

- 1 Q. Provide the basis for the calculation of cost of debt applied to the RSP
 2 balance from 1992 to present (JCR, page 8, lines 12-14).
 3
 4
 5 A. See schedule below.

Summary Embedded Cost of Debt

<u>Yr. End</u>	<u>Total debt</u>	<u>Interest</u>	Percent <u>Semi</u>	Published Annual <u>Rate</u>
1989	1,072,910	114,321	10.66%	10.70%
1990	1,137,366	123,886	10.89%	11.00%
1991	1,121,242	119,496	10.66%	11.00%
1992	1,095,761	116,008	10.59%	10.90%
1993	1,081,005	108,998	10.08%	10.30%
1994	1,047,890	109,041	10.41%	10.70%
1995	1,081,181	102,193	9.45%	9.70%
1996	1,113,368	104,347	9.37%	9.60%
1997	1,146,954	100,566	8.77%	8.95%
1998	1,107,616	95,240	8.60%	8.80%
1999	1,071,523	89,676	8.37%	8.55%
2000	1,121,288	92,457	8.25%	8.40%

Notes:

1. Long term debt figures are net of sinking funds
2. Rates as determined above are applied to balances in the following
3. The published annual rate is derived from the semi-annual which is lower due to the benefit of mid year compounding.