Q. (a) Provide the utility common equity ratio for 2002 assuming a 75% dividend payout (KCM, pages 23-24);

(b) Provide a comparison of the dividends paid from 1995 to 2000 and forecast for 2001 to 2002 with the dividends that would have been paid in each year if the 75% payout target was applied.

(c) Provide the estimated impact on revenue requirement for 2002 of financing the $70 million dividend payout as shown in the projected statement of cash flows (JCR, Schedule XIII).

A. (a) Please see schedule below.

Based on 75% Dividend Payout	2002 (000's)	%
Total Debt at end of year	1,316,147	81.50%
Employee Future Benefits	25,123	1.56%
Total Equity at end of	273,632	16.94%
	1,614,902	100.00%

(b) Please see attached schedule.

(c) It is estimated that the revenue requirement would be reduced by $1.7 million if the $70 million dividend were eliminated.

Year	Net Regulated Operating Income (000'S)	75% of Net Regulated Op Income (000'S)	Dividends Paid During Year - ex Recall and CFLCo (000'S)	As a % of Net Reg Op Income
1995	22,829	17,122	14,500	64%
1996	20,693	15,520	9,688	47%
1997	31,351	23,513	12,357	39%
1998	24,847	18,635	10,489	42%
1999	13,015	9,761	1,309	10%
2000	5,829	4,372	10,026	172%
2001	13,727	10,295	11,976	87%
2002	9,610	7,208	70,147	730%
	141,901	106,426	140,492	