

From: James Meaney <"cn=james meaney/o=nlhydro">
Sent: Wednesday, October 2, 2013 10:35 PM
To: Scott Pelley
Subject: Re: LCP Equity Forecast for NL

Importance: High

Do you need to net off Emera contributions for Oct'13 requirement of \$91.5m or has that already been accounted for?

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Scott Pelley---10/02/2013 12:07 PM NDT---Folks, As you're aware, NL is looking for forecast equity requirements to financial close....at this

From:	Scott Pelley
To:	James Meaney; Derrick Sturge; Rob Hull
Cc:	
Date:	10/02/2013 12:07 PM NDT
Subject:	LCP Equity Forecast for NL

Folks,

As you're aware, NL is looking for forecast equity requirements to financial close....at this point, that equates to a forecast for November.....based on the Sep'13 15-month cash forecast, the required equity for Nov'13 will be **\$253.1**, which will put us over the original budget allocation of \$386.0 million....see figures below

Equity received (Apr'13 - Sep'13)	155.3
Oct'13 request (pending)	91.5
Nov'13 forecast	253.1
Nov'13 contributions from Emera	<u>(17.5)</u>
Cumulative forecast equity	482.4
Allocation in 2013-14 budget	386.0

Spoke with Gerald Cahill to get colour around the increase.....based on that, propose we send over the following bullets to NL to support the significant increase in the November number:

- Original budget allocation of \$386 million was based on an Oct'13 financial close, therefore original budget contemplated no equity support for Nov'13-Mar'14 costs
- Had we achieved an Oct'13 financial close, the total equity contribution for 2013-14 would have been \$155.3 million, which is consistent with the fact that YTD, actual expenditures have lagged behind DG3 estimate
- However, with work now starting on several major contract, gap between actuals and DG3 closing quickly
- The Nov'13 forecast includes a significant up-front payment (\$85 million plus HST) to Astaldi with respect to the Powerhouse and Spillway contract, which was just awarded
- The Nov'13 forecast also includes significant payments for the MF Accommodations Complex, the South Side Access Road and right of way clearing for CT0341



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You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?