

From: [Bown, Charles W.](#)
To: ["EMartin@nalcenergy.com"](mailto:EMartin@nalcenergy.com)
Subject: comments on Presentation
Date: Wednesday, October 9, 2013 7:49:45 AM

SPECIFIC COMMENTS

Front page

Lower Churchill Project
Request for Financing Process Update
Presentation to Cabinet

Purpose

Remove references to "NL Cabinet"; just use "Cabinet"
Delete second bullet; if give you words for a slide to insert at the end of the presentation

Background

..... expenditures will be funded through a (insert – "combination of") Govt of NL equity and debt financing....

Sources Uses

Not sure what this means

Transaction Structure – Background (page 8)

In this slide and in all others, please refer to "Canada" as either the "Government of Canada", "NRCan", or "federal officials"

Financing Structure – Background (page 10)

The slide does not provide any info on the proposed financing structure

New Slides

Approvals

- Under the *Energy Corporation Act*, borrowing by Nalcor Energy or its subsidiaries, including the terms and conditions of such financing and the form of relevant agreements, must be approved by Lieutenant Governor in Council
- The Act provides LGIC can delegate this approval authority to the Minister of Finance

Requested Action

Pursuant to the *Energy Corporation Act* the Lieutenant Governor in Council delegate to the Minister of Finance, upon consultation with the Premier, Minister of Natural Resources, and the Minister of Justice, the authority to approve the:

- (i) Financial institution(s) that will be selected through the RFF evaluation process as the Lead Arranger for the Muskrat Falls/Labrador Transmission Assets and the Labrador Island Link Funding Trusts;

(ii) The terms and conditions of the binding financing commitment with such institution(s) in order to raise debt financing of up to C\$2.6 billion for the Muskrat Falls/Labrador Transmission Funding Trust and up to C\$2.4 billion for the Labrador Island Link Funding Trust; and

(iii) Any necessary documentation related thereto;

where such documentation may be executed by Nalcor Energy only where it is expressly provided that the final arrangements to be put in place upon the closing of the financing transaction shall have no ultimate liability accruing to Nalcor Energy.

GENERAL COMMENTS

The approach yesterday was good; tell the story and keep it simple

- How much is being borrowed
- What will the financing look like
- Who is borrowing
- How does FLG apply
- What is current status of RFF process
- What is your timeline
- Are you satisfied that the proposals are consistent with our plan/budget
- What issues might we expect to encounter
- How will they be mitigated
- Summary
- Request

Charts and diagrams always help explain complex issues

I'm available to

Charles