

Response to Commissioner Fedorchak's Question re: Capital Structure

With King's Proposed ROE and STD Cost:

	%	Bulkley		%	King	
		Cost	Wtg. %		Cost	Wtg. %
Long Term Debt	44.96%	5.14%	2.31%	45.25%	5.14%	2.33%
Short Term Debt [1]	2.48%	0.36%	0.01%	1.33%	0.36%	0.00%
Shareholders' Equity [2]	52.56%	9.00%	4.73%	53.42%	9.00%	4.81%
Total	100.00%		7.05%	100.00%		7.14%

With Bulkley's Proposed ROE and King's Proposed STD Cost:

	%	Bulkley		%	King	
		Cost	Wtg. %		Cost	Wtg. %
Long Term Debt	44.96%	5.14%	2.31%	45.25%	5.14%	2.33%
Short Term Debt [1]	2.48%	0.36%	0.01%	1.33%	0.36%	0.00%
Shareholders' Equity [2]	52.56%	10.25%	5.39%	53.42%	10.25%	5.48%
Total	100.00%		7.71%	100.00%		7.81%

Notes:

[1] Does not include the differences between the cost of Short Term Debt presented by Staff (0.36%) and NSP (0.75%).

[2] Reflects differences between ROE presented by Staff (9.00%) and NSP ( 10.25%)