

1 **Volume 1, Section 3 – Finance**2  
3 **Q. (Exhibit 5)**

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- 5 **a. Please provide the depreciation expense and loss on disposal separately by year**
- 6 **for the period 2002- 2008 forecast.**
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- 8 **b. (page 3 of 8) Please provide a listing of all the Company’s long-term debt issues**
- 9 **outstanding (or planned to be outstanding) from 2002 through 2008, including**
- 10 **original issue size, annual average outstanding balance, original issue date,**
- 11 **maturity date, annual coupon rate, and annual sinking fund or repurchase**
- 12 **requirements. For each issue, please indicate whether and when it may be**
- 13 **redeemed before maturity and what early call premium would have to be paid if**
- 14 **it were redeemed prior to maturity. For each year, the total of the average**
- 15 **annual outstanding balances for all the listed issues should sum to the**
- 16 **corresponding long-term debt balance (line 39 plus line 47) in Exhibit 5.**
- 17
- 18 **c. (page 3 of 8) Please describe the nature of the short-term borrowings in line 45,**
- 19 **and compare the average annual cost rate for these short-term borrowings with**
- 20 **the average annual interest rate paid on the Company’s long-term debt, for each**
- 21 **of the years 2002 through forecast 2008.**

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- 23 **A. (a) The depreciation expense and loss on disposals from 2002 through 2008 are**
- 24 **provided in Table 1.**
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**Table 1**  
**Depreciation Expense & Loss on Disposals**  
**2002 – 2008**  
**(\$000s)**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007F</b>	<b>2008E</b>
Depreciation Expense	35,442	29,372	30,987	32,143	38,922	40,127	41,002
Loss on Disposals <sup>1</sup>	4,350	3,469	5,410	5,846	4,817	N/A <sup>2</sup>	N/A <sup>2</sup>

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- 27 **(b) Please refer to the Company’s response to CA-NP-123.**
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- 29 **(c) Please refer to the Company’s response to CA-NP-124.**

<sup>1</sup> As capital assets are retired or disposed, the original cost of the asset is removed from the capital asset accounts. The original cost of the asset is also removed from the accumulated depreciation accounts, net of salvage. Any gain or loss is, therefore, charged to the accumulated depreciation and reflected in future depreciation expense.

<sup>2</sup> Loss on disposals in 2007 and 2008 will depend on detailed asset retirements and their associated net salvage. Since losses on disposal in 2007 and 2008 will not impact depreciation expense in those years, they have not been forecast.