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Cc: [Bown, Charles](#); [Morris, Paul J.](#)
Subject: Latest materials
Date: Monday, October 28, 2013 2:51:35 AM
Attachments: [_png](#)
[RFF Recommendation Package 13.10.28.0200.pdf](#)

Good morning all,

Please find attached the latest draft of the Recommendation Package based on feedback received at today's session.



RFF Recommendation Package 13.10.28.0200.pdf

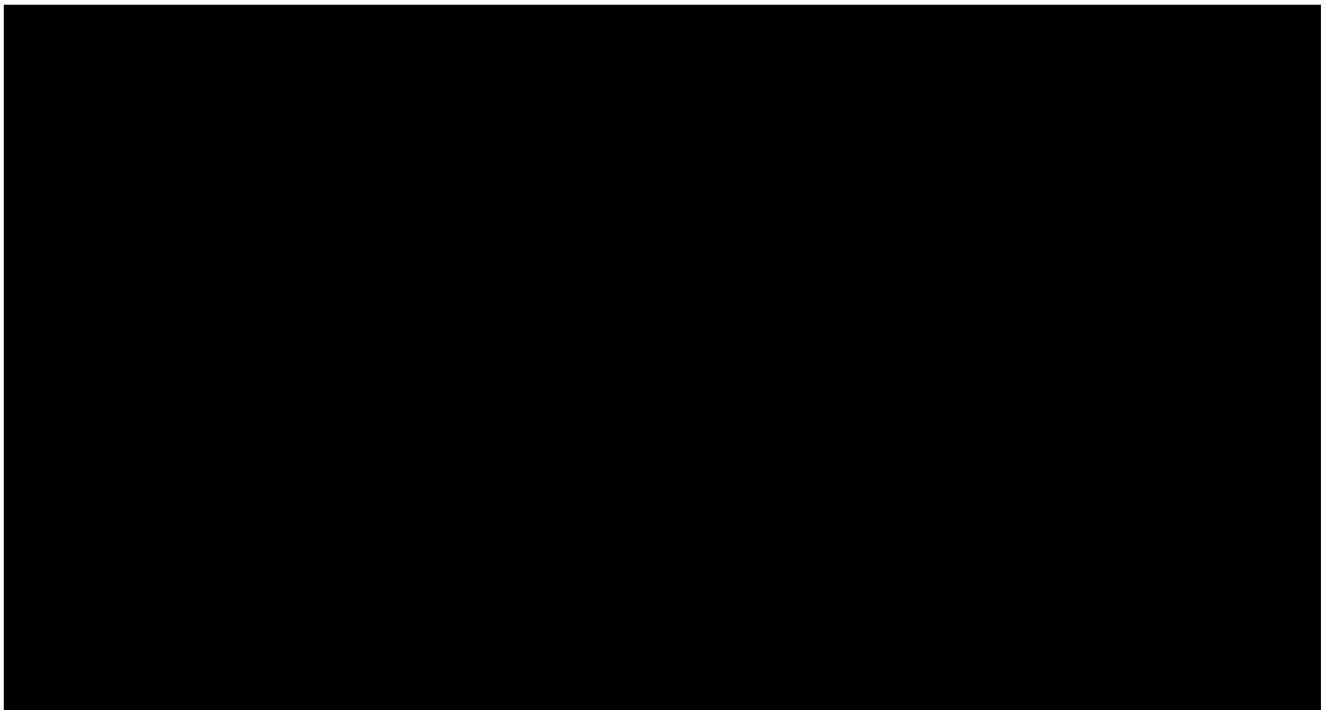
Also, the team has worked on teasing out the nominal \$ impact of the \$300 million CPW (in 2012\$) savings over DG3 from the RFF process. As we can all appreciate translating NPVs into nominal basis can prove difficult at times. And this would be the case in this particular instance due to a change in a key item between DG3 and now. At DG3 we assumed a 50 year term for the LIL FLG - thus all LIL debt was guaranteed. While going from a 50 year to 35 year LIL FLG only increases NPV by approximately \$6 million it increases our ratepayer revenue requirement by close to \$450 million (primarily in the last 15 years). So the \$300 million NPV savings in financing costs can be viewed as either approximately \$1.79 billion savings (comparing to 35 year FLG) or an approximate \$2.23 billion savings (comparing to 50 year FLG).

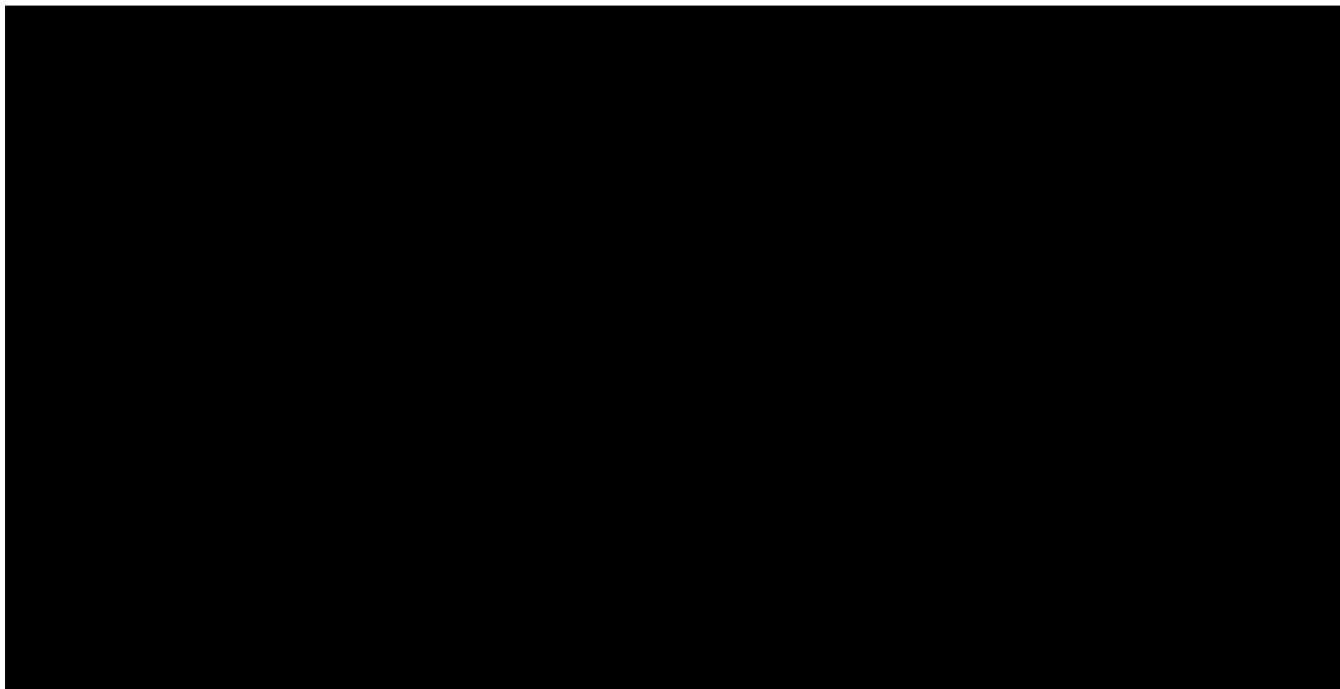
As discussed today, trying to assess what NPV result would look like on the bank side. In our meeting we discussed using the Reference NPV case that stripped out the spreads and fees on a representative "reference" up-front type financing structure. This yielded the following (nominal data was not available):

	NPV			
	Base NPV	Reference	New NPV	Δ to lowest
	5,693	(5,261)	432	-
	5,760	(5,261)	499	(67)
	5,806	(5,261)	545	(113)

We also looked further into NPV and Nominal calculations for the "Bank Proceeds" (Spreads, Fees, Bond Holding Account (BHA) interest earned due to spreads). The following detailed graphs show the following totals for only the guaranteed debt (meaning data below excludes the refinanced bullet in LIL):

	NPV		Nominal	
	\$	Δ to lowest	\$	Δ to lowest
	290.3	-	780.7	-
	329.7	(39.4)	831.0	(50.3)
	358.7	(68.4)	918.5	(137.8)





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The Attachment has been redacted.