
From: Allen.Maines@hklaw.com
Sent: Sunday, February 4, 2018 3:47 PM
To: Dykes, Melissa H. - Chief Financial Officer; Brooks, Jody L. - Chief Legal Officer
Cc: Allen.Maines@hklaw.com
Subject: Privileged and Confidential; Thoughts on Follow-Up

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As a follow-up to our meeting last week, I am sending this very general email about HK's experience insofar as it relates to the general topic we discussed. The second email concerns action items and strategies we discussed, some of which are addressed in a separate attorney-client privileged email to Jody. That memo coordinates lobbying, etc., with the overall privatization goal. I am happy to provide you with detail, but I am confident that we can field a top-notch energy M&A and government relations/lobbying team that will facilitate coordination. Jody asked that I not copy Melissa directly on emails that might have to be shared with the press, and so I trust you two will speak. I will send you the bios tomorrow of our lobbyists and the energy team that has done a number of electric privatizations.

HK would like to serve as lead counsel preparing the documents as part of the privatization/auction process. We have been lead counsel in privatizations, including nuclear power plants and other significant assets, and also in privatizing a public power operation with government employees (with government benefits plans and pension schemes) moving to a private employer with a different, usually less attractive, set of plans.

This is additionally complicated if the employees are under a collective bargaining agreement. But we have the labor and employment experience to coordinate deal points with labor issues. experience. At Indian Point we moved 1,800 New York State employees, including many IBEW members, across to Entergy's payroll fairly smoothly. The process is also highly political and the media is a big factor.

In the Indian Point and FitzPatrick nuclear sales, we also devised various deal value strategies, including a mechanism for the state as Seller to share in any future surplus profits realized by the buyer. That led to recovery by the state of an additional \$475M downstream when power auction prices spiked post-Katrina.

We also were heavily involved in the 2012-13 effort to privatize Long Island Power Authority, a state entity. After the Superstorm Sandy debacle, the banks persuaded Gov. Cuomo to privatize it. That effort went off at high speed without fully analyzing the economics. Our H&K team did the analytics and scrubbed up the portfolio for a potential auction, and write up the assets analyses documents, but in the end the best option was to put the system out in an O&M contract to PSEG.

I will send tomorrow the bios of the energy partners with the foregoing pre-existing experience: Mike Cavanaugh, (Washington, D. C.), Joe Donovan (Washington, D. C.), Stephen Humes (NYC), Marc Reisler (NYC).

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Best,

Allen

Allen Maines | Holland & Knight

Executive Partner

Holland & Knight LLP

1180 West Peachtree Street, Suite 1800 | Atlanta GA 30309

Phone 404.817.8525 | Cell 404.563.6611 | Fax 404.541.4417

allen.maines@hklaw.com | www.hklaw.com

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