

1 Q. Q. K.C. McShane (paged 23-24) indicates two reasons for differences
2 regarding Hydro's capital structure as reported in 1999 and the forecast
3 capital structure for the test year 2002. Provide adjusted debt/equity and
4 interest coverages estimates for Hydro's regulated "utility only" operations for
5 each of the years 1992 to 2001 inclusive (indicating each of the components
6 required for the calculation) on a basis consistent with the assumptions
7 adopted for the 2002 test year but based on actual dividends (if any) paid in
8 each year.

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11 A. The attached schedule shows the calculation of Hydro's regulated "utility
12 only" debt/equity ratios which includes IOC.

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14 Please refer to the response to NP-2 for the applicable regulated interest
15 coverage ratios.