IGPC - Interrogatory #1

Preamble:

Exhibit D, Tab 4, Page 1,

NRG indicates that it has 2 credit facilities: the first a 5 year facility in the amount of $6,500,000 that is due March 2011 and the second facility in the amount of $5,200,000 is due in October 2013. NRG then goes on to state that an abnormally short franchise period would be detrimental to its financing and the financing of any "major new facility requiring stand-along financing (e.g. the ethanol plant) also would be compromised by having a short franchise agreement"

Question

a) Please confirm the second credit facility was used solely for the purpose of constructing the pipeline to serve the IGPC ethanol facility.

b) Was the remaining time period of the Aylmer franchise (or any other franchise) an issue for the lender of the first credit facility in 2006? If so, provide supporting documentation that quantifies the magnitude or significance of the issue for the lender (i.e. premium, additional covenants).

c) Was the remaining time period of the Aylmer franchise an issue for the lender of the second credit facility in 2008? If so, provide supporting documentation that quantifies the magnitude or significance of the issue for the lender (i.e. premium, additional covenants).

d) The second credit facility expires in October 2013 two years after the three year extension requested by the Town of Aylmer. Please provide details of the impact on the second credit facility if the Board were to grant the Town's request.

e) Please provide the evidence upon which NRG is relying to support the statement: "major new facility requiring stand-along financing (e.g. the ethanol plant) also would be compromised by having a short franchise agreement"?

f) Is NRG aware of any customers that have not located in NRG's franchise area where the limited time remaining in the current franchise agreement has been a factor? If so, provide the number of customers.