

Hydroelectric Bonds, Series 2021A (refunding) Request for Proposals

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Hydroelectric System Series 2021A Underwriter RFP

 On October 12, 2021, NCPA issued a short-form Request for Proposals for Underwriting Services to a select group of banks in connection with the refunding of the Series 2012A Hydroelectric Bonds

J.P. Morgan

NCPA received 6 responses from the following banks:

Bank of America Merrill Lynch

CitigroupRBC Capital Markets

Goldman SachsWells Fargo

- Underwriter spread bids ranged from \$1.25 per bond to \$2.00 per bond; averaging \$1.58 per bond
- NCPA Staff and PFM narrowed the top 3 responses to:
 - Citigroup
 - Bank of America
 - Goldman Sachs
- NCPA Staff recommends using Citigroup
 - Citi's response demonstrated the team's familiarity with the project and addressed issues specific to the bonds (par-to-proceeds restriction, potential rebate calculations)
 - The response included a comprehensive discussion of credit, including ESG considerations
 - The Citi team has provided detailed and regular refunding updates for this project, for both the 2012A Bonds and 2008A VRDOs

Key Takeaway: The RFP process was very successful and produced highly competitive bids



Proposed Schedule

	October							November						December						January							February							March							
S	M	Т	W	Т	F	S	S	M	Т	W	Т	F	S	S	M	Т	W	Т	F	S	S	M	Т	W	Т	F	S	S	M	Т	W	Т	F	S	S	M	Т	W	Т	F	S
					1	2		1	2	3	4	5	6				1	2	3	4							1			1	2	3	4	5			1	2	3	4	5
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	27	28						27	28	29	30	31		
31																					30	31																			

Timing	Activity
Mid October, 2021	Send out underwriter RFP
Mid November, 2021	Select Underwriter(s)
Early December, 2021	Kick-off call
February 8 th , 2022	Finance Committee recommendation of Commission Approval
February 24 th , 2022	NCPA Commission Approval
Week of February 28th, 2022	Post POS
Week of March 7 th , 2022	Pricing
April 5 th , 2022	• Closing
July 1 st , 2022	Redemption of the 2012A Bonds

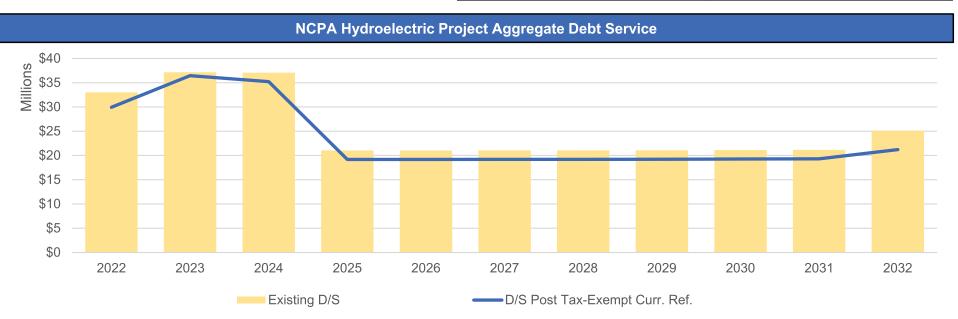
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Sample Numbers

- \$76,665,000 of NCPA's Hydroelectric Project Number One Revenue Bonds, Series 2012A, is outstanding, all of which is callable on 7/1/2022
- At current rates, a tax-exempt current refunding would achieve NPV savings of about \$16.2 million, or 21.2% of refunded par

	Tax-Exempt Current Refunding
Delivery Date	4/5/2022
First Interest Payment Date	7/1/2022
Par	62,225,000
Total Escrow Deposit	78,572,261
NPV Savings (\$)	16,249,076
NPV Savings (%)	21.19%
Average Annual D/S Savings	1,691,428
Arbitrage Yield	0.93%
Negative Arbitrage	165,177
TIC	0.97%



COI of \$472,780 based off applicable rating agency and municipal advisor fees and bond counsel fees from 2019A Hydroelectric Refunding Bonds. UD of \$2.50/bond. DSRF release of \$2,077,062 included as an investment to maturity at 1.08%. NPV Savings discounted to delivery at all-in TIC. Rates as of 11/9/2021, assuming Aa3/AA- ratings.

