

Exhibit No. MJV-1 Revised

McShane's Recommended Cost of Equity and the Implied ATWACC

McShane's Recommended Return on Equity [1]	% of Equity [2]	Cost of Debt [3]	% of Non- Debt [4]	% of Non- Cost Capital [5]	Representative Tax Rate [6]	Implied ATWACC [7]	Implied BTWACC [8]
At the Forecast Capital Structure in 2002							
3.00%	15.27%	8.35%	83.18%	1.55%	40%	4.63%	7.40%
11.25%	15.27%	8.35%	83.18%	1.55%	40%	5.89%	8.66%
At 25% Equity Using 11.25% Return on Equity							
11.25%	25.00%	8.35%	73.45%	1.55%	40%	6.49%	8.95%
At 40% Equity Capital Using Market Cost of Debt Plus Guarantee Fee							
11.25%	40.00%	8.35%	58.45%	1.55%	40%	7.43%	9.38%
At 40% Equity Capital Using Market Cost of Debt							
11.25%	40.00%	7.35%	58.45%	1.55%	40%	7.08%	8.80%

[1]: McShane's Evidence p. 52 and p. 54. 11.25% is the mid-point of McShane's recommendation.

[2]: McShane's Evidence Table 5, p. 21 and p. 54.

[3]: McShane's Evidence Table 5. At 40 percent equity the provincial fee of 1% is subtracted from the cost of debt.

[4] = 1 - [2] - [5].

[5]: McShane Evidence Table 5.

[6]: Representative Tax Rate.

[7] = [1]x[2] + [3]x[4]x(1-[6]).

[8] = [1]x[2] + [3]x[4].