

Comments from Wells Fargo Securities

- Net Present value Savings of \$ 474.9 million (discounting at 3.5%).
- The estimated present value savings is nearly 8 times the level of savings that would be considered adequate to proceed with a refunding of fixed rate bonds, by many issuers and their financial advisors.
- While this situation is more complicated than a refunding of outstanding fixed rate bonds, the City has made such a comparison reasonable by assuming the plant will either remain in standby mode for the remaining life of the contract or alternatively will be mothballed after purchase.
- On balance, the shift from the existing PPA to a lower cost debt service obligation with the Biomass acquisition should positively affect GRU's financial metrics over time.
- The acquisition would allow GRU to achieve cash flow savings, ultimately enhancing longer-term rate competitiveness and financial flexibility.