

# GRU 2017 Series A: Pricing Highlights

- On October 24<sup>th</sup>, GRU successfully sold \$415.9 million of 2017 Series A Utilities System Revenue Bonds
- Leading into pricing GRU executed a carefully planned marketing effort, actively engaging 46 investors via live presentations in New York and Boston, an internet-based presentation, and telephonic one on ones
- Investor engagement was critical to the transaction
  - Received over \$3.0 billion in orders, with \$2.5 billion in investor orders from 76 different accounts
  - Lowest spreads in GRU history (avg. 35 bps vs 45 bps in 2014 on AA- rated issue vs AA rating on 2014 Series)

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- Estimated all-in True Interest Cost (including 2017 Series B and 2017 Series C) of 2.91% subject to executing the 2017B swap
- Resulting debt service compared to GREC fixed payments expected to generate gross cash flow savings of approximately \$768 million or \$548 million on a net present value basis
  - FY18 expected savings: \$47.9 million
  - FY19 expected savings: \$42.8 million
  - FY20 – FY43 average annual expected savings: \$34.5 million
- Six banks submitted bids to act as swap provider on Series 2017B
  - For diversification and reduction of counterparty risk, swap will be split 70% to low bidder/30% to second place proposal

Series	The 2017 Series Bonds: As priced October 24, 2017					Hypothetical 30 Year, Fixed Rate Transaction Assuming Similar Market Conditions as 2017As*					Difference
	Maturity October 1	Principal*	Coupon	Interest	Debt Service	Maturity October 1	Principal	Coupon	Interest	Debt Service	
2017 A (Fixed)	2018	3,000,000	5.00%	23,130,270	26,130,270	2018	16,330,000	5.00%	29,007,000	45,337,000	19,206,730
2018 A (Fixed)	2019	5,000,000	5.00%	26,125,300	31,125,300	2019	10,670,000	5.00%	31,413,500	42,083,500	10,958,200
2019 A (Fixed)	2020	12,580,000	5.00%	26,450,300	39,030,300	2020	11,325,000	5.00%	30,880,000	42,205,000	3,174,700
2020 A (Fixed)	2021	13,175,000	5.00%	26,108,800	39,283,800	2021	11,640,000	5.00%	30,313,750	41,953,750	2,669,950
2021 A (Fixed)	2022	13,770,000	5.00%	25,450,050	39,220,050	2022	12,160,000	5.00%	29,731,750	41,891,750	2,671,700
2022 A (Fixed)	2023	14,395,000	5.00%	24,761,550	39,156,550	2023	12,705,000	5.00%	29,123,750	41,828,750	2,672,200
2023 A (Fixed)	2024	15,235,000	5.00%	24,041,800	39,276,800	2024	13,460,000	5.00%	28,488,500	41,948,500	2,671,700
2024 A (Fixed)	2025	15,750,000	5.00%	23,280,050	39,030,050	2025	13,890,000	5.00%	27,815,500	41,705,500	2,675,450
2025 A (Fixed)	2026	16,480,000	5.00%	22,492,550	38,972,550	2026	14,520,000	5.00%	27,121,000	41,641,000	2,668,450
2026 A (Fixed)	2027	17,245,000	5.00%	21,668,550	38,913,550	2027	15,190,000	5.00%	26,395,000	41,585,000	2,671,450
2027 A (Fixed)	2028	18,230,000	5.00%	20,806,300	39,036,300	2028	16,075,000	5.00%	25,635,500	41,710,500	2,674,200
2028 A (Fixed)	2029	18,900,000	5.00%	19,894,800	38,794,800	2029	16,630,000	5.00%	24,831,750	41,461,750	2,666,950
2029 A (Fixed)	2030	19,785,000	5.00%	18,949,800	38,734,800	2030	17,405,000	5.00%	24,000,250	41,405,250	2,670,450
2030 A (Fixed)	2031	20,715,000	5.00%	17,960,550	38,675,550	2031	18,220,000	5.00%	23,130,000	41,350,000	2,674,450
2031 A (Fixed)	2032	21,880,000	5.00%	16,924,800	38,804,800	2032	19,255,000	5.00%	22,219,000	41,474,000	2,669,200
2032 A (Fixed)	2033	22,730,000	5.00%	15,830,800	38,560,800	2033	19,980,000	5.00%	21,256,250	41,236,250	2,675,450
2033 A (Fixed)	2034	23,810,000	5.00%	14,694,300	38,504,300	2034	20,920,000	5.00%	20,257,250	41,177,250	2,672,950
2034 A (Fixed)	2035	24,945,000	5.00%	13,503,800	38,448,800	2035	21,910,000	5.00%	19,211,250	41,121,250	2,672,450
2035 A (Fixed)	2036	26,325,000	5.00%	12,256,550	38,581,550	2036	23,140,000	5.00%	18,115,750	41,255,750	2,674,200
2036 A (Fixed)	2037	27,400,000	5.00%	10,940,300	38,340,300	2037	24,055,000	5.00%	16,958,750	41,013,750	2,673,450
2037 A (Fixed)	2038	28,720,000	5.00%	9,570,300	38,290,300	2038	25,205,000	5.00%	15,756,000	40,961,000	2,670,700
2038 A (Fixed)	2039	29,815,000	5.00%	8,421,500	38,236,500	2039	26,410,000	5.00%	14,495,750	40,905,750	2,669,250
2017A (Fixed)/2017B (Synthetic)	2040	6,035,000/25,105,000	4%/2.55%	7,228,900	38,368,900	2040	27,865,000	5.00%	13,175,250	41,040,250	2,671,350
2017B (Synthetic)	2041	31,780,000	2.55%	6,347,323	38,127,323	2041	29,020,000	5.00%	11,782,000	40,802,000	2,674,677
2017B (Synthetic)	2042	32,540,000	2.55%	5,536,933	38,076,933	2042	30,420,000	5.00%	10,331,000	40,751,000	2,674,067
2017B (Synthetic)	2043	33,320,000	2.55%	4,707,163	38,027,163	2043	31,890,000	5.00%	8,810,000	40,700,000	2,672,837
2017B (Synthetic)	2044	27,255,000/6,915,000	2.55%	3,857,503	38,027,503	2044	33,480,000	5.00%	7,215,500	40,695,500	2,667,997
2017C (Variable)	2045	35,055,000	2.65%	2,972,338	38,027,338	2045	35,155,000	5.00%	5,541,500	40,696,500	2,669,162
2017C (Variable)	2046	36,020,000	2.65%	2,008,325	38,028,325	2046	36,915,000	5.00%	3,783,750	40,698,750	2,670,425
2017C (Variable)	2047	37,010,000	2.65%	1,017,775	38,027,775	2047	38,760,000	5.00%	1,938,000	40,698,000	2,670,225
		680,920,000		456,939,278	1,137,859,280		644,600,000		598,734,250	1,243,334,250	105,474,970

\* For the hypothetical transaction, the 2038-2047 maturities are a term bond with sinking fund installments