

1 Q. Re: Bradbury Schedule IV. Please provide the calculation of gross interest,
2 debt issuance expense, guarantee fee and sinking fund by series. Indicate all
3 relevant cost rates (interest and guarantee fee) and forecast earnings
4 (sinking funds).

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7 A. **Canadian Bond Interest** (\$Thousands)

Issue	Maturity	Year-End 2006-12-31	Year-End 2007-12-31	Average	Interest 2007-12-31
5.50%	2008-04-30	200,000	200,000	200,000	11,000
10.50%	2014-06-15	125,000	125,000	125,000	13,125
5.00%	2016-10-01	225,000	225,000	225,000	11,250
10.25%	2017-07-14	150,000	150,000	150,000	15,375
8.40%	2026-02-27	300,000	300,000	300,000	25,200
6.65%	2031-08-27	300,000	300,000	300,000	19,950
5.70%	2033-07-14	125,000	125,000	125,000	7,125
		<u>1,425,000</u>	<u>1,425,000</u>	<u>1,425,000</u>	<u>103,025</u>

<u>Capital Leases</u>					
5.476%		494	337	415	23
		<u>494</u>	<u>337</u>	<u>415</u>	<u>23</u>

<u>Short-Term Debt</u>					
4.187%		113,010	131,744	120,176	5,032

Gross Interest Expense **108,079**

Discount & Issues Expense

		Year-End 2006-12-31	Year-End 2007-12-31	Average	Interest 2007-12-31
5.50%	2008-04-30	362	91	227	272
10.50%	2014-06-15	344	298	321	46
5.00%	2016-10-01	1,911	1,715	1,813	196
10.25%	2017-07-14	605	548	577	57
8.40%	2026-02-27	5,534	5,246	5,390	289
6.65%	2031-08-27	(6,646)	(6,377)	(6,511)	(269)
5.70%	2033-07-14	1,393	1,341	1,367	52
		<u>3,504</u>	<u>2,861</u>	<u>3,182</u>	<u>643</u>

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Sinking Fund by Series (2007)

<u>Sinking Fund</u>	<u>Estimated Opening Balance</u>	<u>Annual Contr.</u>	<u>Estimated Annual Earnings</u>	<u>Estimated Average Balance</u>	<u>Estimated Average Earning Rate</u>	<u>Estimated Closing Balance</u>
10.50% 140615	76,572	-	5,288	79,188	6.68%	81,860
10.25% 170714	40,713	1,500	2,680	42,719	6.27%	44,893
8.40% 260227	36,676	2,400	2,384	39,912	5.97%	41,460
6.65% 310827	15,414	3,000	959	17,011	5.64%	19,373
5.70% 330714	4,088	1,250	268	4,788	5.60%	5,606
Total	173,463	8,150	11,579	183,617	6.31%	193,192

**Guarantee Fee
Canadian Bonds**

<u>Issue</u>	<u>Maturity</u>	<u>Year-End 2006-12-31</u>
5.50%	2008-04-30	200,000
10.50%	2014-06-15	125,000
5.00%	2016-10-01	225,000
10.25%	2017-07-14	150,000
8.40%	2026-02-27	300,000
6.65%	2031-08-27	300,000
5.70%	2033-07-14	125,000
		1,425,000

Short-Term Debt 113,010

Sinking Funds (173,463)

Total Guaranteed Debt 1,364,547

Guarantee Fee @ 1% 13,645