

1    Q.    **Grant Thornton's Prefiled Evidence**

2            Page 3, lines 40-43 - Please provide an electronic copy of the monthly cash  
3            flow and interest model used to generate forecast borrowing requirements  
4            and estimates of interest expense and guarantee fees.

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7    A.    The information requested is not required for a full understanding of the  
8            issues to be considered by the Board in this hearing. A complete outline of  
9            Hydro's cost of debt calculation was provided in response to IC-238 NLH. In  
10           addition, Hydro's calculation of forecast interest expense for 2004 has been  
11           reviewed by Grant Thornton, who have also affirmed that the methodology  
12           automatically adjusts for timing differences or lag between the payment of  
13           semi-annual interest and the receipt of revenues.