

- 1 Q. Further to IC-238 NLH, please update the response to reflect the revised
2 filing dated October 31, 2003.
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5 A. Please see attached.

Cost of Debt Calculation - Final 2002

PUB-193 NLH
2003 NLH General Rate Application
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000's		Year End 12/31/01	Year End 12/31/02	Average	Interest 12/31/02
<u>Canadian Bond Interest</u>					
10.500%	6/15/14	125,000	125,000	125,000	13,125
10.250%	7/14/17	150,000	150,000	150,000	15,375
8.400%	2/27/26	300,000	300,000	300,000	25,200
5.250%	10/10/02	100,000	-	50,000	4,063
5.500%	4/30/08	200,000	200,000	200,000	11,000
5.050%	12/1/06	100,000	100,000	100,000	5,050
6.650%	8/27/31	150,000	150,000	150,000	9,975
4.860%	3/31/07	-	100,000	50,000	3,645
6.660%	9/1/32	-	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%	3/31/14	30,582	24,767	27,674	1,680
5.605%	9/1/06	427	351	389	22
		31,009	25,118	28,063	1,702
<u>Capital Leases</u>					
11.532%	10/31/05	3,096	2,497	2,797	323
3.186%	4/24/02	204	-	102	3
0.903%	4/24/02	64	-	32	0
2.716%	4/24/02	13	-	6	0
7.153%	7/1/03	259	115	187	13
	4/1/02	17	-	8	0
	4/1/04	208	119	164	12
4.789%	4/24/02	15	-	8	0
7.040%	10/1/03	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					980
Yen Loan					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
Subtotals		1,343,294	1,487,512	1,415,403	102,028
Total Guarantee Fee					12,712
Cfco Interest		(27,756)	(25,550)	(26,653)	(1,891)
Cfco Guarantee Fee					(278)
Sinking Funds		(80,575)	(94,156)	(87,366)	(6,306)
		1,234,963	1,367,806	1,301,385	106,266
					8.166%

Cost of debt calculation - 2004

000's

		Year End	Year End	Average	Interest
		31-Dec-2003	31-Dec-2004		31-Dec-2004
Canadian Bond Interest					
5.050%	1-Dec-2006	200,000	200,000	200,000	10,100
5.500%	30-Apr-2008	200,000	200,000	200,000	11,000
10.500%	15-Jun-2014	125,000	125,000	125,000	13,125
10.250%	14-Jul-2017	150,000	150,000	150,000	15,375
8.400%	27-Feb-2026	300,000	300,000	300,000	25,200
6.650%	27-Aug-2031	300,000	300,000	300,000	19,950
5.700%	14-Jul-2033	125,000	125,000	125,000	7,125
		1,400,000	1,400,000	1,400,000	101,875
Govt Of Canada Interest					
5.907%	31-Mar-2014	18,535	16,235	17,385	1,027
5.762%	1-Sep-2006	270	185	227	13
		18,805	16,420	17,613	1,040
Capital Leases					
11.835%	31-Oct-2005	1,829	1,084	1,457	172
5.251%	24-Apr-2005	370	120	245	13
		2,199	1,204	1,701	185
Short Term Debt					
		188,880	175,733	182,307	5,177
Loss on Exchange					
Swiss Loan					980
Yen loan					1,177
					2,157
Discount & Issues Expense					
10.500%					46
10.250%					57
8.400%					289
5.250%					-
5.500%					272
5.050%					467
6.650%					(269)
CF VT & EMS LEASE					3
5.700%					52
0.000%					-
Total DDI		(4,382)	(3,465)	(3,923)	917
Fiduciary Fees					
10.500%					4
10.250%					1
8.400%					1
5.250%					-
5.500%					1
5.050%					1
6.650%					1
CF VT & EMS LEASE					8
5.700%					1
0.000%					-
					15
Subtotals		1,605,502	1,589,892	1,597,697	111,367
Total Guarantee Fee					14,959
CFLCo Interest		(27,547)	(27,299)	(27,423)	(2,116)
CFLCO Guarantee Fee					(275)
Sinking Funds		(111,830)	(130,375)	(121,102)	(8,520)
		1,466,126	1,432,218	1,449,172	115,414

7.964%