Date Filed: October 18, 2026

Witness: FALLON, MATTHEW P
Request from: Public Utilities Regulatory Authority

Question:
(Bond Terms) What are the key terms of the proposed issued bonds? Specifically, are there additional covenants and/or key terms that the Authority should take into consideration for the order?

Response:

Subject to rating agency and investor feedback, the basic terms of the bonds are expected to include the following: (a) semi-annual cash interest payments at an interest rate to be determined at pricing; (b) 12-year scheduled final payment date and 14-year legal maturity, with an amortization schedule designed to provide level debt service; and (c) no ability to prepay early (i.e., the bonds will be non-callable).

The most material covenants applicable to the Financing Entity (i.e., the issuer) will be an obligation to operate as a special purpose entity and an obligation to provide periodic cash flow reporting to the noteholders. The bonds will not be subject to any financial covenants. Drafts of the core transaction documents (i.e., the Administration Agreement, Indenture, sale agreement, and Servicing Agreement) were provided with the Petition.