

1 Q. Please provide a comparison of the cost of debt from the Final 2002 numbers
2 (8.166%) to the forecast 2004 numbers (8.283%) indicating the impact of
3 new debt issued including the rates, any debt redeemed including the rate,
4 and sinking fund balances, earnings and rates.

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7 A. Please see attached.

		Year End 31/12/2001	Year End 31/12/2002	Average	Interest 31/12/2002
<u>Canadian Bond Interest</u>					
10.500%	15/06/2014	125,000	125,000	125,000	13,125
10.250%	14/07/2017	150,000	150,000	150,000	15,375
8.400%	27/02/2026	300,000	300,000	300,000	25,200
5.250%	10/10/2002	100,000	-	50,000	4,083
5.500%	30/04/2008	200,000	200,000	200,000	11,000
5.050%	01/12/2006	100,000	100,000	100,000	5,050
6.650%	27/08/2031	150,000	150,000	150,000	9,975
4.860%	31/03/2007	-	100,000	50,000	3,645
6.660%	01/09/2032	-	150,000	75,000	3,330
		1,125,000	1,275,000	1,200,000	90,783
<u>Govt Of Canada Interest</u>					
6.072%	31/03/2014	30,582	24,767	27,674	1,680
5.605%	01/09/2006	427	351	389	22
		31,009	25,118	28,063	1,702
<u>Capital Leases</u>					
11.532%	31/10/2005	3,096	2,497	2,797	323
3.186%	24/04/2002	204	-	102	3
0.903%	24/04/2002	64	-	32	0
2.716%	24/04/2002	13	-	6	0
7.153%	01/07/2003	259	115	187	13
	01/04/2002	17	-	8	0
	01/04/2004	208	119	164	12
4.789%	24/04/2002	15	-	8	0
7.040%	01/10/2003	61	32	47	3
		3,937	2,763	3,350	355
<u>Short Term Debt</u>					
		195,759	195,981	195,870	5,952
<u>Unamortized Loss on Exchange</u>					
Swiss Loan		39,193	38,213	38,703	980
Yen loan		47,085	45,908	46,497	1,177
					2,157
<u>Discount & Issues Expense</u>					
10.50%					46
10.25%					57
8.40%					289
5.25%					215
5.50%					272
5.05%					137
6.65%					42
CF VT & EMS LEASE					3
Total DDI		12,411	11,349	(11,880)	1,062
<u>Fiduciary Fees</u>					
10.50%					4
10.25%					1
8.40%					1
5.25%					1
5.50%					1
5.05%					1
6.65%					1
CF VT & EMS LEASE					8
4.86%					1
6.66%					1
					16
Total Interest Expense		1,368,116	1,510,211	1,439,163	102,028
Total Guarantee Fee					12,712
Cflco Interest		27,756	25,550	(26,653)	(1,891)
Cflco Guarantee Fee					(278)
Sinking Funds		80,575	94,156	(87,366)	(6,306)
				1,301,385	106,266
					8.16600%

		Year End	Year End		Interest
<u>Canadian Bond Interest</u>		<u>31/12/2003</u>	<u>31/12/2004</u>	<u>Average</u>	<u>31/12/2004</u>
5.050%	01/12/2006	200,000	200,000	200,000	10,100
5.500%	30/04/2008	200,000	200,000	200,000	11,000
10.500%	15/06/2014	125,000	125,000	125,000	13,125
10.250%	14/07/2017	150,000	150,000	150,000	15,375
8.400%	27/02/2026	300,000	300,000	300,000	25,200
6.650%	27/08/2031	300,000	300,000	300,000	19,950
6.650%	27/08/2031	125,000	125,000	125,000	8,313
		1,400,000	1,400,000	1,400,000	103,063
<u>Govt Of Canada Interest</u>					
5.907%	31/03/2014	18,535	16,235	17,385	1,027
5.762%	01/09/2006	270	185	227	13
		18,805	16,420	17,613	1,040
<u>Capital Leases</u>					
11.835%	31/10/2005	1,829	1,084	1,457	172
4.888%	24/04/2002	175	25	100	5
		2,004	1,109	1,557	177
<u>Short Term Debt</u>					
		166,075	153,327	159,701	7,964
<u>Loss on Exchange</u>					
Swiss Loan		39,193	38,213	38,703	980
Yen loan		47,085	45,908	46,497	1,177
					2,157
<u>Discount & Issues Expense</u>					
10.50%					46
10.25%					57
8.40%					289
5.25%					-
5.50%					272
5.05%					467
6.65%					(270)
CF VT & EMS LEASE					3
6.65%					(314)
Total DDI		(5,896)	(6,447)	6,171	550
<u>Fiduciary Fees</u>					
10.50%					4
10.25%					1
8.40%					1
5.25%					-
5.50%					1
5.05%					1
6.65%					1
CF VT & EMS LEASE					8
6.65%					1
					15
Total Interest Expense		1,580,988	1,564,409	1,572,699	114,966
Total Guarantee Fee					14,739
CFLCo Interest		28,550	24,104	(26,327)	(2,136)
CFLCO Guarantee Fee					(286)
Sinking Funds		110,981	129,123	(120,052)	(8,117)
				1,438,662	119,167
					8.2832%