



THE BRETON LAW GROUP

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File No. 41736-28

February 16, 2016

Nova Scotia Utility and Review Board
PO Box 1692, Unit "M"
Halifax, Nova Scotia
B3J 3S3

Attention: Doreen Friis, Regulatory Affairs Officer / Clerk

Dear Ms. Friis:

**Re: M06733 – EfficiencyOne – Financing Demand Side Management
Grant Thornton Update – February 2016**

This is further to the Board's direction in relation to this matter to provide an update on the status of EfficiencyOne's efforts to secure long-term financing (amortized over an eight-year period) of \$35 million for the supply of 2015 electricity efficiency and conservation activities.

As the Board is aware, EfficiencyOne has engaged Grant Thornton to assist in this regard. A complete summary from Grant Thornton is included with this filing.

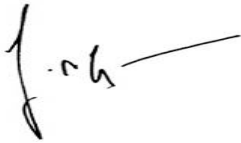
To date, EfficiencyOne and NSPI have exchanged drafts of the 2015 Supply Agreement ("the Agreement"). EfficiencyOne provided NSPI with what it (EfficiencyOne) considers to be a final version incorporating changes requested by NSPI on December 22, 2015. While it has not yet been executed, NSPI counsel advised on January 8, 2016, that the Agreement was in the review and execution process within NSPI. NSPI has not yet confirmed it has executed the Agreement, nor has it expressed any concerns or requested any further revisions to the Agreement.

Grant Thornton has prepared a formal financing package, which was submitted to seven potential lenders on Thursday, January 28, 2016. Between January 28 and February 12, Grant Thornton responded to various information requests, clarifications and questions from all seven potential lenders. EfficiencyOne will endeavour to have financing confirmed by March 31, 2016. As noted in Grant Thornton's update, it is a precondition of all lenders that a contract be executed between EfficiencyOne and NSPI providing for the terms of repayment of the \$35 Million advance. Upon selection of the

preferred lender, EfficiencyOne will initiate discussions with NSPI for the purpose of finalizing this agreement.

EfficiencyOne will continue to keep the Board apprised of its efforts in this regard and is pleased to respond to any further requests for information or clarification required by the Board.

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A handwritten signature in black ink, appearing to read 'J. R. Gogan', with a long horizontal line extending to the right.

James R. Gogan

cc. S. Bruce Outhouse, Board Counsel
M06733 Participants