



**Florida Municipal Power Agency  
Telephonic Executive Committee  
Meeting**

**May 6, 2015**

**2:00 p.m.**

**Executive Committee**

Howard McKinnon, Havana - Chairman

Lynne Tejada, Key West – Vice Chairwoman

Bruce Hickle, Bushnell

Danny Williams, Clewiston

Fred Hilliard, Fort Meade

Clay Lindstrom, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee

Patrick Foster, Leesburg

Bill Conrad, Newberry

Mike Poucher, Ocala

Tom Ernharth, Starke

**Telephonic Meeting Held 2:00 p.m.**

**Wednesday, May 6 2015**

**Florida Municipal Power Agency**

**8553 Commodity Circle**

**Orlando, FL 32819**

**407-355-7767**



Florida Municipal Power Agency

Nicholas P. Guarriello  
General Manager and CEO

**TO:** FMPA Executive Committee  
**FROM:** Nicholas Guarriello  
**DATE:** May 1, 2015  
**RE:** **Special-Called Telephonic Executive Committee Meeting  
Wednesday, May 6, 2015 at 2:00 p.m.**  
**PLACE:** **VIA TELEPHONE**  
Florida Municipal Power Agency,  
8553 Commodity Circle, Orlando, FL  
1<sup>ST</sup> Floor Conference Room , Orlando, Florida

**DIAL-IN INFORMATION: 866-411-8247 or 321-239-1100**  
**ACCESS CODE 91583#**

**(If you have trouble connecting via phone or internet, please call 407-355-7767)**

Chairman Howard McKinnon, Presiding

## AGENDA

- 1) Call to Order, Roll Call, Declaration of Quorum
- 2) Set Agenda (By Vote)
- 3) Recognition of Guests
- 4) Public Comments (Individual Public comments to be limited to 3 minutes)
- 5) Comments from the Chairman (Howard McKinnon)
- 6) Report from the General Manager (Nick Guarriello)
- 7) Action Items
  - a) Discussion of Amortization of Swap Financing Scenarios (Nicholas Guarriello/Mark Larson)
  - b) Discussion of Additional Termination of Swaps (Nicholas Guarriello/Mark Larson)
- 8) Information Items
  - a) Discussion of Settlement-In-Principal with General Electric and AEGIS for the Cane Island Unit 4 Steam Turbine Damage Claims (Verbal) (Fred Bryant/Jody Finklea)
- 9) Member Comments
- 10) Adjournment

The participants in the above referenced public meeting will conduct the public meeting by telephone, via a telephone conference hookup. There will be a speaker telephone made available for any interested person to attend this public meeting and be fully informed of the discussions taking place by telephone conference hookup at FMPA's headquarters, located at 8553 Commodity Circle, Orlando, Florida 32819-9002. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or 1-(888)-774-7606, at least two (2) business days in advance to make appropriate arrangements. Any interested person may contact FMPA for more information on this public meeting by calling (850) 297-2011 or (877) 297-2012 or writing to: Open Government Law Compliance Coordinator, Florida Municipal Power Agency, 2061-2 Delta Way, Post Office Box 3209, Tallahassee, Florida 32315-3209.

**AGENDA ITEM 1 – CALL TO ORDER,  
ROLL CALL, DECLARATION OF QUORUM**

**Telephonic Executive Committee Meeting  
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**AGENDA ITEM 2 – SET AGENDA (By Vote)**

**Telephonic Executive Committee Meeting  
May 6, 2015**

**AGENDA ITEM 3 –RECOGNITION OF  
GUESTS**

**Telephonic Executive Committee Meeting  
May 6, 2015**

**AGENDA ITEM 4 –PUBLIC COMMENTS  
(INDIVIDUAL COMMENTS TO BE LIMITED  
TO 3 MINUTES)**

**Telephonic Executive Committee Meeting  
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# VERBAL REPORT

**AGENDA ITEM 5 – COMMENTS FROM THE  
CHAIRMAN**

**Telephonic Executive Committee Meeting  
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# VERBAL REPORT

**AGENDA ITEM 6 – REPORT FROM THE GENERAL  
MANAGER**

**Telephonic Executive Committee Meeting  
May 6, 2015**



**AGENDA ITEM 7 – ACTION ITEMS**

- a) Discussion of Amortization of Swap Financing Scenarios**

**Telephonic Executive Committee Meeting  
May 6, 2015**



Florida Municipal Power Agency

## AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee

FROM: Nicholas P. Guarriello, General Manager and CEO  
Mark Larson, Assistant General Manager, Finance and Information  
Technology and CFO

DATE: 1 May 2015

ITEM: EC 7.a.—Discussion of Amortization of Swap Financing Scenarios

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**Introduction** At the April 16, 2015, Executive Committee meeting, the Finance Team discussed four possible scenarios for amortizing the debt service to permanently finance all of the Taylor swaps termination costs. Each of these scenarios has different impacts on the All-Requirements Project's rates. The Executive Committee directed staff to present further variations on the first scenario discussed at the April meeting: level debt service (principal and interest payments) with final payment in 2031.

This memorandum and the attached spreadsheets update the assumptions used for scenario one, presented on April 16, and show seven possible variations to scenario one based on the Executive Committee's last discussion of this topic.

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### Scenario One Variations

On April 16, the Executive Committee discussed four scenarios for structuring the amortization of the permanent financing of the Taylor swaps termination costs. On an interim basis, the Bank of America and Wells Fargo credit agreement is being used to provide funds for terminations.

Following the Executive Committee's discussion, staff was asked to prepare variations on scenario one.

Scenario one, as previously presented, provided for level debt service (principal and interest payments each year beginning in 2016) through 2031. As previously presented, the assumptions were that (1) the total Taylor swaps termination costs would be \$136.5 million and (2) the savings

from the advanced refunding of the Series 2008A and 2009A bonds (paired with the permanent financing of the termination costs) would yield approximately \$40 million. As previously presented, scenario one had a net debt service gross amount of \$133,530,500 (rounded) and an estimated net rate impact on the All-Requirements Project of \$1.61 - 1.77 per MWh.

Since the previous discussion, FMPA's Financial Advisor has provided an updated scenario one that uses a more conservative estimate of \$150 million in total Taylor swaps termination costs and a savings of approximately \$31 million from the paired advanced refunding of the Series 2008A and 2009A bonds. This updated scenario one is shown in the first attached spreadsheet. It has a net debt service gross amount of \$160,827,200 (rounded) and an estimated net rate impact of \$1.99 - 2.05 per MWh.

In the previous discussion of scenario one, Executive Committee members asked that staff present variations that provided one, two, or three years of interest-only payments to start, and provide for the possible extension of the debt service period to 2032. Those variations, and their estimated rate impacts, are shown on the attached spreadsheets following the updated scenario one. Generally, they are as follows:

Updated Scenario 1	level principal starting in 2016 to final maturity in 2031 <sup>1</sup>
Scenario 1A	level principal starting in 2017 to final maturity in 2031 (one year of interest only payments)
Scenario 1B	level principal starting in 2017 to final maturity in 2032 (extended debt service one year, and one year of interest only payments)
Scenario 1C	level principal starting in 2016 to final maturity in 2032 (extended debt service one year)
Scenario 1D	level principal starting in 2018 to final maturity in 2031 (two years of interest only payments)

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<sup>1</sup> Scenario one, presented on April 16, failed to gain a majority of support of the Executive Committee.

Scenario 1E	level principal starting in 2019 to final maturity in 2031 (three years of interest only payments)
Scenario 1F	level principal starting in 2018 to final maturity in 2032 (extended debt service one year, and two years of interest only payments)
Scenario 1G	level principal starting in 2019 to final maturity in 2032 (extended debt service one year, and three years of interest only payments)

The gross net debt service amounts and estimated net rate impacts for each of the scenarios are:

<b>Scenario</b>	<b>Net Debt Service Gross (rounded)</b>	<b>Estimated Net Rate Impacts</b>
<b>Updated 1</b>	\$160,827,200	\$1.99 - 2.05
<b>1A</b>	\$162,450,900	\$0.87 - 2.15
<b>1B</b>	\$166,695,600	\$0.87 - 2.38
<b>1C</b>	\$165,036,800	\$1.90 - 2.30
<b>1D</b>	\$164,260,200	\$0.88 - 2.26
<b>1E</b>	\$166,287,600	\$0.88 - 2.40
<b>1F</b>	\$168,531,700	\$0.87 - 2.48
<b>1G</b>	\$170,581,400	\$0.87 - 2.60

Of course, every day's movement in interest rates effects both the swap termination costs and the estimated savings from the advanced refunding, which will affect the estimated rate impact. However, based on the information available, the updated scenario one and variations 1A through 1G present the best possible picture, today, of the relative effects of different possible amortization structures.

Note, too, that the estimated net rate impact shown has been developed by dividing net debt service gross costs by average annual All-Requirements Project sales (MWh). Actual rate impacts for Project Participants, when the Taylor swaps termination financing costs are included in the demand component of their monthly Project bills, will be further influenced by each Participant's load factor.

Purpose                    The purpose of this memorandum is to provide for the Executive Committee's continued discussion of the amortization structure for the permanent financing of the Taylor swaps termination costs.

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Recommended Motion                    Move approval of scenario \_\_\_\_\_ as presented by staff and direct staff and counsel to proceed to make preparations for the issuance of tax exempt fixed rate bonds to finance the Taylor swaps termination costs utilizing the amortization structure shown in scenario \_\_\_\_\_.

NPG:MJL:JLF:mp

Attachments (1)

# ATTACHMENT 1

<b>FMPA - ARP</b>					
<b>Updated Scenario 1 (Level Principal Starting in 2016 - Final Maturity 2031)</b>					
	Principal	Interest	Total	Savings	Net Debt Service Gross
10/1/2015	-	1,320,183.33	1,320,183.33	436,364.03	883,819.30
10/1/2016	5,675,000.00	6,253,500.00	11,928,500.00	1,956,987.50	9,971,512.50
10/1/2017	5,850,000.00	6,083,250.00	11,933,250.00	1,955,287.50	9,977,962.50
10/1/2018	6,085,000.00	5,849,250.00	11,934,250.00	1,954,887.50	9,979,362.50
10/1/2019	6,390,000.00	5,545,000.00	11,935,000.00	1,955,887.50	9,979,112.50
10/1/2020	6,710,000.00	5,225,500.00	11,935,500.00	1,957,137.50	9,978,362.50
10/1/2021	7,045,000.00	4,890,000.00	11,935,000.00	1,959,025.00	9,975,975.00
10/1/2022	7,400,000.00	4,537,750.00	11,937,750.00	1,954,462.50	9,983,287.50
10/1/2023	7,770,000.00	4,167,750.00	11,937,750.00	1,957,337.50	9,980,412.50
10/1/2024	8,155,000.00	3,779,250.00	11,934,250.00	1,958,425.00	9,975,825.00
10/1/2025	8,565,000.00	3,371,500.00	11,936,500.00	1,664,787.50	10,271,712.50
10/1/2026	8,990,000.00	2,943,250.00	11,933,250.00	1,954,787.50	9,978,462.50
10/1/2027	9,440,000.00	2,493,750.00	11,933,750.00	1,957,337.50	9,976,412.50
10/1/2028	9,915,000.00	2,021,750.00	11,936,750.00	1,959,412.50	9,977,337.50
10/1/2029	10,410,000.00	1,526,000.00	11,936,000.00	1,955,087.50	9,980,912.50
10/1/2030	10,930,000.00	1,005,500.00	11,935,500.00	1,956,325.00	9,979,175.00
10/1/2031	11,475,000.00	459,000.00	11,934,000.00	1,956,412.50	9,977,587.50
10/1/2032			-		-
<b>Total</b>	<b>130,805,000.00</b>	<b>61,472,183.33</b>	<b>192,277,183.33</b>	<b>31,449,951.53</b>	<b>160,827,231.80</b>

Range of Projected Rate Impact (excluding partial interest payment in 2015):

	Low	High
Gross	2.39	2.39
Net	1.99	2.05

# ATTACHMENT 1

## FMPA - ARP Scenario 1A (Level Principal Starting in 2017 - Final Maturity 2031)

	Principal	Interest	Total	Savings	Net Debt Service Gross
10/1/2015	-	1,335,963.89	1,335,963.89	436,364.03	899,599.86
10/1/2016	-	6,328,250.00	6,328,250.00	1,956,987.50	4,371,262.50
10/1/2017	6,090,000.00	6,328,250.00	12,418,250.00	1,955,287.50	10,462,962.50
10/1/2018	6,330,000.00	6,084,650.00	12,414,650.00	1,954,887.50	10,459,762.50
10/1/2019	6,650,000.00	5,768,150.00	12,418,150.00	1,955,887.50	10,462,262.50
10/1/2020	6,980,000.00	5,435,650.00	12,415,650.00	1,957,137.50	10,458,512.50
10/1/2021	7,330,000.00	5,086,650.00	12,416,650.00	1,959,025.00	10,457,625.00
10/1/2022	7,695,000.00	4,720,150.00	12,415,150.00	1,954,462.50	10,460,687.50
10/1/2023	8,080,000.00	4,335,400.00	12,415,400.00	1,957,337.50	10,458,062.50
10/1/2024	8,485,000.00	3,931,400.00	12,416,400.00	1,958,425.00	10,457,975.00
10/1/2025	8,910,000.00	3,507,150.00	12,417,150.00	1,664,787.50	10,752,362.50
10/1/2026	9,355,000.00	3,061,650.00	12,416,650.00	1,954,787.50	10,461,862.50
10/1/2027	9,820,000.00	2,593,900.00	12,413,900.00	1,957,337.50	10,456,562.50
10/1/2028	10,310,000.00	2,102,900.00	12,412,900.00	1,959,412.50	10,453,487.50
10/1/2029	10,830,000.00	1,587,400.00	12,417,400.00	1,955,087.50	10,462,312.50
10/1/2030	11,370,000.00	1,045,900.00	12,415,900.00	1,956,325.00	10,459,575.00
10/1/2031	11,935,000.00	477,400.00	12,412,400.00	1,956,412.50	10,455,987.50
10/1/2032			-	-	-
<b>Total</b>	<b>130,170,000.00</b>	<b>63,730,813.89</b>	<b>193,900,813.89</b>	<b>31,449,951.53</b>	<b>162,450,862.36</b>

Range of Projected Rate Impact (excluding partial interest payment in 2015):

	Low	High
Gross	1.27	2.48
Net	0.87	2.15

# ATTACHMENT 1

<b>FMPA - ARP</b> <b>Scenario 1B (Level Principal Starting in 2017 - Final Maturity 2032)</b>					
	Principal	Interest	Total	Savings	Net Debt Service Gross
10/1/2015	-	1,328,680.56	1,328,680.56	436,364.03	892,316.53
10/1/2016	-	6,293,750.00	6,293,750.00	1,956,987.50	4,336,762.50
10/1/2017	5,615,000.00	6,293,750.00	11,908,750.00	1,955,287.50	9,953,462.50
10/1/2018	5,840,000.00	6,069,150.00	11,909,150.00	1,954,887.50	9,954,262.50
10/1/2019	6,130,000.00	5,777,150.00	11,907,150.00	1,955,887.50	9,951,262.50
10/1/2020	6,435,000.00	5,470,650.00	11,905,650.00	1,957,137.50	9,948,512.50
10/1/2021	6,760,000.00	5,148,900.00	11,908,900.00	1,959,025.00	9,949,875.00
10/1/2022	7,095,000.00	4,810,900.00	11,905,900.00	1,954,462.50	9,951,437.50
10/1/2023	7,450,000.00	4,456,150.00	11,906,150.00	1,957,337.50	9,948,812.50
10/1/2024	7,825,000.00	4,083,650.00	11,908,650.00	1,958,425.00	9,950,225.00
10/1/2025	8,215,000.00	3,692,400.00	11,907,400.00	1,664,787.50	10,242,612.50
10/1/2026	8,625,000.00	3,281,650.00	11,906,650.00	1,954,787.50	9,951,862.50
10/1/2027	9,060,000.00	2,850,400.00	11,910,400.00	1,957,337.50	9,953,062.50
10/1/2028	9,510,000.00	2,397,400.00	11,907,400.00	1,959,412.50	9,947,987.50
10/1/2029	9,985,000.00	1,921,900.00	11,906,900.00	1,955,087.50	9,951,812.50
10/1/2030	10,485,000.00	1,422,650.00	11,907,650.00	1,956,325.00	9,951,325.00
10/1/2031	11,010,000.00	898,400.00	11,908,400.00	1,956,412.50	9,951,987.50
10/1/2032	11,450,000.00	458,000.00	11,908,000.00	-	11,908,000.00
<b>Total</b>	<b>131,490,000.00</b>	<b>66,655,530.56</b>	<b>198,145,530.56</b>	<b>31,449,951.53</b>	<b>166,695,579.03</b>

Range of Projected Rate Impact (excluding partial interest payment in 2015):

	Low	High
Gross	1.26	2.38
Net	0.87	2.38



# ATTACHMENT 1

<b>FMPA - ARP</b>					
<b>Scenario 1C (Level Principal Starting in 2016 - Final Maturity 2032)</b>					
	Principal	Interest	Total	Savings	Net Debt Service Gross
10/1/2015	-	1,314,314.44	1,314,314.44	436,364.03	877,950.41
10/1/2016	5,255,000.00	6,225,700.00	11,480,700.00	1,956,987.50	9,523,712.50
10/1/2017	5,415,000.00	6,068,050.00	11,483,050.00	1,955,287.50	9,527,762.50
10/1/2018	5,630,000.00	5,851,450.00	11,481,450.00	1,954,887.50	9,526,562.50
10/1/2019	5,910,000.00	5,569,950.00	11,479,950.00	1,955,887.50	9,524,062.50
10/1/2020	6,205,000.00	5,274,450.00	11,479,450.00	1,957,137.50	9,522,312.50
10/1/2021	6,515,000.00	4,964,200.00	11,479,200.00	1,959,025.00	9,520,175.00
10/1/2022	6,840,000.00	4,638,450.00	11,478,450.00	1,954,462.50	9,523,987.50
10/1/2023	7,185,000.00	4,296,450.00	11,481,450.00	1,957,337.50	9,524,112.50
10/1/2024	7,545,000.00	3,937,200.00	11,482,200.00	1,958,425.00	9,523,775.00
10/1/2025	7,920,000.00	3,559,950.00	11,479,950.00	1,664,787.50	9,815,162.50
10/1/2026	8,315,000.00	3,163,950.00	11,478,950.00	1,954,787.50	9,524,162.50
10/1/2027	8,730,000.00	2,748,200.00	11,478,200.00	1,957,337.50	9,520,862.50
10/1/2028	9,170,000.00	2,311,700.00	11,481,700.00	1,959,412.50	9,522,287.50
10/1/2029	9,630,000.00	1,853,200.00	11,483,200.00	1,955,087.50	9,528,112.50
10/1/2030	10,110,000.00	1,371,700.00	11,481,700.00	1,956,325.00	9,525,375.00
10/1/2031	10,615,000.00	866,200.00	11,481,200.00	1,956,412.50	9,524,787.50
10/1/2032	11,040,000.00	441,600.00	11,481,600.00		11,481,600.00
<b>Total</b>	<b>132,030,000.00</b>	<b>64,456,714.44</b>	<b>196,486,714.44</b>	<b>31,449,951.53</b>	<b>165,036,762.91</b>

Range of Projected Rate Impact (excluding partial interest payment in 2015):

	Low	High
Gross	2.30	2.30
Net	1.90	2.30

# ATTACHMENT 1

## FMPA - ARP Scenario 1D (Level Principal Starting in 2018 - Final Maturity 2031)

	Principal	Interest	Total	Savings	Net Debt Service Gross
10/1/2015	-	1,342,402.78	1,342,402.78	436,364.03	906,038.75
10/1/2016	-	6,358,750.00	6,358,750.00	1,956,987.50	4,401,762.50
10/1/2017	-	6,358,750.00	6,358,750.00	1,955,287.50	4,403,462.50
10/1/2018	6,615,000.00	6,358,750.00	12,973,750.00	1,954,887.50	11,018,862.50
10/1/2019	6,945,000.00	6,028,000.00	12,973,000.00	1,955,887.50	11,017,112.50
10/1/2020	7,295,000.00	5,680,750.00	12,975,750.00	1,957,137.50	11,018,612.50
10/1/2021	7,660,000.00	5,316,000.00	12,976,000.00	1,959,025.00	11,016,975.00
10/1/2022	8,045,000.00	4,933,000.00	12,978,000.00	1,954,462.50	11,023,537.50
10/1/2023	8,445,000.00	4,530,750.00	12,975,750.00	1,957,337.50	11,018,412.50
10/1/2024	8,865,000.00	4,108,500.00	12,973,500.00	1,958,425.00	11,015,075.00
10/1/2025	9,310,000.00	3,665,250.00	12,975,250.00	1,664,787.50	11,310,462.50
10/1/2026	9,775,000.00	3,199,750.00	12,974,750.00	1,954,787.50	11,019,962.50
10/1/2027	10,265,000.00	2,711,000.00	12,976,000.00	1,957,337.50	11,018,662.50
10/1/2028	10,780,000.00	2,197,750.00	12,977,750.00	1,959,412.50	11,018,337.50
10/1/2029	11,315,000.00	1,658,750.00	12,973,750.00	1,955,087.50	11,018,662.50
10/1/2030	11,880,000.00	1,093,000.00	12,973,000.00	1,956,325.00	11,016,675.00
10/1/2031	12,475,000.00	499,000.00	12,974,000.00	1,956,412.50	11,017,587.50
10/1/2032			-	-	-
<b>Total</b>	<b>129,670,000.00</b>	<b>66,040,152.78</b>	<b>195,710,152.78</b>	<b>31,449,951.53</b>	<b>164,260,201.25</b>

Range of Projected Rate Impact (excluding partial interest payment in 2015):

	Low	High
Gross	1.27	2.60
Net	0.88	2.26

# ATTACHMENT 1

<b>FMPA - ARP</b>					
<b>Scenario 1E (Level Principal Starting in 2019 - Final Maturity 2031)</b>					
	Principal	Interest	Total	Savings	Net Debt Service Gross
10/1/2015	-	1,338,243.89	1,338,243.89	436,364.03	901,879.86
10/1/2016	-	6,339,050.00	6,339,050.00	1,956,987.50	4,382,062.50
10/1/2017	-	6,339,050.00	6,339,050.00	1,955,287.50	4,383,762.50
10/1/2018	-	6,339,050.00	6,339,050.00	1,954,887.50	4,384,162.50
10/1/2019	7,305,000.00	6,339,050.00	13,644,050.00	1,955,887.50	11,688,162.50
10/1/2020	7,670,000.00	5,973,800.00	13,643,800.00	1,957,137.50	11,686,662.50
10/1/2021	8,055,000.00	5,590,300.00	13,645,300.00	1,959,025.00	11,686,275.00
10/1/2022	8,455,000.00	5,187,550.00	13,642,550.00	1,954,462.50	11,688,087.50
10/1/2023	8,880,000.00	4,764,800.00	13,644,800.00	1,957,337.50	11,687,462.50
10/1/2024	9,325,000.00	4,320,800.00	13,645,800.00	1,958,425.00	11,687,375.00
10/1/2025	9,790,000.00	3,854,550.00	13,644,550.00	1,664,787.50	11,979,762.50
10/1/2026	10,280,000.00	3,365,050.00	13,645,050.00	1,954,787.50	11,690,262.50
10/1/2027	10,795,000.00	2,851,050.00	13,646,050.00	1,957,337.50	11,688,712.50
10/1/2028	11,335,000.00	2,311,300.00	13,646,300.00	1,959,412.50	11,686,887.50
10/1/2029	11,900,000.00	1,744,550.00	13,644,550.00	1,955,087.50	11,689,462.50
10/1/2030	12,495,000.00	1,149,550.00	13,644,550.00	1,956,325.00	11,688,225.00
10/1/2031	13,120,000.00	524,800.00	13,644,800.00	1,956,412.50	11,688,387.50
10/1/2032			-	-	-
<b>Total</b>	<b>129,405,000.00</b>	<b>68,332,543.89</b>	<b>197,737,543.89</b>	<b>31,449,951.53</b>	<b>166,287,592.36</b>

Range of Projected Rate Impact (excluding partial interest payment in 2015):

	Low	High
Gross	1.27	2.73
Net	0.88	2.40

# ATTACHMENT 1

<b>FMPA - ARP</b> <b>Scenario 1F (Level Principal Starting in 2018 - Final Maturity 2032)</b>					
	Principal	Interest	Total	Savings	Net Debt Service Gross
10/1/2015	-	1,334,296.11	1,334,296.11	436,364.03	897,932.08
10/1/2016	-	6,320,350.00	6,320,350.00	1,956,987.50	4,363,362.50
10/1/2017	-	6,320,350.00	6,320,350.00	1,955,287.50	4,365,062.50
10/1/2018	6,080,000.00	6,320,350.00	12,400,350.00	1,954,887.50	10,445,462.50
10/1/2019	6,385,000.00	6,016,350.00	12,401,350.00	1,955,887.50	10,445,462.50
10/1/2020	6,705,000.00	5,697,100.00	12,402,100.00	1,957,137.50	10,444,962.50
10/1/2021	7,040,000.00	5,361,850.00	12,401,850.00	1,959,025.00	10,442,825.00
10/1/2022	7,390,000.00	5,009,850.00	12,399,850.00	1,954,462.50	10,445,387.50
10/1/2023	7,760,000.00	4,640,350.00	12,400,350.00	1,957,337.50	10,443,012.50
10/1/2024	8,145,000.00	4,252,350.00	12,397,350.00	1,958,425.00	10,438,925.00
10/1/2025	8,555,000.00	3,845,100.00	12,400,100.00	1,664,787.50	10,735,312.50
10/1/2026	8,980,000.00	3,417,350.00	12,397,350.00	1,954,787.50	10,442,562.50
10/1/2027	9,430,000.00	2,968,350.00	12,398,350.00	1,957,337.50	10,441,012.50
10/1/2028	9,905,000.00	2,496,850.00	12,401,850.00	1,959,412.50	10,442,437.50
10/1/2029	10,400,000.00	2,001,600.00	12,401,600.00	1,955,087.50	10,446,512.50
10/1/2030	10,920,000.00	1,481,600.00	12,401,600.00	1,956,325.00	10,445,275.00
10/1/2031	11,465,000.00	935,600.00	12,400,600.00	1,956,412.50	10,444,187.50
10/1/2032	11,925,000.00	477,000.00	12,402,000.00	-	12,402,000.00
<b>Total</b>	<b>131,085,000.00</b>	<b>68,896,646.11</b>	<b>199,981,646.11</b>	<b>31,449,951.53</b>	<b>168,531,694.58</b>

Range of Projected Rate Impact (excluding partial interest payment in 2015):

	Low	High
Gross	1.26	2.48
Net	0.87	2.48

# ATTACHMENT 1

## FMPA - ARP Scenario 1G (Level Principal Starting in 2019 - Final Maturity 2032)

	Principal	Interest	Total	Savings	Net Debt Service Gross
10/1/2015	-	1,330,073.89	1,330,073.89	436,364.03	893,709.86
10/1/2016	-	6,300,350.00	6,300,350.00	1,956,987.50	4,343,362.50
10/1/2017	-	6,300,350.00	6,300,350.00	1,955,287.50	4,345,062.50
10/1/2018	-	6,300,350.00	6,300,350.00	1,954,887.50	4,345,462.50
10/1/2019	6,685,000.00	6,300,350.00	12,985,350.00	1,955,887.50	11,029,462.50
10/1/2020	7,020,000.00	5,966,100.00	12,986,100.00	1,957,137.50	11,028,962.50
10/1/2021	7,370,000.00	5,615,100.00	12,985,100.00	1,959,025.00	11,026,075.00
10/1/2022	7,740,000.00	5,246,600.00	12,986,600.00	1,954,462.50	11,032,137.50
10/1/2023	8,125,000.00	4,859,600.00	12,984,600.00	1,957,337.50	11,027,262.50
10/1/2024	8,535,000.00	4,453,350.00	12,988,350.00	1,958,425.00	11,029,925.00
10/1/2025	8,960,000.00	4,026,600.00	12,986,600.00	1,664,787.50	11,321,812.50
10/1/2026	9,405,000.00	3,578,600.00	12,983,600.00	1,954,787.50	11,028,812.50
10/1/2027	9,880,000.00	3,108,350.00	12,988,350.00	1,957,337.50	11,031,012.50
10/1/2028	10,370,000.00	2,614,350.00	12,984,350.00	1,959,412.50	11,024,937.50
10/1/2029	10,890,000.00	2,095,850.00	12,985,850.00	1,955,087.50	11,030,762.50
10/1/2030	11,435,000.00	1,551,350.00	12,986,350.00	1,956,325.00	11,030,025.00
10/1/2031	12,005,000.00	979,600.00	12,984,600.00	1,956,412.50	11,028,187.50
10/1/2032	12,485,000.00	499,400.00	12,984,400.00	-	12,984,400.00
<b>Total</b>	<b>130,905,000.00</b>	<b>71,126,323.89</b>	<b>202,031,323.89</b>	<b>31,449,951.53</b>	<b>170,581,372.36</b>

### Range of Projected Rate Impact

	Low	High
Gross	1.26	2.60
Net	0.87	2.60

**AGENDA ITEM 7 – ACTION ITEMS**

- b) Discussion of Additional Termination of Swaps**

**Telephonic Executive Committee Meeting  
May 6, 2015**



**AGENDA PACKAGE MEMORANDUM**

TO: FMPA Executive Committee

FROM: Nicholas P. Guarriello, General Manager and CEO  
 Mark Larson, Assistant General Manager, Finance and Information  
 Technology and CFO

DATE: 1 May 2015

ITEM: EC7.b.—Discussion of Additional Termination of Swaps

The purpose of this memorandum is to provide for the Executive Committee’s continued discussion of the possible direction it would want to give to staff for the termination of the remaining six Taylor swaps.

On April 29, FMPA terminated three of the Taylor swaps pursuant to the Executive Committee’s action of April 16, 2015. Those three terminated swaps (with Citi, Dexia, and J.P. Morgan) had a total termination cost of \$46,439,000. As previously reported, that total termination cost was reduced by more than \$2 million due to termination cost concessions negotiated with the three counterparties.

Following the termination of the three swaps, a number of All-Requirements Project participants contacted staff. Their question was this: should the six remaining Taylor swaps be terminated immediately?

The six remaining Taylor swaps are:

<b>Counterparty</b>	<b>Mark-to-Market Value (as of 4/29/2015)</b>
<b>SunTrust Bank</b>	(\$15,558,178)
<b>Morgan Stanley Capital Services</b>	(\$15,647,056)
<b>Bank of New York**</b>	(\$15,728,527)
<b>Bank of America, N.A.</b>	(\$15,824,811)
<b>Merrill Lynch Capital Services**</b>	(\$15,947,019)
<b>Calyon</b>	(\$15,972,942)
<b>TOTAL</b>	(\$96,678,534)
<b>** Note: these two counterparties have previously offered some concessions to terminate their swaps.</b>	

If the Executive Committee desires to direct staff to terminate some or all of the remaining six Taylor swaps, the recommended motion below can be utilized.

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Recommended  
Motion

Move approval of staff terminating \_\_\_ [or, all] of the six remaining Taylor swaps as soon as practical, utilizing the Bank of America and Wells Fargo credit agreement as the interim source of funds for the related termination costs.

NPG:MJL:JLF:mp



# VERBAL REPORT

## **AGENDA ITEM 8 – ACTION ITEMS**

- c) Discussion of Settlement-In-Principal with General Electric and AEGIS for the Cane Island Unit 4 Steam Turbine Damage Claims**

**Telephonic Executive Committee Meeting  
May 6, 2015**

**AGENDA ITEM 9– MEMBER COMMENTS**

**Telephonic Executive Committee Meeting  
May 6, 2015**