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**Bcc:** [dsturge@nalcorenergy.com](mailto:dsturge@nalcorenergy.com)  
**Subject:** \*Confidential: Fw: Contingency for revised AFE  
**Date:** Thursday, February 6, 2014 4:25:56 PM  
**Importance:** High

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Gerald - We will need to incorporate below into each of the updated AFE's as a line item called "Management Reserve/Contingency" that's in addition to the respective components of the \$6,531m. I also have a couple of minor comments on the previous drafts you prepared which I'll provide.

Scott - These amounts divided by 3.5 years (Dec 2014 to Jun 2018), approx \$120m, is what you'll need to include in the 2014/15 NL equity ask as Contingency for the prefunding of the Cost Overrun Escrow accounts in Dec 2014 per the terms of the Project Finance Agreements.

As mentioned earlier today, the goal is to review both these documents, in draft form, with Ed tomorrow afternoon (3:30pm). By all means let me know if you have any questions.

Thanks

Jim



**James Meaney, CFA**  
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----- Forwarded by James Meaney/NLHydro on 02/06/2014 04:12 PM -----

**From:** George Chehab/LCP/NLHydro  
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**Cc:** Ed Bush/NLHydro@NLHYDRO, Ron Power/NLHydro@NLHydro, Jason Kean/NLHydro@NLHydro, Paul Harrington/NLHydro@NLHydro  
**Date:** 02/06/2014 03:47 PM  
**Subject:** \*Confidential: Contingency for revised AFE

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Jim

the agreed amount of contingency required to be added at this stage to the 6,532 B revised AFE would be

distributed as following:

MF: 30,000,000

LIL: 278,000,000

LTA: 110,000,000

Total: 418,000,000

overall AFE revised would be **\$ 6,949,754,577**

cheers

**George Chehab**

**Lead Cost Controller**

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