

1 Q. Provide an explanation of why the 2002 borrowings are proposed as different
2 maturities (JCR, Schedule X).

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4 A. The determination of appropriate debt term is a question that is viewed in the
5 context of our total debt portfolio. Key factors which we consider are market
6 receptivity, the current debt maturity profile, and the impact on the weighted
7 average term to maturity of our debt portfolio.

8

9 **Market Receptivity**

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11 We rely on our advisors to provide us with an indication of expected market
12 receptivity for various debt terms.

13

14 **Our Current Debt Maturity Profile**

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16 Consideration must be given to the expected maturity dates of current debt
17 issues. It is important to ensure, to the extent possible, a manageable
18 financing burden in future years.

19

20 **Impact on Weighted Average Term to Maturity**

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22 Hydro annually benchmarks this measure with similar utilities and certain
23 government entities, in an effort to determine our relative and desired
24 positioning.