

- 1 Q. Regarding the MFLTA forecasts for dividends, please provide the calculations of the
2 following components of the “Total Debt Servicing” for each year from 2020-2039.
3 Please also provide specific references in agreements for the costs calculated.
4 a. “DSEA coupon contributions”;
5 b. “DSEA principal contributions”;
6 c. “DSRA incremental funding”; and
7 d. “PPA/GIA adjustments”.

8

9

- 10 A. The information provided in this response is based on Nalcor’s January 2019
11 forecast. Please refer to PUB-Nalcor-201, Attachment 1 that provides the detail
12 components of the cash available for dividends for each year from 2020 to 2039.
13 With respect to the specific provisions that pertain to each component of PUB-
14 Nalcor-201, Attachment 1, it is important to note that in most cases there is no
15 single provision that is determinative but that the agreements must be looked at in
16 totality. While the agreements referenced below are the primary source for each of
17 the individual components required in determining the MFLTA dividends,
18 consideration must be given to all agreements as provided in Nalcor’s responses to
19 PUB-Nalcor-016 to PUB-Nalcor-019, as well as the other relevant agreements noted
20 below, in order to obtain a fulsome understanding of factors considered in
21 determining cash available for dividends in any given year.

22

- 23 a. Refer to PUB-Nalcor-201, Attachment 1 for response. The Debt Service Escrow
24 Account (DSEA) contributions are defined as per Section 8.18, to fund the
25 Coupon and Guarantee fee payments as required under Section 4.1, of the
26 Second Amended and Restated MF/LTA Project Finance Agreement (MF/LTA
27 PFA).

- 1 b. Refer to PUB-Nalcor-201, Attachment 1 for response. The DSEA principal
2 contributions are defined as per Section 8.18 to fund the Sinking Fund payments
3 as required under Section 3.8 and the Principal payments as per Section 3.6, of
4 the MF/LTA PFA.
5
- 6 c. Refer to PUB-Nalcor-201, Attachment 1 for response. The operating period
7 incremental Debt Service Reserve Account (DSRA) funding, or release of DSRA, is
8 as per Section 8.14 of the MF/LTA PFA, Section 4.16 of the Federal Loan
9 Guarantee Agreement (FLG Term Sheet) and Section 5.16 of the Additional
10 Federal Loan Guarantee Agreement (FLG2 Term Sheet).
11
- 12 d. Refer to PUB-Nalcor-201, Attachment 1 for response. The Power Purchase
13 Agreement (PPA) and Generator Interconnection Agreement (GIA) Adjustment
14 amounts are calculated as per Section 4 of Schedule 1 in the PPA and GIA. These
15 agreements are provided in Nalcor's response to PUB-Nalcor-016.