

- 1 Q. Provide an explanation of why the amortization of debt issue expenses has
2 declined by approximately \$278,000 in the 2007 forecast given there is a
3 \$225,000,000 long term debt issue forecast in 2006. (Finance and
4 Accounting Evidence, Schedule I, page 6 of 10 line 6)
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7 A. Amortization expenses are forecast to decline in 2007 from 2006 due to a
8 lesser amount of amortization expected on the new issue in 2007 than that
9 expected to be amortized on the maturing issue in 2006.

Discount & Issues Expense
(\$Thousands)

Issue	Maturity	Unamortized	Additions	Amortization	Unamortized	Amortization	Unamortized
		Balance 2005-12-31		2006	2006	Balance 2006-12-31	2007
5.05%	2006-12-01	429		429	-	-	-
5.50%	2008-04-30	634		272	362	272	91
10.50%	2014-06-15	390		46	344	46	298
5.00%	2016-10-01	-	1,960	49	1,911	196	1,715
10.25%	2017-07-14	663		57	605	57	548
8.40%	2026-02-27	5,823		289	5,534	289	5,246
6.65%	2031-08-27	(6,916)		(269)	(6,646)	(269)	(6,377)
5.70%	2033-07-14	1,446		52	1,393	52	1,341
		2,469	1,960	925	3,504	643	2,861