

1 Q. Provide a detailed reconciliation between the interest amounts of
2 \$102,680,000 (Finance and Accounting Evidence, Schedule I, page 6 of 10,
3 line 10) and \$106,300,000. (Finance and Accounting Evidence, Schedule IV,
4 line 33)

5

6

7 A. Please see the following table.

8

(\$millions)

Description

Canadian Bond Interest	103.0
Short Term Debt	5.0
Amortization of Debt Issue Expenses	0.6
Amortization of Foreign Exchange Losses	2.2
Debt Guarantee Fee	13.6
CF(L)Co. Share Purchase Interest	(1.2)
Non-Regulated Debt Pool	(5.4)
Sinking Fund Interest	<u>(11.6)</u>
Interest per Schedule IV	106.2
Allowance for Funds Used During Construction	(1.0)
RSP Interest	(1.0)
Rural Past Due Interest	<u>(0.5)</u>
Interest Regulated Operations – As corrected	103.7

9

10 The total interest earned as filed was overstated and included interest earned
11 on a non-regulated asset. Accordingly, regulated interest earned as filed
12 should have been reduced by \$1,035,000 in 2007. This reduction has been
13 reflected in the above totals. Regulated interest expense for 2007 should
14 therefore have been \$103,715,000 and regulated net income \$10,073,000.
15 Overall return on rate base is unchanged and there is no change in revenue
16 requirement as filed.