

**From:** dsturge@nalconenergy.com  
**Sent:** Wednesday, November 13, 2013 6:39 PM  
**To:** ed martin/nlhydro  
**Cc:** auburn warren/nlhydro  
**Subject:** Re: Board Deck

Hi Ed, yes that's correct.

Derrick Sturge, FCA  
Vice-President, Finance & CFO  
Nalcor Energy

Sent from my iPad

On Nov 13, 2013, at 6:36 PM, "Ed Martin" <[EMartin@nalconenergy.com](mailto:EMartin@nalconenergy.com)> wrote:

Just for clarity, then, the benefits of lower financing costs over life of project, 50 years, would not be in the 7.7 other than the impact on iDC.

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**From:** Derrick Sturge

**Sent:** 11/13/2013 06:26 PM NST

**To:** Ed Martin

**Cc:** Auburn Warren

**Subject:** Re: Board Deck

Hi Ed, the 7.7 reflects in-service capital, IDC, AFUDC, capitalized financing costs, and reserves (debt service & liquidity).

Derrick

Derrick Sturge, FCA

Vice-President, Finance & CFO

Nalcor Energy

Sent from my iPad

On Nov 13, 2013, at 5:56 PM, "Ed Martin" <[EMartin@nalcorenergy.com](mailto:EMartin@nalcorenergy.com)> wrote:

I assume the 7.7 is the pre-in-service capital, and although higher, does not reflect the additional benefit to rates and CPW of lower overall financing costs over the 50 year life of project. Trying to understand the overall impact on rates and CPW.

Ed

Ed

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**From:** Derrick Sturge  
**Sent:** 11/13/2013 05:45 PM NST  
**To:** Ed Martin  
**Cc:** Auburn Warren  
**Subject:** Re: Board Deck

Hi Ed, the comparable DG3 number was 7.2 - however a number of changes between that and the 7.7:

- DG3 was tranche bond vs. Upfront now
- change in GOC rates
- revised financing costs from RFF
- later in-service dates
- change in capex

Derrick

<p><b>From:</b> Ed Martin <b>Sent:</b> Wednesday, November 13, 2013 5:26 PM <b>To:</b> Derrick Sturge <b>Subject:</b> Re: Board Deck</p>
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Derrick,

1. Do these slides reflect both the revised facilities capex and the revised (lower) financing costs, reflecting the outcome of the recent financing award, including negative carry benefit?
2. Is the total 7.7B the same or close to the total at DG3 (reflecting the netting of increased facilities capital, decreased interest and the benefit of interest on negative carry)?

Ed

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**From:** Derrick Sturge

**Sent:** 11/13/2013 05:17 PM NST

**To:** Ed Martin

**Subject:** Re: Board Deck

Hi Ed, 11 and 44

**From:** Ed Martin

**Sent:** Wednesday, November 13, 2013 5:15 PM

**To:** Derrick Sturge

**Subject:** Re: Board Deck

Derrick,

What page numbers are the 2 slides? (Save me looking through the deck on my blackberry!). I need to see the slides, but am leaning to leaving them out and talking to it if necessary. I like to talk about overall value when talking any costs.

Ed

Tks

Ed

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**From:** Derrick Sturge

**Sent:** 11/13/2013 04:28 PM NST

**To:** Ed Martin

**Subject:** Board Deck

Hi Ed, sorry to bother you, but we need to get materials out to the Boards for briefing tomorrow. Right now revised capex shows up on two slides - do you want us to proceed on this basis or remove those two slides?

Derrick