

1    Q.    Provide details of the calculation of the \$119,166,000 Interest Expense for  
2           2004 identifying the interest applicable to each long-term debt issue and  
3           applicable short-term debt (Finance and Corporate Services evidence,  
4           Schedule VII).

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7    A.    Please see the schedule attached.

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2003 NLH General Rate Application  
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DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL			
Canadian Bond Interest	8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	103,063			
Govt Of Canada Interest	95	95	95	84	84	84	84	84	84	84	84	84	1,040			
Capital Leases	18	18	18	18	14	14	14	14	14	14	10	10	177			
Short Term Interest	680	661	704	730	666	639	623	589	683	667	669	651	7,964			
Rate Stabilization Exp	-	-	-	-	-	-	-	-	-	-	-	-	-			
Fiduciary Fees	1	1	1	1	1	1	1	1	1	1	1	1	15			
Interest	9,383	9,364	9,407	9,422	9,354	9,327	9,311	9,277	9,371	9,355	9,352	9,335	112,259			
Loss On Exchange	180	180	180	180	180	180	180	180	180	180	180	180	2,157			
Discount & Issue Exp	46	46	46	46	46	46	46	46	46	46	46	46	550			
Debt Guarantee Fee	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	1,204	14,453			
	10,813	10,795	10,837	10,852	10,784	10,757	10,741	10,707	10,801	10,785	10,782	10,765	129,419			
Less: Interest on Sinking Fund Assets	674	674	674	674	674	674	674	674	681	681	681	681	8,117			
Cfco Share Purchase Debt	190	187	184	187	184	181	178	175	172	169	166	163	2,136			
Net Interest	9,948	9,933	9,978	9,991	9,926	9,902	9,889	9,858	9,949	9,935	9,936	9,921	119,166			
CANADIAN BOND INTEREST																
			PAR													
	COUPON	MATURITY	VALUE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
	5.050%	2006/12/01	200,000	842	842	842	842	842	842	842	842	842	842	842	842	10,100
	5.500%	2008/04/30	200,000	917	917	917	917	917	917	917	917	917	917	917	917	11,000
	10.500%	2014/06/15	125,000	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	13,125
	10.250%	2017/07/14	150,000	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	1,281	15,375
	8.400%	2026/02/27	300,000	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200
	6.650%	2031/08/27	300,000	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	19,950
	6.650%	2031/08/27	125,000	693	693	693	693	693	693	693	693	693	693	693	693	8,313
	TOTAL			8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	8,589	103,063
GOVERNMENT OF CANADA INTEREST																
			Average													
	Industry Canada	Maturity	Balance													
	5.250%	2009/03/31	7,263	36	36	36	30	30	30	30	30	30	30	30	30	381
	7.375%	2009/03/31	142	1	1	1	1	1	1	1	1	1	1	1	1	10
	5.875%	2012/03/31	4,619	25	25	25	22	22	22	22	22	22	22	22	22	271
	7.602%	2014/03/31	4,787	32	32	32	30	30	30	30	30	30	30	30	30	364
				94	94	94	83	83	83	83	83	83	83	83	83	1,027
	Municipal Development Loan Board															
	5.250%	2006/09/01	34	0	0	0	0	0	0	0	0	0	0	0	0	2
	5.375%	2006/09/01	140	1	1	1	1	1	1	1	1	1	1	1	1	8
	5.625%	2006/09/01	67	0	0	0	0	0	0	0	0	0	0	0	0	4
				1	1	1	1	1	1	1	1	1	1	1	1	13
Total Government of Canada Interest				95	95	95	84	84	84	84	84	84	84	84	84	1,040
CAPITAL LEASES																
	Energy Management System															
	11.314%	2005/10/31	1,524	17	17	17	17	14	14	14	14	14	10	10	172	
	IBM															
	6.700%	2004/04/01	6	0	0	0	0	0	0	0	0	0	0	0	0	0
	5.150%	2004/07/01	5	0	0	0	0	0	0	0	0	0	0	0	0	0
	5.150%	2004/10/01	21	0	0	0	0	0	0	0	0	0	0	0	0	1
	5.450%	2005/01/01	11	0	0	0	0	0	0	0	0	0	0	0	0	1
	4.800%	2005/07/01	34	0	0	0	0	0	0	0	0	0	0	0	0	2
	5.100%	2005/10/01	17	0	0	0	0	0	0	0	0	0	0	0	0	1
				1	1	1	0	0	0	0	0	0	0	0	0	5
Total Capital Leases Interest				18	18	18	18	14	14	14	14	14	10	10	177	

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SHORT TERM INTEREST																
Promissory Notes																
Opening Balance			166,075	168,328	182,750	180,069	158,348	146,116	143,283	138,609	157,773	153,032	154,496	145,428		
Closing Balance			168,328	182,750	180,069	158,348	146,116	143,283	138,609	157,773	153,032	154,496	145,428	153,327		
Average Balance			174,643	169,887	180,741	174,640	159,272	152,861	146,167	138,135	160,201	156,170	156,448	152,349		
Average Rate			4.672%	4.672%	4.672%	5.019%	5.019%	5.019%	5.118%	5.118%	5.118%	5.128%	5.128%	5.128%		
Total Short Term Interest			680	661	704	730	666	639	623	589	683	667	669	651	7,964	
FIDUCIARY FEES																
EMS LEASE 2005/10/31			1	1	1	1	1	1	1	1	1	1	1	1	8	
5.050% 2006/12/01			0	0	0	0	0	0	0	0	0	0	0	0	1	
5.500% 2008/04/30			0	0	0	0	0	0	0	0	0	0	0	0	1	
10.500% 2014/06/15			0	0	0	0	0	0	0	0	0	0	0	0	4	
10.250% 2017/07/14			0	0	0	0	0	0	0	0	0	0	0	0	1	
8.400% 2026/02/27			0	0	0	0	0	0	0	0	0	0	0	0	1	
6.650% 2031/08/27			0	0	0	0	0	0	0	0	0	0	0	0	1	
6.650% 2031/08/27			0	0	0	0	0	0	0	0	0	0	0	0	1	
Total Fiduciary Fees			1	1	1	1	1	1	1	1	1	1	1	1	15	
LOSS ON EXCHANGE																
SWISS FRANC LOAN			82	82	82	82	82	82	82	82	82	82	82	82	980	
JAPANESE YEN LOAN			98	98	98	98	98	98	98	98	98	98	98	98	1,177	
			180	180	180	180	180	180	180	180	180	180	180	180	2,157	
DISCOUNT AND ISSUE EXPENSE																
EMS LEASE 2005/10/31			0	0	0	0	0	0	0	0	0	0	0	0	3	
5.05% 2006/12/01			39	39	39	39	39	39	39	39	39	39	39	39	467	
5.50% 2008/04/30			23	23	23	23	23	23	23	23	23	23	23	23	272	
10.50% 2014/06/15			4	4	4	4	4	4	4	4	4	4	4	4	46	
10.25% 2017/07/14			5	5	5	5	5	5	5	5	5	5	5	5	57	
8.40% 2026/02/27			24	24	24	24	24	24	24	24	24	24	24	24	289	
6.65% 2031/08/27			(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(270)	
6.65% 2031/08/27			(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(314)	
			46	46	46	46	46	46	46	46	46	46	46	46	550	
Interest on Sinking Fund Assets																
	Estimated				Estimated											
	Opening	Annual	Estimated	Estimated	Average	Estimated										
	Balance	Contr.	Annual	Balance	Earning	Closing										
	Sinking Fund		Earnings		Rate	Balance										
10.50% 140615	56,333	1,875	4,308	57,348	7.51%	62,515										
10.25% 170714	27,649	1,500	1,923	28,336	6.79%	31,072										
8.40% 260227	22,334	2,400	1,530	24,334	6.29%	26,264										
6.65% 310827	4,666	3,000	332	5,666	5.85%	7,998										
6.65% 310827	-	1,250	24	417	5.85%	1,274										
Total	110,981	10,025	8,117	116,101	6.99%	129,123										
Cflico Share Purchase Debt																
Opening Balance			28,550	28,115	27,678	28,011	27,572	27,131	26,735	26,288	25,838	25,433	24,977	145,428		
Closing Balance			28,115	27,678	28,011	27,572	27,131	26,735	26,288	25,838	25,433	24,977	24,518	24,104		
Average Balance			28,081	27,647	27,209	27,542	27,104	26,662	26,266	25,819	25,369	24,964	24,508	24,049		
Average Rate			8.13%	8.13%	8.13%	8.13%	8.13%	8.13%	8.13%	8.13%	8.13%	8.13%	8.13%	8.13%		
Total Interest on Share Purchase debt			190	187	184	187	184	181	178	175	172	169	166	163	2,136	