
**October 31, 2014**  
Presented by  
Wisconsin Council on Economic Education, Inc. and the Wisconsin Public Utility Institute  
Registration is required

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<th>Time</th>
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<td>9:30 – 9:45</td>
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| 9:45 – 10:00| Introductions                           | Cara Lee Mahany Braithwait  
*Director, WPUI*                                                                                     |
| 10:00 – 11:00| Framing the Issues                     | Enrique Bacalao  
*President  
Wisconsin Council on Economic Education, Inc.*  
We will frame the issues that will be addressed at this meeting and will suggest a desired outcome for the session, with the participants’ help. This presentation will review the interests of the various parties and the responsibilities assigned to the various regulatory bodies at federal and state level. The interactions and potentially conflicting objectives among the various interested parties will be considered. This presentation sets out to provide a framework for the subsequent presentations and discussions. |
| 11:00 – Noon| An Accounting Perspective               | Tom Kilkenny  
*Partner  
Deloitte & Touche*  
In this session we will discuss the rules followed to measure and report on our defined benefit pension plans’ obligations and assets according to U.S. GAAP, as well as the determination of any given defined benefit plan’s net funding status, and the impact of these rules on the various financial statements. The last 15 minutes of this session will be available for discussion. |
| Noon – 12:30| Box Lunches and a Break                 |                                                                                                  |
| 12:30 – 1:30| A Credit Rating Agency’s Perspective    | Wesley Smyth  
*Vice President – Senior Accounting Analyst  
Moody’s Investors Service*  
In this session we will discuss how one major credit rating agency evaluates the management of defined benefit pension plans, and how alternative pension plan management strategies and outcomes affect the plan sponsor’s credit strength and credit ratings. The last 15 minutes of this session will be available for discussion. |
| 1:30 – 1:45| Break                                   |                                                                                                  |
| 1:45 – 3:15| What Can We Do?                         | Timothy Jennings  
*Managing Director and Head of Origination  
James Abel  
Managing Director  
Pacific Global Advisors*  
Given the current positions of public utility companies, the regulatory framework faced in this area, and current market conditions, are there better ways to reduce risk and lower the costs of meeting defined benefit pension plans? If so, what are the main characteristics of these alternatives? Within the regulatory framework, what encourages or discourages plan sponsors to make the right decisions? How can we be sure of any proposed changes actually improving matters? The last 30 minutes of this session will be available for discussion. |
| 3:15       | Adjournment                              |                                                                                                  |
Enrique Bacalao has over 40 years of corporate finance and banking experience. He currently serves as President of the Wisconsin Council on Economic Education and also undertakes corporate finance consulting assignments. From 1998 to 2013, Mr. Bacalao was the Assistant Treasurer of Alliant Energy Corporation, a public utilities holding company with two regulated utility operating company subsidiaries. In this capacity he was responsible for acquiring capital funds through securities issuance and other long- and short-term financing transactions. Mr. Bacalao has provided regulatory testimony as an expert witness on behalf of both utility companies on cost of capital and capital structure for contested proceedings in Iowa, Wisconsin, Minnesota, and Illinois, and before the Federal Energy Regulatory Commission. Prior to that, he served in various investment and commercial banking positions with Bank of America and The Industrial Bank of Japan, and as a management consultant with Booz, Allen & Hamilton.

Mr. Bacalao holds an MBA in Corporate Finance and a BA in Economics from Columbia University. He is a registered securities dealer and a Board member of the Society of Utility and Regulatory Financial Analysts (SURFA), under which he qualified as a Certified Rate of Return Analyst (CRRA Certificate No. 93) in 2008. Mr. Bacalao has contributed to several publications, is a frequently invited speaker at professional and industry meetings, and is an adjunct lecturer in finance at the University of Wisconsin.
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Wesley is Vice President – Senior Accounting Analyst in the Enhanced Analytics Group at Moody’s Investors Service. With 20 years accounting and financial analysis experience Wesley provides technical accounting and topical expertise support to the Utility, Project Finance, Oil and Gas and Public Finance teams. Wesley also spearheads Moody’s team of benefit experts tasked with assessing the implications of pension risk and the resulting impact on corporate credit quality.

Prior to joining Moody’s Wesley spent six years with PricewaterhouseCoopers LLP as a senior manager in the New York utility practice. There he was responsible for managing the audits and special projects of several the largest utility companies in the energy industry. While at PricewaterhouseCoopers LLP Wesley also authored many of the standard report templates for the US audit and assurance practice.

Wesley is a member of the Institute of Chartered Accountants in Ireland.
Prior PGA, TJ joined J.P. Morgan’s Equity Derivatives Group in 2003 with a mandate to establish a business supporting pension plans. He successfully developed and executed hedging programs for DB and NQDC plans as well as created a variety of structured notes. In 2005, as one of the original founders of J.P. Morgan’s Pension Advisory Group, TJ was instrumental in the creation of a risk management framework for DB, VEBA and NDT plans. TJ also spearheaded the development of a suite of new products which are designed to replicate hedge fund performance. Throughout his tenure at J.P. Morgan, TJ has served as a senior relationship manager, an originator, and a developer of new products.

Prior to joining J.P. Morgan, TJ spent 16 years at The Toronto-Dominion Bank (“TD”) where the bulk of his career was devoted to working as a Managing Director and Head of TD’s corporate derivatives desk. In addition, TJ played a significant role in starting up TD’s Section 20 broker / dealer operations and creating a commercial paper enterprise. TJ began his career as a buy-side analyst within TD Investments.

TJ earned a Masters in Business Administration, with a concentration in Finance, from Duke University’s Fuqua School of Business. He also holds a B.S. degree in Economics from Niagara University where he graduated Magna Cum Laude. TJ has successfully passed the New York State CPA exam and a number of security exams.
James E. Abel – Managing Director
Jim is a Managing Director at Pacific Global Advisors (“PGA”), a wholly owned-subsidiary of Pacific Life. PGA was created when Pacific Life acquired J.P. Morgan’s Pension Advisory Group in July 2011. Jim works part time with PGA and his primary responsibilities are to help support the development of client relationships within the utility industry while also providing PGA with a solid knowledge base in the areas of both regulatory and rating agency frameworks as they pertain to the utility industry.

Prior to working for PGA, Jim spent 40 years at PPL Corporation from which he retired in 2011 as Senior Vice President – Finance and Treasurer. During his tenure at PPL, Jim led the development and implementation of PPL’s Corporate Risk Management Program used for managing energy price risk, interest rate risk, and foreign currency exposures. He also was a long standing member of the Company’s Risk Management Committee as well as the committee charged with fiduciary oversight of the Company’s pension plans. At the time he retired, in addition to being responsible for financing and cash management related activities, he was also responsible for the management of the assets within the Company’s domestic Pension Plans as well as the Company’s financial planning and analysis process.

Jim earned a Masters in Business Administration, with a concentration in Finance, from Lehigh University. He also holds a B.S. degree in Accounting from Lehigh University from which he graduated with honors.