

1 Q. Interest in 2002 for the Northern Canada Power Commission loans is
2 \$1,993,294 per LC-12. Reconcile this interest amount to the schedule
3 included in NP-87.

4

5 A. NP-87 is a schedule of interest expense for 2002. LC-12 is a debt
6 repayment, or cash flow schedule. As noted on LC-12, payments on this
7 debt are made annually on March 31st. The interest payment of \$1,993,294
8 for 2002 therefore, represents 9 months of interest expense for 2001 and 3
9 months of interest expense for 2002. The interest expense number of
10 \$1,680,000 for 2002 as shown on NP-87 can be derived from LC-12 as
11 follows: $\$1,993,294 * 3/12 + \$1,576,118 * 9/12$.