3/24/22	Entergy Texas Restoration Funding	TX	\$290.85	Comm. Advisor	Recovery Costs (Storm)
Investor Owned	11/19/21	Duke Energy Carolinas NC Storm Fdg.	NC	\$237.2	Co-Manager	Recovery Costs (Storm)
Investor Owned	11/19/21	Duke Energy Progress NC Storm Fdg.	NC	\$769.6	Co-Manager	Recovery Costs (Storm)
Investor Owned	5/12/21	WEPCo Environmental Trust LLC	WI	\$118.80	Sole Co-Manager	Environmental Costs
Investor Owned	2/19/21	SCE Recovery Funding LLC	CA	\$338.78	Co-Manager	Recovery Costs (Wildfire)
Investor Owned	9/11/19	AEP Texas Restoration Funding LLC	TX	\$235.26	Comm. Advisor	Recovery Costs (Storm)
Investor Owned	6/16/16	Duke Energy Florida Project Finance	FL	\$1,294.00	Co-Manager	Stranded Costs
Municipal	10/24/17	Utility Debt Securitization Authority	NY	\$369.50	Co-Manager	Stranded Costs
Municipal	8/10/16	Utility Debt Securitization Authority	NY	\$475.00	Co-Manager	Stranded Costs
Municipal	3/11/16	Utility Debt Securitization Authority	NY	\$636.80	Co-Manager	Stranded Costs
Municipal	10/15/15	Utility Debt Securitization Authority	NY	\$1,002.10	Co-Manager	Stranded Costs



Beyond its work with investor-owned and municipal utilities, the Drexel team regularly participates in NARUC-sponsored events and holds discussions with utility commissioners regarding utility finance and the capital markets which includes but is not limited to, securitization, corporate bonds, green bonds as well as issues related to cost of capital. Given this experience the advisory team has a deep understanding of how commissions operate and what is the correct protocol to work with commissioners and their staff.

## **II. Knowledge Attestation & Scope of Work**

Regarding this proposed mandate, the team at Drexel Hamilton understands and is capable of carrying out the following prescribed duties. **We attest to our knowledge of the following:**

- a detailed understanding of the major functional areas of a regulated investor-owned utility
- appropriate accounting standards and practices for electric public utilities, public utility accounting and generally accepted auditing standards
- utility depreciation and taxation issues, including utility taxation related to securitization
- the LPSC and FERC approved cost-of-service methodologies for electric utilities
- familiarity with the basic components and requirement of a utility's rate plan, including cost of capital, including capital structure, cost of debt and equity and rates of return
- prior Commission Orders involving securitized debt
- the cost allocation methodologies for the allocation of investments and expenses among affiliates, including the relationship of the holding company to its subsidiary operating companies, the transfer of investment and costs between operating companies, and the provision of services among affiliates
- appropriate mechanisms, allocation among customer classes and rate design for securitization cost property

- the Louisiana Electric Utility Transition Securitization Act, as amended, codified at La. R.S. 45:1271-1281
- securitization requirements and procedures and the ratemaking treatment of the benefits of securitization

**Our team's capabilities include, but are necessarily limited to:**

- Supporting Commission staff with review and analysis of the proposed securitization application
- Commenting and providing input on the plan of finance and financing schedule in connection with the issuance of the bonds.
- Providing ongoing analytical support to Commission Staff.
- Attending meetings with the Commissioners, Commission Staff and utilities.
- Assisting Staff in the preparation, review, and analysis of discovery requests and responses with respect to the securitization application and other submissions filed by parties and commenters in the proceeding.
- Participating in Commission hearings during securitization case proceedings by listening to testimony, providing questions for cross-examination of witnesses, and reviewing responses during the hearing.
- Furnishing other financial advisory services as requested by the Commission or Commission Staff.
- Evaluating various underwriting, legal, trustee, rating, and related fees and expenses related to the issuance of the bonds.
- Assisting the Commission and Commission Staff in the rating process and providing interaction with the rating agencies.

- Evaluating the projected cash flow from any revenue source that may constitute security for the bonds.
- Making recommendations as to the size, structure, specific terms and conditions of the bonds.

## Compensation

The advisory team at Drexel Hamilton takes a very thorough approach to its work and employs all internal and external resources required to successfully complete a mandate. As mentioned in preceding sections of this proposal the advisory team is comprised of two highly skilled professionals with dedicated support from team associates. The advisory team typically employs a formulaic approach to cost calculation and quotations as we acknowledge that most mandates are not identical in scope of work and some may require more time and resources than others. In our estimate we assume an eight-month engagement period that covers all aspects laid out in the scope of work.

Given the headcount and time required to complete the mandate along with travel, we feel an amount not-to-exceed \$150,000.00 would represent sufficient compensation for completing an individual mandate. Our estimate assumes a period of 8 months to complete an individual mandate but we are aware that the time period for completion could be longer. Within this period of time we estimate two professionals, at a rate of \$400/hr., All associated fees will be covered by Drexel Hamilton and are assumed in the fee. The advisory team at Drexel Hamilton feels this is fair but would be flexible if needed.

## **References**

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**The following has the legal authority to issue this proposal on behalf of the consultant,**

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