

1 **Q. Reference: Grant Thornton Report – page 25 – Table 14: Please provide the exact**
 2 **numbers used to calculate the interest coverage ratios as presented in Table 14 on**
 3 **Page 25 for 2013, 2014, 2015, 2016 (E and P) and 2017 (E and P).**

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 6 **A.** The table as described in our report presents the exact figures used to calculate interest
 7 coverage. The following presentation adds a formula showing the calculation using the
 8 numbers presented in the table.
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10 **Table 14: Interest Coverage 2013-2017**

(000's)		2013	2014	Forecast 2015	Existing 2016	Proposed 2016	Existing 2017	Proposed 2017
Income before taxes	A \$	47,043	\$ 48,635	\$ 49,055	\$ 45,701	\$ 56,116	\$ 42,541	\$ 58,498
Interest on long term debt	B	35,123	36,327	35,027	35,439	35,439	37,091	37,091
Interest during construction	C	(893)	(1,435)	(974)	(1,071)	(1,071)	(1,089)	(1,089)
Other interest and amortization of debt discount costs	D	1,377	880	1,298	976	1,037	642	747
Total	[E = A+B+C+D] \$	82,650	\$ 84,407	\$ 84,406	\$ 81,045	\$ 91,521	\$ 79,185	\$ 95,247
Interest on long term debt	F \$	35,123	\$ 36,327	\$ 35,027	\$ 35,439	\$ 35,439	\$ 37,091	\$ 37,091
Other interest and amortization of debt discount costs	D	1,377	880	1,298	976	1,037	642	747
Total	[G = F+D] \$	36,500	\$ 37,207	\$ 36,325	\$ 36,415	\$ 36,476	\$ 37,733	\$ 37,838
Interest coverage (times)	[H = E/G]	2.3	2.3	2.3	2.2	2.5	2.1	2.5

11 Further detail for line D "Other interest and amortization of debt discount costs" is as follows:

(000's)		2013	2014	Forecast 2015	Existing 2016	Proposed 2016	Existing 2017	Proposed 2017
Interest on credit facilities	\$	1,048	\$ 457	\$ 1,028	\$ 757	\$ 818	\$ 429	\$ 534
Interest on bank indebtedness		27	169	25	-	-	-	-
Amortization of debt discount and issue costs		302	254	245	219	219	213	213
	\$	1,377	\$ 880	\$ 1,298	\$ 976	\$ 1,037	\$ 642	\$ 747