

1 Q. Reconcile the deferred realized foreign exchange loss of \$85,200,000 in rate
2 base for 2002 (JCR, Schedule II, Page 1 of 3) with the unamortized foreign
3 exchange loss of \$84,121,000 for 2002 on the projected balance sheet (JCR,
4 Schedule XI).

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6 A. Details on the deferred realized foreign exchange loss are as follows:

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8	Unamortized foreign exchange loss at December 31, 2001	\$96,278,000
9	Less: Foreign exchange loss provision at December 31, 2001	<u>10,000,000</u>
10	Balance January 1, 2002	86,278,000
11	Less: Amortization for 2002 based on a 40-year period	<u>2,157,000</u>
12	Balance December 31, 2002	<u><u>84,121,000</u></u>
13		
14	Average of account balance for 2002	<u><u>\$85,200,000</u></u>