

1 **Q. Please provide a forecast of the Company's embedded cost of debt for 2008, 2009,**  
2 **and 2010. Please provide all workpapers, on an electronic spreadsheet with all**  
3 **formula intact, used to calculate this embedded debt cost.**  
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5 A. The forecast embedded cost of debt for 2008 to 2010 is shown in Table 1.  
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**Table 1**  
**Forecast Embedded Cost of Debt**  
**2008 to 2010**  
**(\$000s)**

	<b>2008</b>	<b>2009</b>	<b>2010</b>
Embedded Cost of Debt	33,741 <sup>1</sup>	33,928	34,871

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The working papers have been included on the attached compact disc as *PUB-NP-45 Working Papers*.

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<sup>1</sup> The proposed return on debt included in the 2008 Test Year is \$33,443,000 (see Exhibit 10, line 26) after adjustment for the 2008 forecast AFUDC of \$298,000.