

Q. Please provide a table indicating the actual dollar amount and percentage of the increase/decrease, as the case may be, in the actual cash amounts paid over to Fortis for the years 1992 to current.

A. Table 1 below provides a summary of common dividends paid to Fortis Inc. during the period from 1992 to 2001 and forecast 2002. The annual percentage increase/(decrease) is also provided.

Table 1 Common Dividends Paid to Fortis Inc. 1992 – 2002F (\$000s)		
Year	Common Dividends	Percentage Increase (Decrease)
1992	15,667	2.0%
1993	16,387	4.6%
1994	29,360	79.2%
1995	17,957	(38.8)%
1996	33,766	88.0%
1997	23,576	(30.2)%
1998	19,598	(16.9)%
1999	9,495	(51.6)%
2000	18,990	100.0%
2001	18,990	0.0%
2002F	9,495	(50.0)%

The Company changes its dividends from time to time to assist in managing the common equity component of the Company's capital structure close to the 45 percent upper limit allowed by the Board. This proportion of common equity is necessary to achieve acceptable interest coverage ratios, which are required to protect the interest of the Company's debt holders.

In 1998, 1999, 2002 and 2003, Newfoundland Power suspended or reduced the payment of dividends to its common shareholder to maintain the appropriate level of regulated common equity. The latest example of this is in 2002 and the first two Quarters of 2003 where the Company is forecasting a reduction in quarterly common dividends from \$0.46 per share to \$0.23 per share. This increases retained earnings and assists in maintaining a level of regulated common equity close to the 45 per cent level.