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

Question:
Provide sensitivity analyses showing securitization NPV savings for required capital subaccount levels of 0.5%, 1%, and 2% of principal. Explain the methodology used and provide workpapers.

Response:

The capital subaccount contribution does not impact the NPV calculation. It is expected that billed customer collections backstopped by annual true-ups or interim true-ups will provide the payment of SPE expenses required to maintain the operations of the transactions, the interest on the bonds, and the principal on the Bonds.