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01 August 2023

RFP NO: TCTA/LOANS/BRVAS/2023/01 – RESPONSE TO QUESTIONS FOR CLARITY

1. Please confirm if there is a *Stipulatio Alteri*, similar to MCWAP?

   1.1. Response: Yes, as with all TCTA projects without an explicit government guarantee the *Stipulatio Alteri* will be available for BRVAS.

2. Please confirm if there is a Guarantee Framework Agreement, similar to MCWAP?

   2.1. Response: As BRVAS does not benefit from an express government guarantee, there is no Guarantee Framework Agreement for the project.

3. The RFP borrowing required is more than the 2023 approved borrowing base. What is the relationship between the R1.277 million borrowing base approved in April 2023 and the R1.6bn and R250m funding requirement?

   3.1. Response: The borrowing limit approved in April 2023 shows amounts for the medium-term and the peak of the debt, which takes into consideration the peak funding requirement, occurs beyond the medium-term, during the 2031/32 financial year. A request for the extension of the borrowing limit will be submitted to DWS and the National Treasury at least a year in advance of the expiry date and will take into account the funding requirement for the period under consideration.

4. The RFP states under 2 Timing Assumptions

The financial model assumes the following:

a. A construction period of fifteen (15) months beginning in September 2025 and ending in December 2026 (No income during construction or phase-in of tariff)

b. A loan repayment period spanning 20 years from June 2027 ending June 2047. Users will start paying the tariff/ CUC from the operational declaration date, 31 May 2027.

However, the time table in table 5 shows R234m capex from March 2023.

BRVAS Indicative Cash Flow Schedule

Table 5: BRVAS Indicate Cash Flow Schedule

BRVAS	Tariff	Volume	Revenue	Admin Costs	Capital Exp	Funding from DWS	Funding Costs	Outstanding debt	Loan repayment
Year	*R/m ^{3}*	*Million m ^{3}/a*	*R' million*	*R' million*	*R' million*	*R' million*	*R' million*	*R' million*	*R' million*
Mar-21	-	-	-	-	(31,103)	75,000	(3,168)	(40,729)	-
Mar-22	-	-	-	-	(26,244)	-	7,093	(21,579)	-
Mar-23	-	-	-	-	(6,614)	-	1,119	(16,084)	-
Mar-24	-	-	-	-	(234,737)	-	(10,421)	238,038	-
Mar-25	-	-	-	-	(306,030)	-	2,311	588,455	-
Mar-26	-	-	-	-	(369,359)	-	4,577	1 037,997	-
Mar-27	-	-	-	-	(165,118)	-	(59,231)	1 319,512	-
Mar-28	5,499	21,083	115,938	(17,608)	(26,944)	-	(126,223)	1 385,835	-
Mar-29	5,757	23,000	132,422	(20,112)	-	-	(128,172)	1 403,677	(27,071)
Mar-30	6,028	23,000	138,646	(21,057)	-	-	(129,929)	1 418,092	(29,614)
Mar-31	6,311	23,000	145,163	(22,046)	-	-	(131,343)	1 428,491	(32,397)
Mar-32	6,608	23,000	151,985	(23,083)	-	-	(132,686)	1 434,548	(35,356)
Mar-33	6,912	23,000	158,977	(24,144)	-	-	(125,587)	1 427,634	(40,565)
Mar-34	7,230	23,000	166,289	(25,255)	-	-	(125,005)	1 414,042	(44,153)
Mar-35	7,563	23,000	173,939	(26,417)	-	-	(123,784)	1 392,854	(48,058)
Mar-36	7,910	23,000	181,940	(27,632)	-	-	(122,173)	1 363,386	(52,225)
Mar-37	8,274	23,000	190,309	(28,903)	-	-	(119,275)	1 324,045	(56,939)
Mar-38	8,647	23,000	198,873	(30,204)	-	-	(114,115)	1 272,345	(62,471)
Mar-39	9,036	23,000	207,822	(31,563)	-	-	(109,462)	1 208,531	(67,898)
Mar-40	9,442	23,000	217,174	(32,983)	-	-	(103,858)	1 131,315	(73,725)
Mar-41	9,867	23,000	226,947	(34,467)	-	-	(96,589)	1 038,682	(80,213)
Mar-42	10,311	23,000	237,160	(36,019)	-	-	(88,055)	929,000	(87,181)
Mar-43	10,775	23,000	247,832	(37,639)	-	-	(77,054)	799,418	(95,071)
Mar-44	11,260	23,000	258,984	(39,333)	-	-	(65,256)	648,740	(103,146)
Mar-45	11,767	23,000	270,639	(41,103)	-	-	(51,241)	474,330	(112,012)
Mar-46	12,296	23,000	282,818	(42,953)	-	-	(35,087)	273,612	(121,576)
Mar-47	12,850	23,000	295,544	(44,886)	-	-	(16,437)	43,633	(131,958)
Mar-48	13,428	1,917	25,737	(3,909)	-	-	(1,715)	(0,000)	(70,146)
Mar-49	-	-	-	-	-	-	-	-	-

Can TCTA please advise how the model assumptions in Note 2 (15 months) and the model outputs in table 5 (42 months capex from financial close) above align with each other?

4.1. Response: The 15 months is only for construction however, there are other activities prior to and after the construction period that make up the rest of the capex which include, among others, the procurement of a professional service provider (PSP) for detail design and construction management, power supply to the construction site, etc.

Can TCTA confirm that the availability period required is from Financial Close 15 December 2023 to June 2027?

4.2. Response: From December 2023 to December 2027.

Regards

Ntsikelelo Gosani

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