

Date : 9/29/2014 3:10:47 PM

From : AuburnWarren@nalcorenergy.com

To : "Brewer, Donna" , "Bown, Charles W."

Cc : "DSturge@nalcorenergy.com" , "DaveJones@nalcorenergy.com" , "ElizabethLewis@nalcorenergy.com"

Subject : Fwd: Minister Request - Updates

Attachment : Minister Request 26 Sep 2014_with Emera in Cost Overruns.pdf;ATT00001.htm;Minister Request 26 Sep 2014_with Post FC equity.pdf;ATT00002.htm;

Good day all

Donna, further to your request for the mid year update please find attached the two updated summaries - one based on Emera participating in LIL cost overruns and the second based on LIL cost overrun being fully funded by province in form of contribution in aid of construction CIAC- thus no return of or return on equity

We are available to discuss the attached to walk you through if you like

Auburn Warren, CA

General Manager (Commercial, Treasury & Risk)

Nalcor Energy

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Minister Request September 26, 2014

Emera Participating in Overruns

CADMM	MF/LTA		LIL						Total		
Project Costs:											
MF	\$3,372.0								\$3,372.0		
LTA	\$831.9								\$831.9		
LIL			\$2,786.5						\$2,786.5		
Total Project Budget	\$4,203.9		\$2,786.5						\$6,990.4		
IDC/AFUDC, financing and other soft costs	\$442.0		\$706.8						\$1,148.8		
Reserves and other	\$156.1		\$69.6						\$225.7		
Total to be funded	\$4,802.1		\$3,562.9						\$8,365.0		
Funding Split											
Ownership (Limited Units)	100%		Nalcor 38.6%		Emera 61.4%		Total 100%		Total 100%		
Capital Account Ownership	100%		Nalcor 40.2%		Emera 59.8%		Total 100%		Total 100%		
Equity	2,202.1	46%	\$502.3	22.4%	\$660.6	50.1%	\$1,162.9	32.6%	\$3,365.0	40.2%	
Debt	2,600.0	54%	\$1,742.9	77.6%	\$657.1	49.9%	\$2,400.0	67.4%	\$5,000.0	59.8%	
Class C - NL Contribution in Aid of Construction (CIAC) for LIL			\$0.0			\$0.0			\$0.0		
Total	4,802.1	100%	\$2,245.2	100.0%	\$1,317.7	100.0%	\$3,562.9	100.0%	\$8,365.0	100.0%	
Equity Injections											
	MF	LTA	Total Nalcor	Nalcor Cash		Emera Cash		LIL Total	Total	Total Nalcor	
Equity Required to Financial Close	\$656.7	\$95.8	\$752.5	\$126.6	\$67.7		\$194.3	\$946.8	\$879.1		
Equity Required Financial Close to In-Service	\$1,077.3	\$372.3	\$1,449.6	\$262.3	\$465.6		\$728.0	\$2,177.5	\$1,711.9		
Class C - NL Contribution in Aid of Construction (CIAC) for LIL	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0	\$0.0	\$0.0		
AFUDC on Equity (Not Contributed)	\$0.0	\$0.0	\$0.0	\$113.4	\$127.2		\$240.6	\$240.6	\$113.4		
Total Equity	\$1,734.0	\$468.0	\$2,202.1	\$502.3	\$660.6		\$1,162.9	\$3,365.0	\$2,704.4		
Equity Ask from the Province											
Government Fiscal Year (March 31, 20XX)	MF	LTA	Total Nalcor	Nalcor Cash		Emera Cash		LIL Total	Total Project	Total Emera	Total Nalcor
Prior - Internally generated Nalcor								385.5	67.7	317.7	
2015 - Internally generated Nalcor								24.3	-	24.3	
Prior (funded by the Province)								599.0	-	599.0	
2015	61.9	35.9	97.8		39.1		20.9	60.1	133.5	20.9	112.6
2016	220.1	85.7	305.9	25.9	23.3	188.9	36.7	274.9	580.8	225.7	355.1
2017	296.3	83.5	379.8	62.4	22.4	105.0	37.7	227.4	607.2	142.7	464.6
2018	220.5	116.6	337.1	23.0	22.4	38.7	37.7	121.7	458.8	76.3	382.4
2019	254.5	37.0	291.5	43.9	-	-	-	43.9	335.3	-	335.3
Total Equity	\$1,053.3	\$358.7	\$1,412.0	\$155.1	\$107.3	\$332.6	\$133.1	\$728.0	\$3,124.4	\$533.4	\$2,591.0
Internally Generated - Nalcor ⁽¹⁾											
Prior											317.7
Future											24.3
Province NL											599.0
Prior											1,650.0
Future											\$2,591.0

Please note that there is no additional contingency (for timing, etc.) included for the future periods (including during 2015).

(1) Included in the 2014 Budget submission were amounts totaling \$121.6 M related to MFLTA costs (\$107.1 M); costs related to financial close (\$14 M); and LIL costs (\$0.5 M).

Majority of these costs have or shall be paid for by Nalcor through internally generated cash flow. Discussion required with NL Finance to determine whether Nalcor should request equity from the Province for these costs.

CIMFP Exhibit P-02700
Minister Request September 26, 2014
Emera NOT Participating in Overruns (CIAC)

CADMM	MF/LTA			LIL					Total	
Project Costs:										
MF		\$3,372.0								\$3,372.0
LTA		\$831.9								\$831.9
LIL								\$2,786.5		\$2,786.5
Total Project Budget		\$4,203.9						\$2,786.5		\$6,990.4
IDC/AFUDC, financing and other soft costs		\$442.0						\$607.9		\$1,050.0
Reserves and other		\$156.1						\$69.6		\$225.7
Total to be funded		\$4,802.1						\$3,464.0		\$8,266.1
Funding Split		Nalcor		Nalcor		Emera		Total		Total
Ownership (Limited Units)		100%		38.6%		61.4%		100%		100%
Capital Account Ownership		100%		40.2%		59.8%		100%		100%
Equity		2,202.1	46%	\$330.9	14.3%	\$492.8	42.9%	\$823.7	23.8%	\$3,025.8
Debt		2,600.0	54%	\$1,742.9	75.3%	\$657.1	57.1%	\$2,400.0	69.3%	\$5,000.0
Class C - NL Contribution in Aid of Construction (CIAC) for LIL				\$240.3		\$240.3		\$240.3	6.9%	\$240.3
Total		4,802.1	100%	\$2,314.1	89.6%	\$1,149.9	100.0%	\$3,464.0	100.0%	\$8,266.1
Equity Injections		MF	LTA	Total Nalcor	Nalcor Cash	Emera Cash	LIL Total	Total		Total Nalcor
Equity Required to Financial Close		\$656.7	\$95.8	\$752.5	\$126.6	\$67.7	\$194.3	\$946.8		\$879.1
Equity Required Financial Close to In-Service		\$1,077.3	\$372.3	\$1,449.6	\$115.9	\$318.2	\$434.1	\$1,883.7		\$1,565.4
Class C - NL Contribution in Aid of Construction (CIAC) for LIL				\$240.3			\$240.3	\$240.3		\$240.3
AFUDC on Equity (Not Contributed)		\$0.0	\$0.0	\$0.0	\$88.4	\$106.8	\$195.3	\$195.3		\$88.4
Total Equity		\$1,734.0	\$468.0	\$2,202.1	\$571.2	\$492.8	\$1,064.0	\$3,266.1		\$2,773.3
Equity Ask from the Province										
Government Fiscal Year (March 31, 20XX)		MF	LTA	Total Nalcor	Nalcor Cash	Emera Cash	LIL Total	Total Project	Total Emera	Total Nalcor
Prior - Internally generated Nalcor								385.5	67.7	317.7
2015 - Internally generated Nalcor								24.3	-	24.3
Prior (funded by the Province)								599.0	-	599.0
2015		61.9	35.9	97.8		60.1	60.1	133.5	-	133.5
2016		220.1	85.7	305.9	8.2	60.1	206.6	580.8	206.6	374.1
2017		296.3	83.5	379.8	73.4	60.1	94.0	607.2	94.0	513.3
2018		220.5	116.6	337.1	34.3	60.1	17.6	449.1	17.6	431.5
2019		254.5	37.0	291.5	-	-	-	291.5	-	291.5
Total Equity		\$1,053.3	\$358.7	\$1,412.0	\$115.9	\$240.3	\$318.2	\$0.0	\$674.4	\$3,070.9
Internally Generated - Nalcor ⁽¹⁾										
Prior										317.7
Future										24.3
Province NL										
Prior										599.0
Future										1,743.8
										\$2,684.9

Please note that there is no additional contingency (for timing, etc.) included for the future periods (including during 2015).

(1) Included in the 2014 Budget submission were amounts totaling \$121.6 M related to MFLTA costs (\$107.1 M); costs related to financial close (\$14 M); and LIL costs (\$0.5 M).

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