"The challenge now before NB Power is to adjust the philosophies and principles that guide our everyday decisions and operations to meet public expectations for increased responsibility and accountability."

The New Brunswick Electric Power Commission

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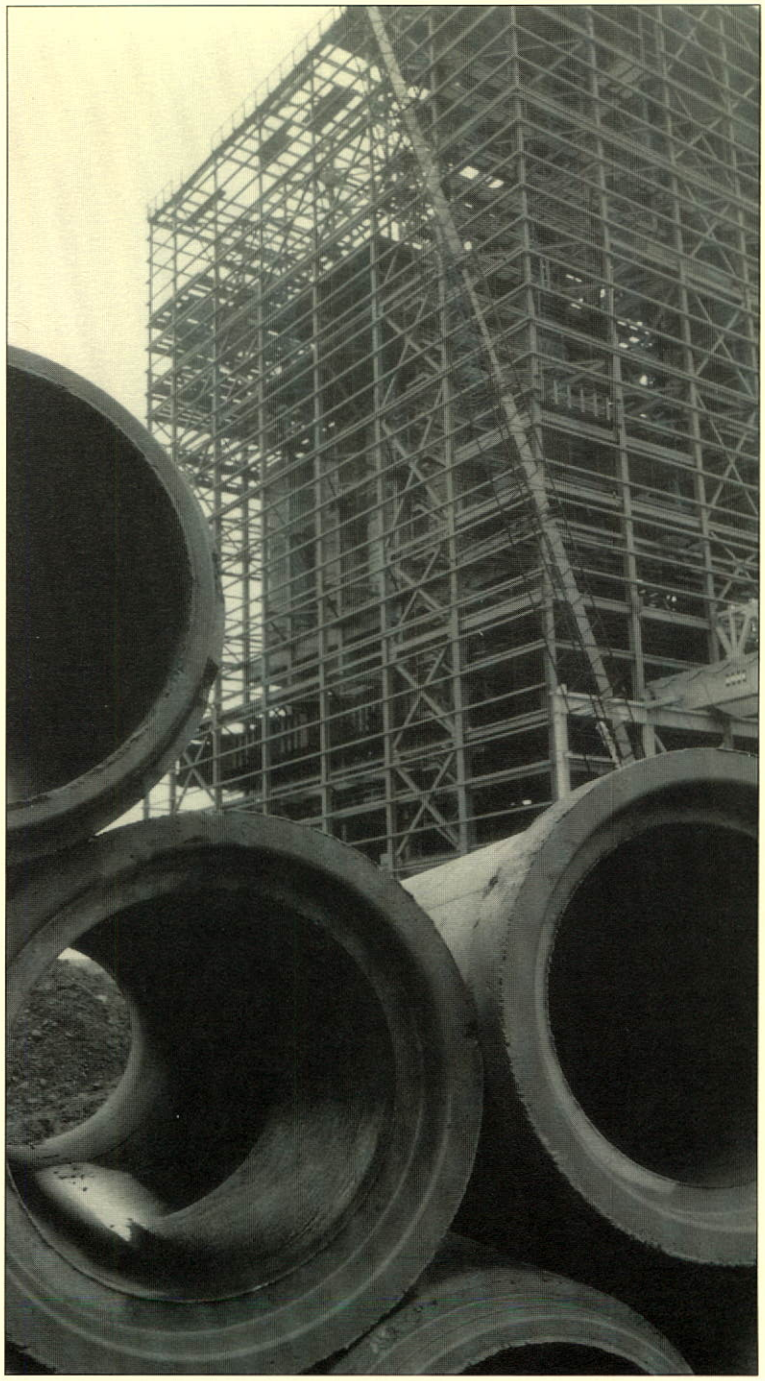

Energy use in New Brunswick is predicted to grow at an average rate of 2.8% per year for the next 15 years. To meet this growing need for electricity, NB Power intends to combine conservation and energy efficiency initiatives with a series of planned energy developments. One such development is the 450 MW coal-fired generating station at Belledune which will come on line in November 1993.

Concrete storm sewers frame the Belledune boiler house now under construction. The boiler house is 86 metres or 24 storeys high.

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Fredericton, N.B.
E3B 4X1

Pour recevoir des exemplaires français du rapport, veuillez communiquer avec:
La Commission d'énergie électrique du Nouveau-Brunswick
Affaires publiques
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Fredericton (N.-B.)
E3B 4X1

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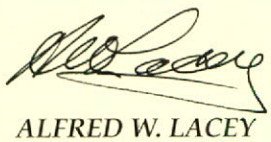
May 24, 1991

To His Honour
The Honourable Gilbert Finn
Lieutenant-Governor of New Brunswick

Sir:

The New Brunswick Electric Power Commission begs leave to submit, in accordance with the Electric Power Act, Chapter E-5, of the revised Statutes of New Brunswick 1973, the following report for the twelve-month period ended 31 March 1991.

I am, Your Honour,
Yours very truly



ALFRED W. LACEY
Chairman
The New Brunswick Electric Power Commission

Comments

Over the past 70 years, NB Power has prided itself on its ability to provide the electricity that has done so much to bring about positive social and economic change in New Brunswick.

The recognition of these 'seventy years of service' was a satisfying reminder of our past accomplishments, but it also served the important purpose of inspiring us to re-examine our priorities and to improve on an enviable track record. While our mandate to generate and supply electricity has remained fundamental, our corporate priorities, and the way we do our job, are undergoing significant change.

The challenge now before NB Power is similar to the challenge before all governments and corporations — it is to adjust the philosophies and principles that guide our everyday decisions and operations to meet public expectations which are commanding new and expanding efforts for increased responsibility and accountability.

We have responded to this challenge in many ways and have begun to put in place programs that will bring results today and in the future. The new provincial **Energy Policy, 1991-2005** established directions for sustainable development; our environmental protection plan will guide our development and performance; and our integrated resource plan will help identify cost-effective supply- and demand-side energy options. These programs, along with many other initiatives, will dovetail with our traditional corporate strengths and stand us in good stead as we continue to serve the people of the province.

We know that words like integrated resource planning and demand-side management will become just as much part of the vocabulary of NB Power as hydro-electricity and nuclear energy have been in the past. Indeed, our commitment to these concepts, balanced against meeting the demand for electricity, will become the measuring stick for success by which we should be judged.

President Lin Titus (left) and Chairman Alfred W. Lacey

This is part of the developing relationship between NB Power and the people of New Brunswick, a relationship that will be based on a public trust and accountability that will result in a future as worthy as our past 70 years.

The Year in Review

Ronnie Losier, an engineering surveyor, takes a reading in the boiler house. There are six surveying crews working fulltime on the Belledune site surveying various projects such as the 4 km pipeline from the dam to the powerhouse; the 3 1/2 km conveyor which will carry coal from the wharf to the domed storage areas; the sedimentation ponds; and the wastewater treatment plant.

In 1990/91 electrical energy sales to in-province customers were down 2.7% over the previous year. This decline reflects a milder winter compared with 1989/90 and reduced industrial operations mainly because of labour-management disputes. Sales to industrial customers fell 8.9% and those to wholesale customers by 0.4%. There were modest gains in sales to residential and general service customers: residential sales rose 2.2% and sales to general service customers rose 2.6%. When sales are adjusted to average weather conditions and for normal industrial loads, however, the year-to-year change is a 4.4% increase, with residential sales up 6.5%; general service up 6.3%; wholesale up 2.2%; and industrial up 2.7%.

About 4,200 new residential customers had been added to the system by year-end. Almost 4,900 customers in all classifications came onto the system during the year, bringing the total number of customers to 316,071 as of 31 March 1991. This includes 39,941 indirect customers served by the municipal utilities in Saint John and Edmundston.

The year's in-province peak demand for electric power, which occurred on 8 January 1991, was 2,566,000 kilowatts. This was essentially the same demand as in 1989/90 but, when corrected for the effects of temperature and non-routine industrial shut-downs, the year-to-year increase in peak demand would have been 2,652,000 kilowatts, 3.9% higher. In-province energy for the year was supplied as follows: 26.4% by nuclear; 24.9% by hydro; 23.0% by oil; 20.6% by purchased power; 4.7% by coal and 0.4% by other.

Lee Delong, project engineer (right) and Jim Gormley, construction stores supervisor, confer over plans outside the new administration complex at Point Lepreau. The complex, which was built to house the nuclear training simulator and the public information centre, will be opened officially in August 1991.

Interconnection energy sales decreased by 19.2% from 7191 million kilowatt-hours in 1989/90 to 5813 million kilowatt-hours in 1990/91. This decrease was caused by a suspension of major economy energy sales particularly to Hydro-Québec at the outset of the war in the Persian Gulf in order to conserve heavy fuel-oil supplies and by an improvement in Hydro-Québec's hydraulic situation. The recession in New England coupled with the Seabrook, New Hampshire, nuclear generating station coming on line during the summer of 1990 also contributed to the decline in export sales.

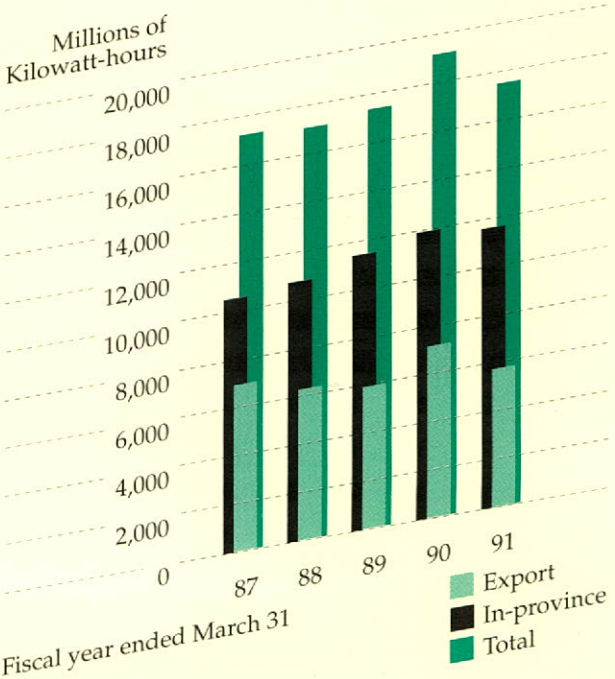
Extensions to seven licenses to export electricity to New England were approved by the National Energy Board. These were the first export licenses approved under the amended National Energy Board Act. The amended Act now allows the National Energy Board to grant export permits through a written licensing process. NB Power conducted public meetings at five locations in the province and responded to written interrogatories from interested parties as part of the approval process.

The year's gross peak demand, including interconnection sales was 3,650,000 kilowatts on April 9, 1990, 3.9% below the previous year's peak.

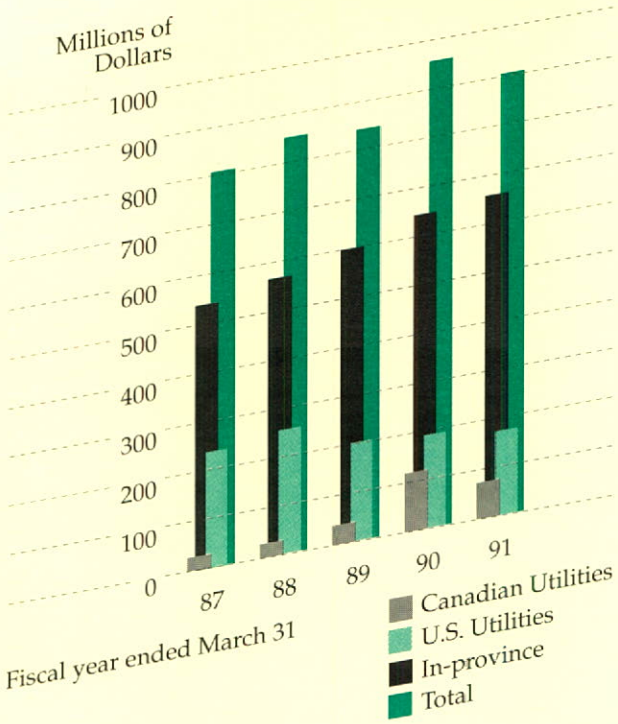
Power purchases decreased 7.5% from 3914 million kilowatt-hours in 1989/90 to 3620 million kilowatt-hours in 1990/91. A capacity purchase of 25 MW was made from Bangor-Hydro Electric Company for December 1990, January and February 1991.

Point Lepreau gross generation was 5857 million kilowatt-hours representing a fiscal year capacity factor of 98.5%. Gross hydro energy production of 3334 million kilowatt-hours was 26% above the long-term average as a result of higher rainfall throughout the late summer and autumn and a mild winter. Thermal gross generation was 6508 million kilowatt-hours, a decrease of 30.3% from the previous fiscal year.

In-province and export sales



Sources of revenue



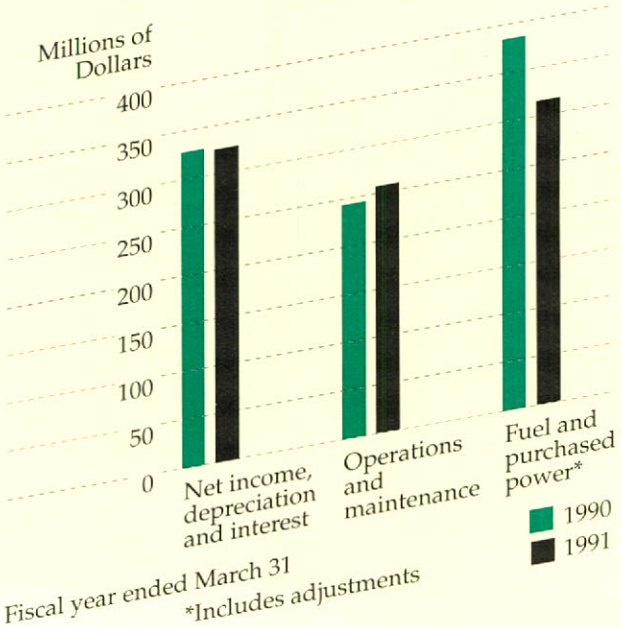
Total gross generation and purchases decreased by 1856 million kilowatt-hours from 21,175 million kilowatt-hours in 1989/90 to 19,319 million kilowatt-hours in 1990/91. This is equal to the increase in gross generation and purchases in 1989/90 over 1988/89.

Total revenue amounted to $908.5 million, a decrease of $49.0 million or 5.1% from the previous year. During the fiscal year 1990/91, in-province revenues rose $12.6 million despite a 2.7% reduction in energy sales volumes as a result of lower sales to industry. The revenue increase was due to higher sales in other sectors and a 6.9% rate increase implemented on an interim basis January 16, 1991. Interconnection revenues decreased $63.6 million due to decreased energy sales of 19.2% mainly as a result of reduced sales to Hydro-Québec.

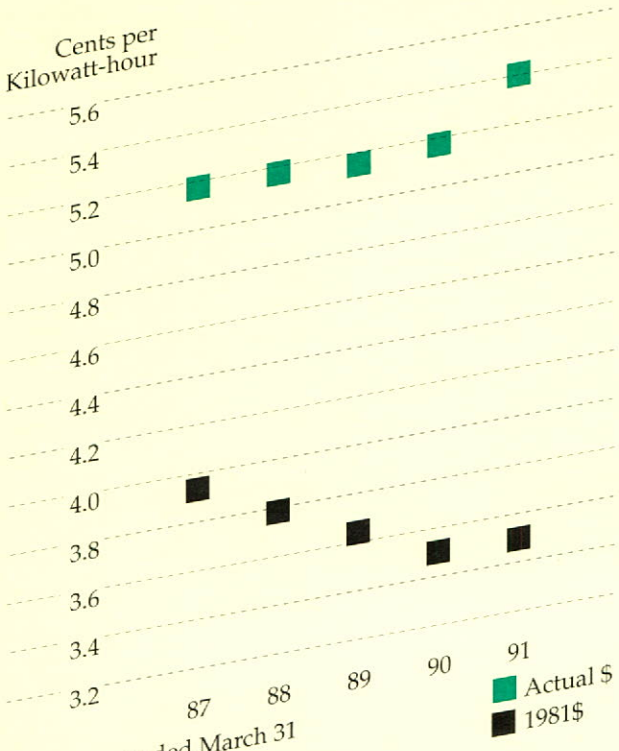
The total cost of fuel and purchased power decreased by $63.0 million or 17.1%, to $305.1 million. Lower interconnection sales was the major cause of this decrease. Operations, maintenance and general expenses rose $21.7 million or 8.8% to $266.3 million due mainly to higher labour costs, increased plant maintenance costs, and new regulatory costs and fees. Depreciation expenses including decommissioning charges increased $1.5 million to $106.3 million after a reduction of $4.3 million resulting from changing the service life of the thermal generating stations to 35 years from the previous level of 30 years. Net financial expenses increased $14.1 million to $211.6 million primarily due to a weakening of the Canadian dollar versus the Swiss franc.

An excellent nuclear unit performance and record hydro generation resulted in an addition of $39.1 million to the generation equalization account and a corresponding charge against net income.

Distribution of revenue



Average cost to customer (¢/kWh)
In-province sales - NB Power



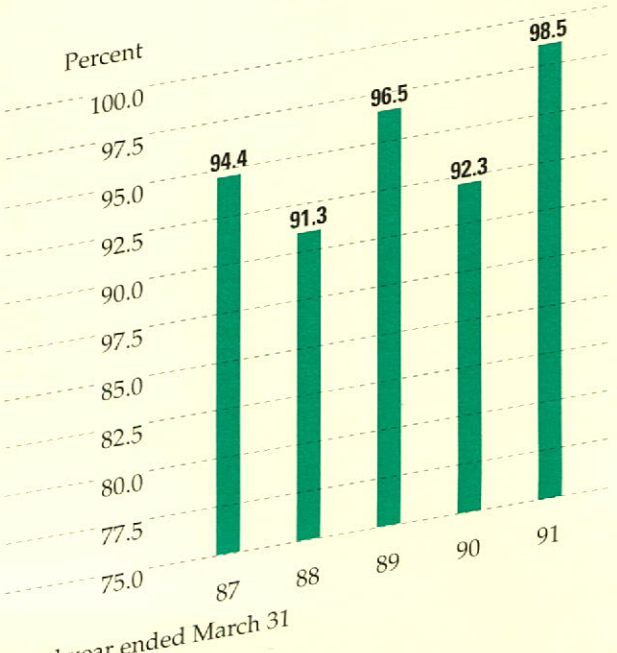
Earnings from export sales to neighbouring utilities were $12.6 million below forecast levels. This amount, less scheduled amortization of higher than forecast earnings of previous years, resulted in a total transfer from the export sales stabilization account to income of $28.5 million.

Net income for the year declined to $8.4 million from $26.2 million in the previous year. Earnings invested in the business now stands at $222.0 million after appropriations in prior periods to the Generation Equalization Reserve in the cumulative amount of $176.0 million.

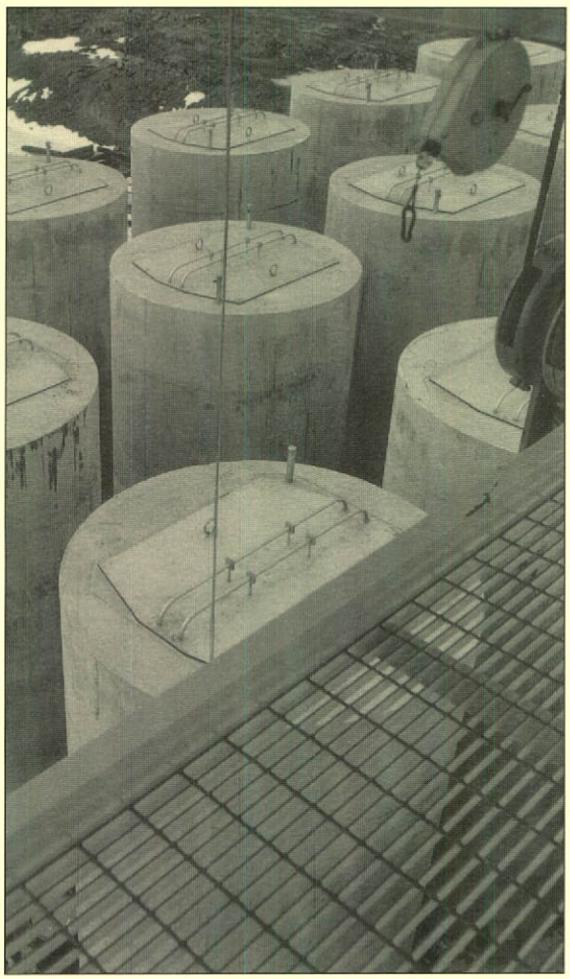
Total capital expenditures during 1990/91 were $463.6 million primarily related to the construction of new generating facilities. New borrowings during the fiscal year were as follows: U.S. $150.0 million, 9.75% debentures due 2020; $50.0 million, 11.25% debentures due 1995; $75.0 million, 11.25% debentures due 2000; $50.0 million, 10.75% debentures due 2001. The following issue matured during the fiscal year: $73.1 million, 13.75% due May 15, 1990. The call option for U.S. $75.0 million, 10.5% debentures was exercised and financed through the issuance of U.S. $41.0 million of 8.5% debentures and sinking fund withdrawals.

The Point Lepreau nuclear unit again turned in an exceptional performance with a capacity factor of 98.5% for the fiscal year. Based on a survey of 339 nuclear reactors, the respected journal **Nuclear Engineering International** rated it as the number one performer for the year ending September 1990 and number one in lifetime performance from September 1982 to September 1990. By the end of the fiscal year, the new simulator at Point Lepreau was operational and 20 canisters for the dry storage of spent fuel had been built. The canisters will start to be filled by August 1991. More canisters will be built as needed.

Point Lepreau fiscal year capacity factor



During the fiscal year, 20 canisters were built at Point Lepreau for the dry storage of spent fuel.



For the first time since April 1985, NB Power asked for an increase in rates to compensate for reduced interconnection sales benefits and to improve net income performance. The utility applied to the Public Utilities Board in November for a 6.9% increase effective January 1, 1991. The application was approved on an interim basis only, a full hearing being set for July.

Federal approval to begin construction work on the Belledune coal-fired generating station was received early in the fiscal year. Although the construction start date was behind schedule, time was quickly made up and by the end of August 1990 the foundations had been laid for the boiler house and the structural steel was going up. Concrete footings were also laid over the summer for the buildings housing the four combustion turbine generators at Millbank and the one at Ste-Rose. The combustion turbines are expected to be in operation in November 1991.

Formal public hearings were held late in the fiscal year as part of the environmental impact assessment regarding the route selection and construction of a 345kV line from Salisbury to Bathurst. The Salisbury to Bathurst section, which is 241 km long, is the last link completing a 345 kV transmission line which rings the province.

To better serve its customers, NB Power opened two new district operating complexes during the summer at Tracadie and Sussex and renovated its St. George sub-office. And, beginning in November, a joint-payment system was made available for customers of NB Power and NBTel to pay their power and phone bills at district offices and sub-offices and NBTel PhoneCentres.

The new nuclear training simulator at Point Lepreau.

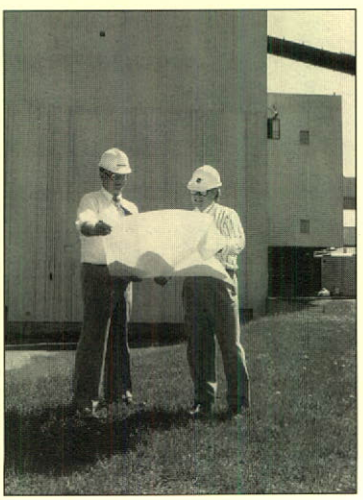
Energy efficiency and conservation, an approach emphasizing the potential for saving rather than generating kilowatts, remained key elements in the utility's resource planning. In the autumn, NB Power commissioned a survey to assess the potential for increasing the energy efficiency of New Brunswick industries; it also surveyed 20,000 residential customers for information on residential energy use patterns. As part of its Energy Wise program, it introduced the compact krypton light bulb, offering a rebate to encourage customers to purchase the energy-efficient krypton bulbs. Energy advisers did over 2500 Home Energy Checks for residential customers during the year. And in January 1991, the utility launched a low interest rate loan program for insulating attics and basements under its Energy Wise banner. NB Power also extended the energy audit of its own buildings which it had started late in the previous fiscal year. During summer 1990, lighting audits were done in 19 district offices.

Four 100-MW combustion turbine generating units now under construction at Millbank will come on line in November 1991. Jim MacLean, a turbine engineer (left) and Ed Tozer, construction superintendent, inspect the exhaust diffuser on the No. 4 turbine prior to commissioning in August.

An R-2000 home under construction in Oromocto. NB Power is promoting R-2000 housing as one of its demand-side management programs to encourage customers to use electricity more effectively.

During the fiscal year, NB Power continued with its environmental program. It was the first utility in Canada to commit itself to Environment Canada's "Environmental Codes of Practice For Steam Electric Power Generation". All new steam electric power generating facilities developed by NB Power will be developed in a manner consistent with these codes. In January 1991, NB Power completed a draft "Environmental Protection Plan for Transmission Facilities" which represents a generic environmental protection plan to ensure that its transmission facilities are sited, designed, constructed and operated in an environmentally sound fashion.

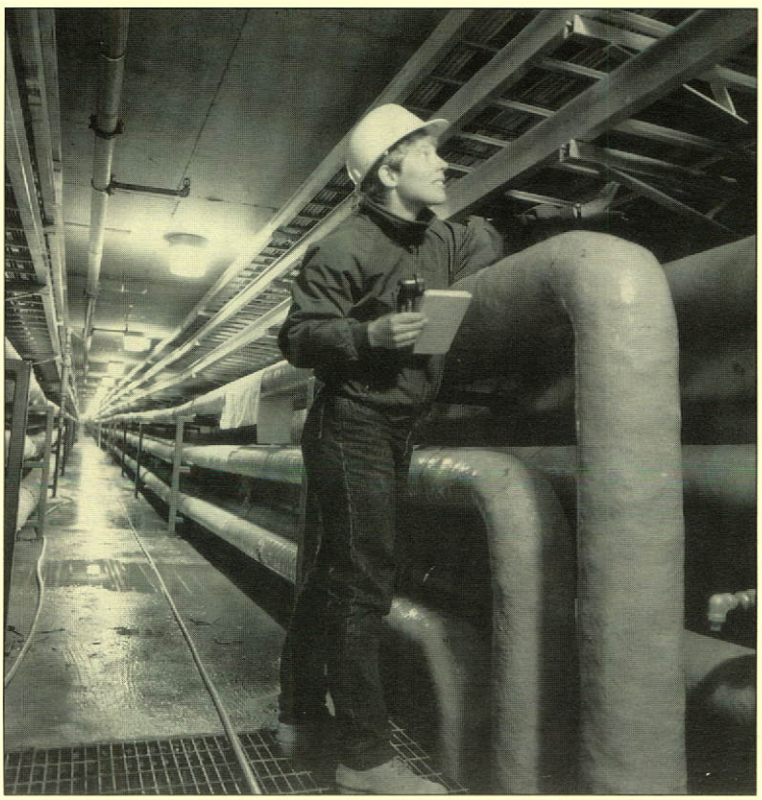
A key element in NB Power's environmental program is a reduction in sulphur dioxide emission levels which, according to a federal-provincial agreement, must be in place by 1994. In January, the utility announced a $338 million conversion of its Dalhousie plant which includes installing flue gas desulphurization equipment. The scrubber will reduce sulphur dioxide emissions from the 1989 level of some 60,000 tonnes to 8,000 tonnes or less when it becomes operational. The Dalhousie plant will be converted to burn Orimulsion™ which is an emulsion of natural bitumen and water that is produced in Venezuela. NB Power tested the viability of burning Orimulsion™ in a cold climate over the past three years. A flue gas desulphurization system will also be built for the 450 MW coal-fired generating station at Belledune and a contract for this scrubber was awarded to Noell-KRC of Germany in February 1991. The scrubber at Belledune will be the first operating scrubber on a utility generating station in Canada.



Station manager, Blair Kennedy (right) and Ralph Harrigan, production manager, look over blueprints for the proposed scrubber building and a new administration building at the Dalhousie plant.

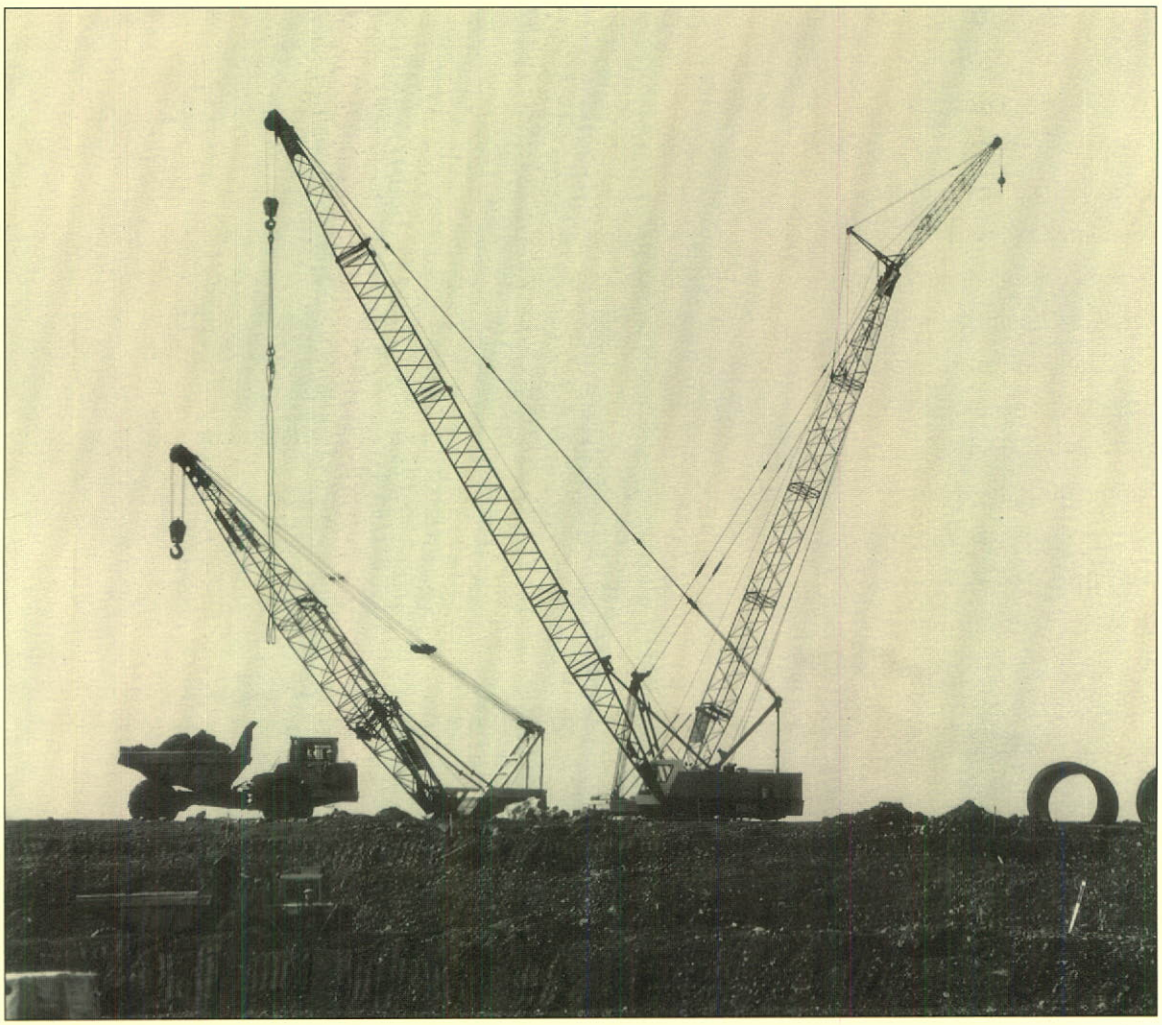
In November, NB Power announced that it will burn a low sulphur oil at its Courtenay Bay plant in Saint John during the summer months. Courtenay Bay will switch to a low sulphur oil at other times of the year whenever atmospheric conditions warrant. Data from a two-year program monitoring the amount of wet sulphate deposition, or acid rain, in southern New Brunswick is currently being analysed and used as input for a sophisticated computer model. Using the computer model, it will be possible to predict the source of the acid rain, how much is coming from outside the province and how much from within, including how much Coleson Cove is contributing. The modelling study is expected to be completed in summer 1991. Plans are also underway to expand this monitoring/modelling network to the Belledune and Grand Lake areas in order to provide comparable information for detecting the effect of the 1994 reduction in sulphur dioxide emissions on New Brunswick.

Over the years, NB Power has maintained strong working relationships with New Brunswick universities and community colleges through direct financial support, establishing special chairs in engineering and participating in work-study programs. This year, the utility continued its support of the Université de Moncton's Research Centre for Energy Conversion by cosponsoring an international technical conference on heat pumps in August. In June 1990, NB Power made two major commitments to the Saint John campus of the University of New Brunswick: to support a work-study program in Business Administration and to renew the Point Lepreau Training Program contract. NB Power also signed a three-year agreement to provide a grant of $40,000 per year to the Centre Universitaire Saint-Louis-Maillet towards the development of a micro-computer centre.



Ann Evans, an electrical engineer working at the Millbank site, inspects cable trays in the underground cable tunnel. The tunnel, which is 185 metres long and contains water and fuel pipes in addition to electrical cabling, runs from the auxilliary building to the gas turbines.

A fifth 100-MW combustion turbine is also under construction at Ste-Rose. Survey crew foreman, Wayne Wallace, staking for the transmission towers which will carry line 1158 connecting the Ste-Rose turbine to the system grid.



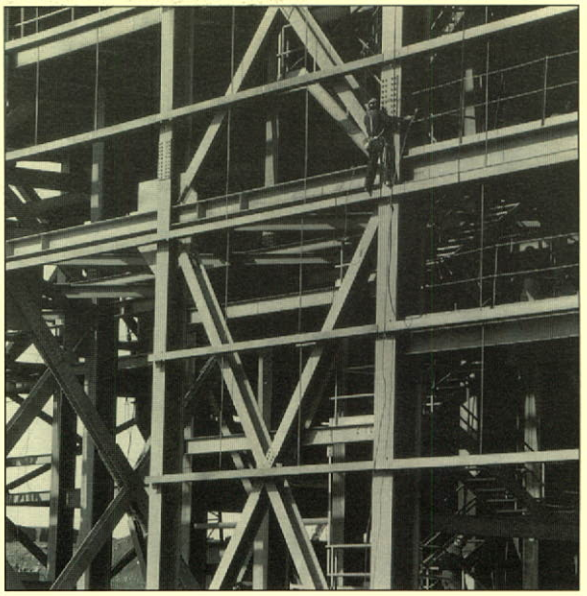
Special heavy-duty cranes which can lift great weights to lofty heights have been delivered to the Belledune site and are now in place. The largest one can lift up to 300 tons.

During the fiscal year, NB Power took an important first step towards implementing a pay equity program: A committee made up of union and management representatives was selected to evaluate various pay equity systems. NB Power's pay equity program will be based on the principle that wages should reflect the value of a job regardless of the sex of the person doing the job.

Following Frank MacLoon's retirement in October 1990, G. Linwood Titus, the former Executive Vice-President, was appointed President in December 1990. His appointment was closely followed by that of Alfred W. Lacey who succeeded Rayburn Doucett as Chairman.

At year end, 3087 regular and temporary employees worked for NB Power compared with 2847 employees as at March 31, 1990. The main reason for the increase in the number of employees is due to staffing construction projects at Belledune, Millbank and Ste-Rose.

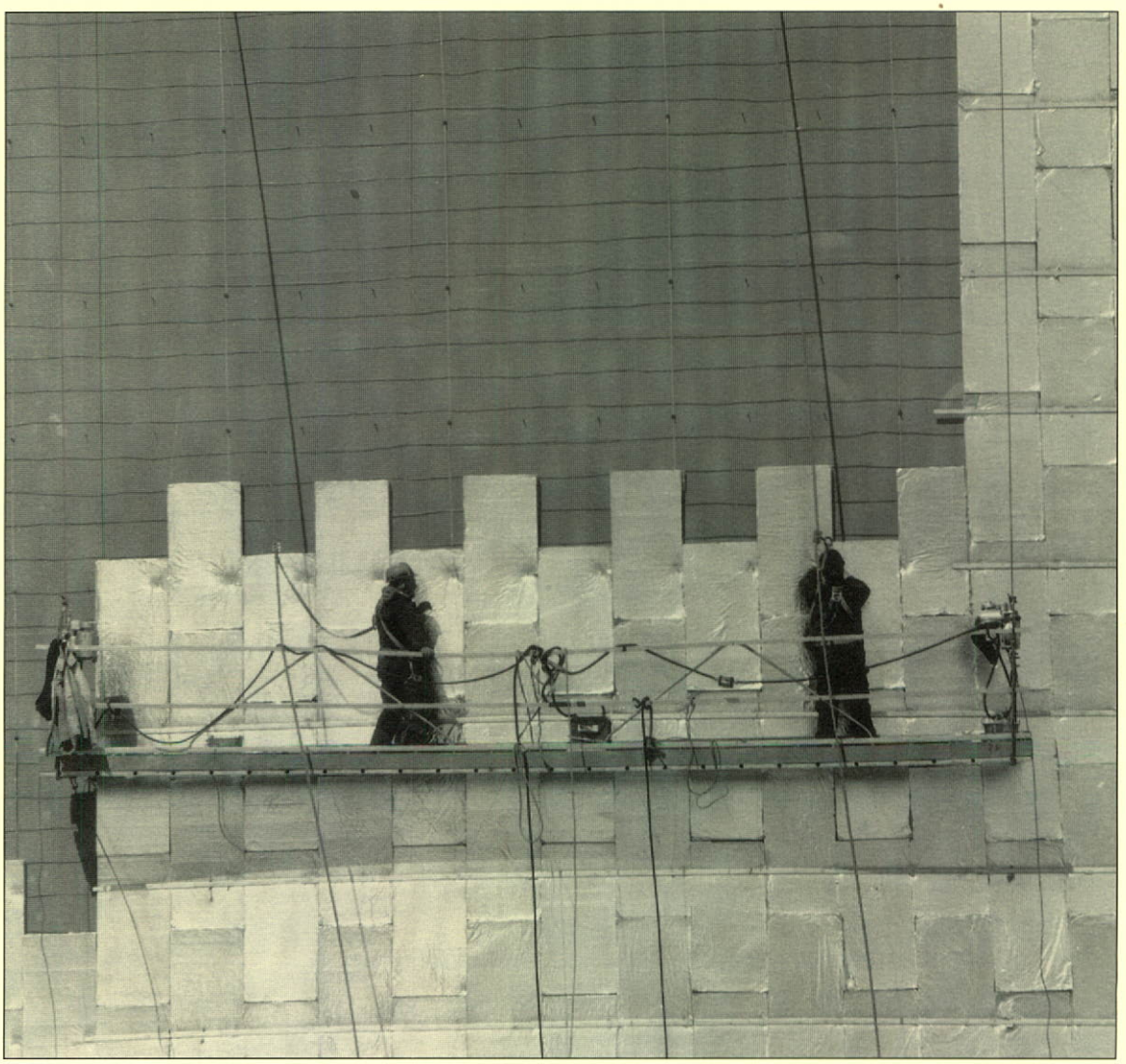
Directions



Iron workers, using modern safety harnesses, clamber over the Belledune powerhouse many metres above the ground.

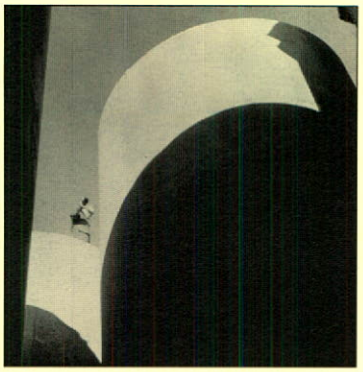
In December 1990, the New Brunswick government released **An Energy Policy, 1991-2005**. It mandates that all future energy initiatives be administered within a framework of sustainable development and energy efficiency and conservation. The emphasis on energy efficiency and conservation will ultimately produce benefits for both the environment and the economy.

The peak demand for energy is expected to grow over the next 10 years by an average of 2.7%. This increase and more stringent environmental criteria are playing an increasingly important role in planning, making it imperative that every feasible initiative that will reduce demand and possibly delay the need for new generation is explored.



Insulating a fuel tank at Millbank. Two fuel tanks each capable of holding 40 million litres of No. 2 diesel fuel have been built on the Millbank site. The tanks are first insulated with large foil-covered panels before a thick metal cladding goes on.

Close-up of a dry storage canister at Point Lepreau.

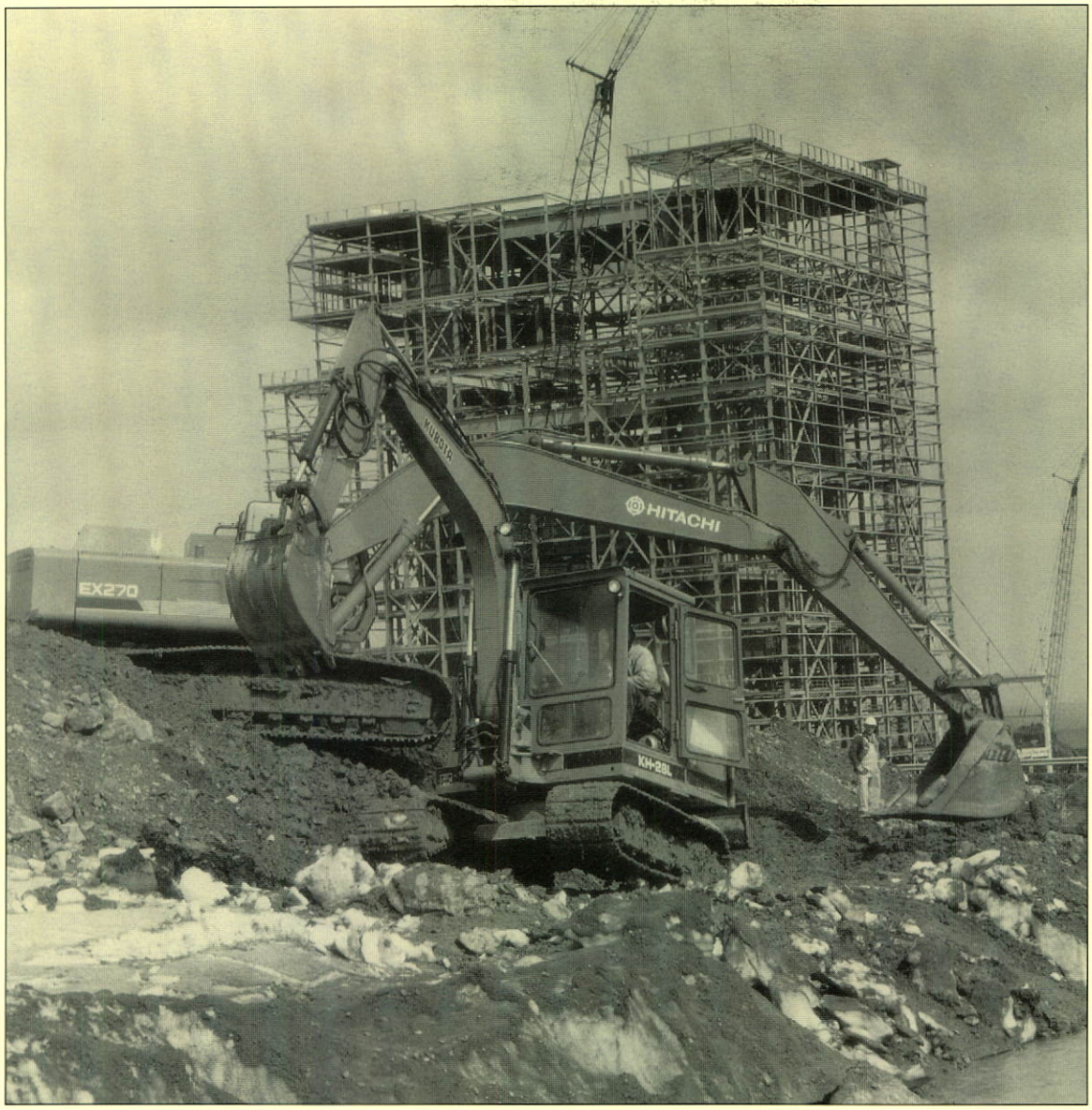


Pumping insulation into an attic. In January 1991 the utility launched a low interest rate loan program for insulating attics and basements.

In early 1990, NB Power prepared an integrated resource plan that examined the most cost-effective supply- and demand-side management options considered viable in New Brunswick. Demand-side management and cogeneration will play a major role in the utility's capacity planning. The significant element of the integrated resource plan is that about 110 MW of cost-effective demand-side management from various programs will displace peaking capacity.

In order to achieve 110 MW of demand reduction, a portfolio of programs will be introduced to encourage customers in all sectors — residential, commercial, industrial — to use electricity more effectively. R-2000 housing, ground-source heat pumps, energy-efficient lighting and energy-efficient motors will be promoted.

Putting together an exhaust silencer which connects one of the Millbank gas turbines to its stack.



Two excavators prepare the ground in front of the Belledune powerhouse for the scrubber building. A total of 81,000 cubic metres of earth was moved for the scrubber building.

Delaying the need for new capacity by managing demand and conserving energy ultimately benefits the environment since a kilowatt saved is one that has not been generated. NB Power is committed to protecting the environment of the province and has developed a policy to guide its environmental performance and to affirm its responsibility for and commitment to environmental protection.

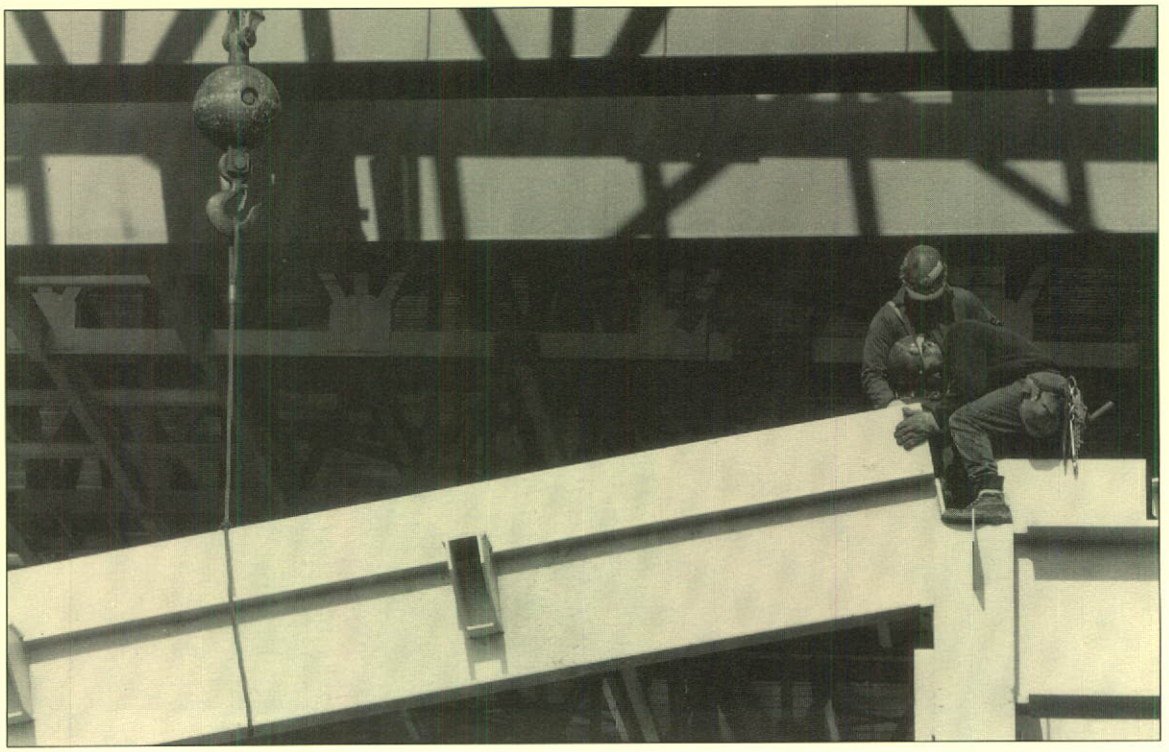
New generating facilities will be designed to meet the **National Emission Guidelines for New Thermal Power Plants**. For example, at Belledune, a scrubber is being installed to reduce sulphur dioxide emissions by up to 90%. The scrubber is being designed to produce commercial quality gypsum rather than waste scrubber sludge.

Belledune will have a plastic-covered waste water treatment plant. It will also have an enclosed coal storage system for stockpiling coal for the new station. Several different coal storage systems were considered for the project and the enclosed dome, which measures 139 meters in diameter, will be built at a cost of $25.8 million.

Civil technician Susan Furlotte and a contractor's crew doing a soil check on the Belledune site.

NB Power is currently investigating the potential for using the innovative integrated gasification combined cycle system for a proposed thermal installation at Grand Lake. This system minimizes the emissions of nitrogen oxides and sulphur dioxide and also increases the efficiency of thermal conversion in terms of carbon dioxide released. In this way the utilization of New Brunswick coal can be compatible with cleaner air emissions. The utility is also investigating a low-flow turbine for Mactaquac which will increase the efficiency of the hydro plant during peak demand periods as well as during low-water months.

With respect to new transmission line facilities, NB Power has introduced an Environmental Protection Plan which will guide all environmental aspects of the route selection, design, construction and operation of these facilities. This plan focuses on erosion control, protecting the aquatic environment (particularly fish habitat in the vicinity of stream crossings) and encompasses a host of other environmental considerations.



With the help of a crane, a steel beam is gently eased into place. Over 10,000 tonnes of steel were used in the construction of the Belledune powerhouse.

FINANCIAL STATEMENTS

Management Report

The financial statements of The New Brunswick Electric Power Commission have been prepared by management in accordance with generally accepted accounting principles as established in Canada. These financial statements are the responsibility of management and have been approved by the Commissioners. In management's opinion, the financial statements have been properly prepared in accordance with the accounting policies set out in notes to the financial statements. Financial information presented elsewhere in this annual report is consistent with that in the financial statements.

Management depends upon a system of internal controls to ensure that financial information is reliable and accurate and that assets are properly safeguarded. The controls and related systems are periodically reviewed by internal auditors.

The financial statements have been examined by the external auditors, Deloitte & Touche. Their responsibility is to express a professional opinion on the fairness of management's financial statements. The Auditors' Report outlines the scope of their examination and their opinion.

Auditors' Report

Deloitte & Touche

The Honourable Frank McKenna
Premier of the Province of New Brunswick
Fredericton, New Brunswick

Sir:

We have audited the consolidated balance sheet of The New Brunswick Electric Power Commission as at March 31, 1991 and the consolidated statements of income, earnings invested in the business, and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Deloitte & Touche

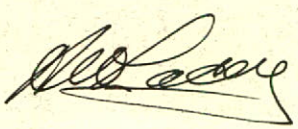
Chartered Accountants

Fredericton, NB
May 24, 1991

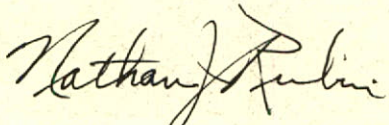
Consolidated Balance Sheet as at March 31, 1991

	1991	1990
Property, Plant and Equipment (Note 2)		
Land, buildings, plant and equipment, at cost, less accumulated depreciation, and construction-in-progress	**$2,821,270,432**	$2,456,054,320
Current Assets		
Cash and short-term investments	**1,677,875**	9,006,358
Accounts receivable	**127,424,783**	118,522,110
Material, supplies and fuel	**91,640,723**	85,333,377
Prepaid expenses	**4,412,867**	3,937,083
	225,156,248	216,798,928
Deferred Charges		
Unrealized foreign exchange differences, less amounts amortized (Note 3)	**8,960,056**	30,277,941
Nuclear unit decommissioning	**107,694,796**	112,590,014
Debenture and note discount and issue expenses, less amounts amortized	**23,401,317**	16,991,949
Conservation and energy management	**484,253**	-
Other deferred charges	**3,660,705**	3,837,845
	144,201,127	163,697,749
	$3,190,627,807	$2,836,550,997

On behalf of The New Brunswick Electric Power Commission



Hon. Alfred W. Lacey, Chairman



Nathan J. Rubin, Commissioner

Consolidated Balance Sheet as at March 31, 1991

	1991	1990
Long-Term Debt (Note 4)		
Guaranteed by the Province of New Brunswick		
Debentures and notes issued by the Commission	$ 953,268,042	$1,170,023,361
Note payable to Atomic Energy of Canada Limited	315,032,349	321,516,257
Loans from Northern Canada Power Commission	33,409,860	35,712,318
Debentures held by the Province of New Brunswick	693,293,200	301,894,000
Other long-term debt - not guaranteed	28,974,343	31,246,193
	2,023,977,794	1,860,392,129
Less payments due within one year	93,144,495	129,399,409
	1,930,833,299	1,730,992,720
Current Liabilities		
Short-term indebtedness (Note 5)	138,421,793	30,042,099
Accounts payable and accruals	98,600,693	76,935,094
Accrued interest	98,789,398	94,397,763
Current portion of long-term debt	93,144,495	129,399,409
Holdbacks on contracts in progress	21,886,892	2,091,292
Service deposits	797,627	1,448,974
	451,640,898	334,314,631
Deferred Liabilities		
Generation equalization account (Note 6)	147,180,974	108,031,974
Export sales stabilization account (Note 7)	7,881,532	36,369,868
Irradiated fuel management, nuclear unit decommissioning and fuel channel removal (Note 8)	239,991,956	226,251,184
Other (Note 9)	15,068,801	11,030,121
	410,123,263	381,683,147
Equity		
Minority interest in subsidiary company	-	(98,773)
Generation equalization reserve	176,000,000	176,000,000
Earnings invested in the business	222,030,347	213,659,272
	398,030,347	389,560,499
	$3,190,627,807	$2,836,550,997

Consolidated Statement of Income for the year ended March 31, 1991

	1991	1990
Revenue		
Sales of power		
In-province	**$642,341,599**	$629,743,813
Out-of-province (Note 10)	**247,974,136**	311,560,328
Sales of steam	**6,259,300**	4,564,188
Miscellaneous	**11,930,164**	11,585,754
	$908,505,199	$957,454,083
Expenditure		
Purchased power	**113,790,664**	109,527,750
Generated power		
Fuel	**191,315,076**	258,579,777
Other	**133,935,010**	124,012,238
Operations, maintenance, administration and general	**132,409,907**	120,665,416
Depreciation (Note 11)	**106,332,164**	104,785,247
	677,782,821	717,570,428
Income before interest and exchange	**230,722,378**	239,883,655
Interest and exchange (Note 12)	**204,166,742**	188,956,685
Provincial government guarantee fee	**11,999,707**	9,001,549
Amortization of debenture discount and expense	**2,563,595**	2,327,555
Amortization of unrealized foreign exchange	**15,936,412**	3,959,223
	234,666,456	204,245,012
Less Interest capitalized	**23,081,176**	6,745,908
	211,585,280	197,499,104
Income before the following	**19,137,098**	42,384,551
Generation equalization adjustment	**(39,149,000)**	(3,182,000)
Transfer from (to) export sales stabilization account (Note 7)	**28,488,339**	(13,082,818)
	(10,660,661)	(16,264,818)
	8,476,437	26,119,733
Minority interest in losses of subsidiary company	**-**	58,007
Goodwilll written off	**105,362**	-
Net Income for the Year	**$ 8,371,075**	$ 26,177,740

Consolidated Statement of Earnings Invested in the Business for the year ended March 31, 1991

	1991	1990
Balance, beginning of year	**$213,659,272**	$187,481,532
Net income for the year	**8,371,075**	26,177,740
Balance, end of year	**$222,030,347**	$213,659,272

Consolidated Statement of Changes in Financial Position for the year ended March 31, 1991

	1991	1990
Net inflow (outflow) of cash related to the following activities		
Operating		
Net income for the year	**$ 8,371,075**	$ 26,177,740
Amounts charged or credited to operations not requiring a current cash payment	**136,821,032**	143,276,391
	145,192,107	169,454,131
Financing		
Debt retirements and sinking fund payments	**(189,070,671)**	(155,183,638)
Assumption of minority interest share in net liabilities of subsidiary company	**95,958**	-
Long-term debt obligations issued	**349,064,836**	98,600,000
	160,090,123	(56,583,638)
Investing		
Expenditure on fixed assets	**(463,567,413)**	(163,182,494)
Expenditure on irradiated fuel management	**(8,021,442)**	-
Increase in deferred charges	**(961,881)**	(612,076)
Acquisition of goodwill	**(105,362)**	-
Amounts financed by customer contributions and proceeds on disposal of fixed assets	**22,150,007**	4,376,301
	(450,506,091)	(159,418,269)
Net change in non-cash working capital balances	**29,515,684**	(12,306,949)
Net cash outflow	**(115,708,177)**	(58,854,725)
Cash position, beginning of year	**(21,035,741)**	37,818,984
Cash position, end of year	**$ (136,743,918)**	$ (21,035,741)
Represented by		
Cash and short-term investments	**$ 1,677,875**	$ 9,006,358
Short-term indebtedness	**(138,421,793)**	(30,042,099)
	$ (136,743,918)	$ (21,035,741)

Notes to Consolidated Financial Statements for the year ended March 31, 1991

1. Accounting Policies

The financial statements have been prepared in conformity with generally accepted accounting principles as established in Canada and give effect to the rate-setting process. Effective January 1, 1990, the Commission became subject to regulation by the Board of Commissioners of Public Utilities of the Province of New Brunswick. The Board held hearings in October and November, 1990 into the Commission's accounting and financial policies. At the present time, the Board has not released any order or statement in connection with the 1990 hearings.

The financial statements include the accounts of the Commission and those of its wholly owned subsidiary, N.B. Coal Limited.

a. Property, plant and equipment

The cost of additions to property, plant and equipment is the original cost of contracted services, direct labour and material, interest on funds used during construction and indirect charges for administration and other expenses, less credits for the value of power generated during commissioning. Administration and other expenses are capitalized during construction by applying a portion of such overheads to direct construction costs incurred each month.

Interest during construction is capitalized monthly based on the cost of long-term borrowings.

Contributions in aid of construction include amounts received from customers as well as research and development grants in respect of new facilities and are netted against the cost of plant financed thereby. Amounts received from customers are being amortized over the estimated service lives of the related assets, and the resulting credit is offset against the corresponding provision for depreciation.

Depreciation is provided for all assets sufficient to amortize the cost of such assets, less estimated salvage value where applicable, over their estimated service lives. The nuclear generating station is depreciated using an escalating charge method with annual increases based upon a 3% factor. Depreciation is provided on mining equipment under capital lease on an increasing charge basis, the depreciation amount being equal to the principal debt retirement required under the lease obligation, such that the annual depreciation and interest charge to income is the same as the annual lease payments over the life of the lease. All other assets are depreciated on a straight-line basis. Depreciation is provided on the net cost of property, plant and equipment in respect of which grants have been provided. The facility lives of the main categories of property, plant and equipment, which are reviewed periodically, are currently as follows:

1. Accounting Policies (continued)

Assets	Years
Hydro Generating Stations	100
Thermal Generating Stations	35
Nuclear Generating Station	31
Gas Turbine Generating Station	20
Diesel Generating Station	25
Terminals and Substations	40
Transmission System	35 to 55
Distribution System	32
Buildings	
- General	40
- Head Office	50
Mining equipment	20

Each asset category includes components with service lives less than their related facility life.

The facility lives for thermal generating stations were changed with effect from April 1, 1990 from the previous level of 30 years. Depreciation charges for the year ended March 31, 1991 were reduced by $4,350,000 as a result of these changes.

b. Inventories

Inventories of materials and supplies are valued at average cost. Oil and nuclear fuel inventory is valued at cost using the first-in, first-out method. Coal inventory is valued at average cost, which includes the costs of direct labour and overhead.

c. Debenture and note discounts and premiums, and issue expenses

The Commission amortizes debenture and note discounts and premiums and the expenses of issues over the lives of the issues to which they pertain.

d. Deferred charges

Costs incurred which are intended to create a benefit in a future period are deferred and shown in the balance sheet, net of amounts amortized, under deferred charges. The following are the principal categories of such costs:

- Costs incurred for conservation and energy management;
- Other deferred charges, which include:
  - survey and engineering expenses relating to construction projects being considered;
  - preproduction and net development costs relating to mining operations;
  - certain training costs associated with the development of new facilities;
  - the costs of major geological studies undertaken to establish the location and quality of coal deposits.

Conservation and energy management charges are amortized against future income over the periods expected to benefit from the programs carried out. Costs relating to new construction projects continue to be deferred until a project is authorized for construction by the Commission or is cancelled. They are then amortized against future income either by annual depreciation charges, resulting from certain of the items being capitalized, or directly, over an appropriate period of time not exceeding five years. All other deferred charges are amortized against future income over an appropriate period of time not exceeding five years.

e. Foreign exchange transactions

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at rates of exchange prevailing at the balance sheet date except where such items have been hedged by the acquisition of a forward exchange contract, in which case the rate established by the terms of the contract is used in the translation. Unrealized losses or gains arising on translation of long-term items are amortized to income on a straight-line basis over the remaining life of the related monetary assets or liabilities, except that amounts associated with the financing of major construction projects still in progress are deferred until the project is completed before being amortized over the then remaining life of the related monetary liabilities. The unamortized balance of the deferred exchange gains or losses is accumulated in an unrealized foreign exchange account which is shown on the balance sheet under deferred charges. Exchange gains or losses resulting from transactions affecting current operations are reflected in income as realized.

f. Revenue

Billings to residential and general service customers are rendered monthly on a cyclical basis. All other customers are billed at the end of each month. Revenue in respect of items not billed at the end of a fiscal period is estimated and accrued.

g. Deferred costs or revenues

The Commission's power rates are established annually to recover its operating costs and a return on its investment consistent with prudent financial management. Each year certain factors relating to water flow conditions, nuclear operating performance and export sales transactions, which are largely outside the control of the Commission, may result in costs or revenues which vary from those originally included in the calculation of revenue requirements. The Commission accounts for such variations through a Generation Equalization Adjustment and an Export Sales Stabilization Account.

Generation Equalization Adjustment

In order to equalize the fluctuations in generating costs caused by variations from average water flow conditions and nuclear operating performance, the Commission annually charges or credits income with an amount calculated to adjust such costs to an average value. The offsetting debit or credit is included in the generation equalization account. The calculation of the adjustment is based on historical water flow data compiled over a period of 35 years and on the performance expectations of the nuclear generating station developed from comparable industry statistics and the operating experience of the nuclear unit itself.

1. Accounting Policies (continued)

Export Sales Stabilization Account

The Commission annually charges or credits income with the difference between actual and forecast earnings on export sales transactions, other than those under participation or ownership contracts, with neighbouring utilities. The offsetting debit or credit is included in the Export Sales Stabilization Account. Amounts so deferred are brought into the calculation of future revenue requirements in equal amounts over a period of three years and are amortized to the income statement on this basis.

h. Irradiated fuel management, nuclear unit decommissioning and fuel channel removal

In order to provide for the estimated future costs of permanently disposing of irradiated nuclear fuel and decommissioning the nuclear generating station to return the site to a state of unrestricted use, the Commission annually charges income with amounts calculated to be adequate, when accumulated with interest, to cover the total costs of these future activities as they occur. The calculations of the anticipated future costs are based on a detailed study which takes into account various assumptions regarding the method and timing of dismantlement of the nuclear facility, the cost of transportation of nuclear material to permanent disposal facilities, and estimates of interest and inflation rates in the future. With respect to irradiated nuclear fuel, the annual charge is related to the amount of nuclear fuel consumed while the decommissioning requirements are on the basis of equal annual amounts over the life of the unit.

The Commission is also providing through an annual charge to income for the estimated future costs of removing fuel channels at the nuclear generating station for replacement. The anticipated future costs have been calculated based on the experience already developed by another Canadian electric utility and on the assumption that fuel channel replacement will become necessary in 1998.

Costs incurred on a current basis relating to irradiated fuel management, nuclear unit decommissioning and fuel channel removal are charged directly against the deferred liability account.

The Commission is accounting for these transactions through means of deferred asset and deferred liability accounts. The total amount required to be collected over the life of the unit to cover decommissioning activities was recorded in these accounts as of the date the nuclear unit was placed in service. The deferred asset account is reduced annually by the amount collected from customers for decommissioning. The deferred liability account is increased each year by the amount collected from customers to cover fuel channel removal and disposal of irradiated nuclear fuel consumed during the year and by interest, compounded annually, on the accumulated amounts collected. Interest

is calculated at the Commission's long-term borrowing rate and is charged to income annually. Both accounts are adjusted periodically to reflect changes in amounts to be collected from customers as a result of revisions to the decommissioning estimate.

In view of potential developments in the technology of decommissioning, fuel channel removal and irradiated fuel management, and because of the various assumptions and estimates inherent in the calculations, the Commission reviews such calculations periodically, making adjustments as necessary on a prospective basis.

i. Pension plans

Commission employees belong to the Province of New Brunswick Public Service Superannuation Plan. This multi-employer plan provides pensions based on length of service and average of the highest five consecutive years of earnings. The Commission and its employees make contributions to the plan as prescribed in the Public Service Superannuation Act, and the Commission's share is reflected as a charge against income.

In 1991, the provincial government proposed legislation which requires that the Commission accept responsibility for its share of the Province's unfunded pension obligation. The provincial Department of Finance has estimated that this amounts to $129,000,000 at March 31, 1991. The amount of the liability attributable to the Commission initially and on an ongoing basis remains to be negotiated.

Based on an earlier estimate, the Commission annually charges income with amounts calculated to be adequate, when accumulated with interest at the Commission's long-term borrowing rate, over the estimated average remaining service lives of the employees, to fund the estimated obligation. Amounts so charged are shown on the balance sheet under deferred liabilities - other.

N.B. Coal maintains a contributory defined benefit pension plan for its employees. Pension costs are actuarially determined each year using the projected benefit method pro-rated on services and management's best estimate assumptions. Adjustments arising from plan amendments, experience gains and losses, changes in actuarial assumptions and the difference between the actuarial present value of accrued pension obligations and the market related value of pension assets are amortized on a straight line basis over the expected average remaining service lives of the respective employee group. The market-related value for pension plan assets is the estimated market value as at March 31, 1991. The actuarial present value of accrued pension benefits was fully funded at March 31, 1991.

2. Property, plant and equipment	1991	1990
Land, buildings, plant and equipment, at cost		
Power generating stations	**$2,367,349,483**	$2,326,196,770
Transmission system	**185,016,322**	181,109,160
Substations	**262,711,161**	243,847,464
Distribution system	**453,330,715**	412,441,491
Other properties	**44,818,622**	40,300,445
Communications equipment	**10,522,865**	7,750,218
Mining equipment and related assets *	**56,567,604**	50,672,843
Motor vehicles and miscellaneous equipment	**64,823,641**	51,704,519
	3,445,140,413	3,314,022,910
Less: contributions in aid of construction	**19,760,760**	17,538,905
research and development grants	**72,000,000**	58,000,000
	91,760,760	75,538,905
	3,353,379,653	3,238,484,005
Less accumulated depreciation	**984,982,570**	893,258,623
	2,368,397,083	2,345,225,382
Construction-in-progress	**452,873,349**	110,828,938
	$2,821,270,432	$2,456,054,320

* Includes $35,671,721 (1990 - $36,118,721) being the gross amount of assets under capital lease. Accumulated depreciation includes $13,521,463 (1990 - $11,490,049) with respect to these assets.

3. Unrealized foreign exchange differences, less amounts amortized	1991	1990
Exchange adjustment at balance sheet date		
On debentures and notes issued by the Commission		
Payable in Swiss francs	**$ 68,483,057**	$ 66,511,907
Payable in United States dollars	**57,720,593**	75,787,924
On other debentures issued		
Payable in United States dollars	**(7,455,500)**	(7,488,000)
Exchange adjustment on assets denominated in foreign currencies held in sinking funds maintained by the Province of New Brunswick	**9,833,122**	9,190,842
	128,581,272	144,002,673
Less accumulated amortization	**119,621,216**	113,724,732
	$ 8,960,056	$ 30,277,941

4. Long-term debt

Debentures and notes issued by the Commission

Date of maturity	Canadian	Swiss	U.S.	**1991**	1990
Years ending:					
March 31 1991	$ -	$ -	$ -	**$ -**	$ 91,062,499
March 31 1992	12,350,000	67,668,500	33,689,203	**113,707,703**	112,818,065
March 31 1993	100,000,000	99,512,500	43,827,828	**243,340,328**	241,975,315
March 31 1994	6,000,000	-	20,653,828	**26,653,828**	26,858,815
March 31 1995	13,790,000	-	72,795,328	**86,585,328**	87,307,815
March 31 1996	60,300,000	-	9,066,825	**69,366,825**	-
1-5 years	192,440,000	167,181,000	180,033,012	**539,654,012**	560,022,509
6-10 years	88,984,000	-	35,601,058	**124,585,058**	347,160,210
11-30 years	525,000,000	-	347,610,000	**872,610,000**	811,060,000
Debentures and notes	$806,424,000	$167,181,000*	$563,244,070**	**1,536,849,070**	1,718,242,719
Sinking funds				**583,581,028**	547,252,713
Repurchased debentures				**-**	966,645
				$ 953,268,042	$1,170,023,361

*SFr 210,000,000

**U.S. $486,100,000

The weighted average interest rate on debentures and notes outstanding at March 31, 1991 is 9.2% (1990 - 9.4%)

Atomic Energy of Canada Limited — note payable in equal annual instalments of principal and interest at 9.7064% per annum to the year 2008	**$ 315,032,349**	$ 321,516,257
Northern Canada Power Commission — loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011	**$ 33,409,860**	$ 35,712,318

4. Long-term debt (continued)

Debentures held by the Province of New Brunswick

Date of maturity	Canadian	U.S.	**1991**	1990
Year ending:				
March 31 1996	50,000,000	47,506,700	**97,506,700**	-
1-5 years	50,000,000	47,506,700	**97,506,700**	-
6-10 years	225,000,000	-	**225,000,000**	-
11-30 years	100,000,000	278,088,000	**378,088,000**	305,318,000
Debentures outstanding	$375,000,000	$325,594,700*	**700,594,700**	305,318,000
Sinking funds			**7,301,500**	3,424,000
			$693,293,200	$301,894,000

* U.S. $281,000,000

The weighted average interest rate on debentures held by the Province of New Brunswick at March 31, 1991, is 10.1% (1990 10.1%).

Other long-term debt — not guaranteed

City of Campbellton — in respect of the purchase of distribution system; repaid in the fiscal year ended March 31, 1991	-	428,188
Government of Canada — payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011	**5,777,241**	5,876,494

Obligations under capital lease

Dragline lease of N.B. Coal payable together with interest at 9.79% per annum in equal semi-annual instalments to the year 1999, subject to rate renegotiation at December 31, 1994	**21,929,038**	23,282,069
Other	**1,268,064**	1,659,442
	23,197,102	24,941,511
Total other long-term debt — not guaranteed	**$ 28,974,343**	$ 31,246,193

4. Long-term debt (continued)

Long-term debt payments

Long-term debt maturities (after deducting sinking funds estimated to be available at maturity inclusive of actual earnings to March 31, 1991 and future earnings calculated at projected interest rates) and sinking fund requirements, and minimum lease payments, in respect of debt outstanding at March 31, 1991 are as follows for the five years ending March 31, 1996, using exchange rates in effect at March 31, 1991 for debt denominated in foreign currencies

	Debt maturities and sinking fund obligations	Minimum lease payments
Year ending March 31, 1992	**$ 66,849,000**	$ 3,997,681
Year ending March 31, 1993	**187,952,000**	3,997,681
Year ending March 31, 1994	**24,042,000**	3,849,249
Year ending March 31, 1995	**84,537,000**	3,738,593
Year ending March 31, 1996	**76,369,000**	3,458,587
Years ending March 31, 1997 - 1999		17,059,262
Total minimum lease payments		36,101,053
Less amount representing implicit interest		(12,903,951)
		$ 23,197,102

Sinking funds

The Minister of Finance of the Province of New Brunswick, as Trustee for the Commission, maintains a sinking fund for all debenture issues requiring same. Sinking fund earnings are reflected in the Commission's income. Commission debentures held in the fund are not cancelled until maturity.

5. Short-term indebtedness

Short-term borrowings from banks are payable on demand and are reflected on the balance sheet, together with outstanding cheques, under the caption "Short-term indebtedness". The Commission has bank lines of credit, guaranteed by the Province of New Brunswick, for short-term borrowings totalling $120,000,000. In addition, the Commission borrows funds for temporary purposes from other sources from time to time including the Province of New Brunswick.

N.B. Coal has bank lines of credit which are secured by a general assignment of book debts, assignment of inventory under Section 178 of the Bank Act, and a chattel mortgage on certain assets.

The total of all short-term borrowings was $128,299,219 at March 31, 1991 (1990 - $20,111,346).

6. Generation equalization account	**1991**	1990
Balance, beginning of year	**$108,031,974**	$104,849,974
Generation equalization adjustment	**39,149,000**	3,182,000
Balance, end of year	**$147,180,974**	$108,031,974

In addition to the annual adjustment to generation cost described in note 1.g., the Commission increases the generation equalization reserve by appropriations from earnings invested in the business. Total appropriations to the reserve amounted to $176,000,000 at March 31, 1991 (1990 - $176,000,000). Appropriations are made to help ensure that the reserve is sufficient to cover the cost of replacement power in the event of unfavourable water flow conditions and nuclear operating performance for an extended period.

7. Export sales stabilization account	**1991**	1990
Balance, beginning of year	**$ 36,369,871**	$ 23,287,050
Excess of actual over forecast (forecast over actual) earnings from export sales for year	**(12,602,919)**	22,737,183
Amount amortized	**(15,885,420)**	(9,654,365)
	(28,488,339)	13,082,818
Balance, end of year	**$ 7,881,532**	$ 36,369,868

8. Irradiated fuel management, nuclear unit decommissioning and fuel channel removal	**1991**	1990
Balance, beginning of year	**$226,251,184**	$142,091,020
Adjustment to deferred liability for costs of decommissioning	**-**	66,092,689
Amounts collected from customers to cover cost of		
- fuel channel removal	**5,300,000**	5,300,000
- disposal of nuclear fuel consumed during the year	**2,599,848**	1,828,010
- interest	**13,862,366**	10,939,465
	248,013,398	226,251,184
Less expenditures incurred for interim storage of irradiated nuclear fuel	**(8,021,442)**	-
Deferred liability account for irradiated fuel management, nuclear unit decommissioning and fuel channel removal	**239,991,956**	226,251,184
Less deferred asset account for nuclear unit decommissioning	**107,694,796**	112,590,014
Net amount collected from customers	**$132,297,160**	$113,661,170

Charges for irradiated fuel management, nuclear unit decommissioning and fuel channel removal, including interest, are brought into the calculation of revenue requirements each year and collected from in-province and interconnected customers through sales of power. The net amount collected, after deducting costs incurred to date for these activities, is represented by the difference between the liability account and the deferred asset account for nuclear unit decommissioning. This amount is currently being utilized by the Commission as a source of funds.

9. Deferred liabilities - other	**1991**	1990
Provision for unfunded pension obligation	**$14,857,023**	$10,161,142
Provision for N.B. Coal land reclamation costs	**211,778**	868,979
Balance, end of year	**$15,068,801**	$11,030,121

10. Sales of power

Out-of-province sales of power include $171,519,910 (1990 - $190,964,709) to utilities in the United States. The price of these sales includes incremental fuel and operating costs plus a margin of net benefit to the Commission.

11. Depreciation	1991	1990
Depreciation expense	**$ 96,136,946**	$ 94,590,029
Charges for decommissioning	**4,895,218**	4,895,218
Charges for fuel channel removal	**5,300,000**	5,300,000
	$106,332,164	$104,785,247

12. Interest and exchange	1991	1990
Interest expense	**$271,815,148**	$244,500,351
Less: Income from sinking funds and other investments	**67,648,406**	55,543,666
	$204,166,742	$188,956,685

13. Capital commitments

The Commission is constructing a 450 megawatt thermal generating unit at Belledune. The estimated cost of the Belledune generating unit is $965,000,000. Expenditures to March 31, 1991 amounted to $220,619,572 (1990 - $48,911,012).

The Commission is also constructing five gas turbine units of 100 megawatts each, four at Millbank and one at Ste-Rose. The estimated cost of the five generating units is $311,000,000. Expenditures to March 31, 1991 amounted to $136,291,935 (1990 - $1,195,987). The four units at Millbank are planned to service out-of-province customers for varying periods.

14. Subsequent events

On April 2, 1991 the Commission issued $25,000,000 debentures, repayable on April 2, 2001, bearing interest at 10 $\frac{1}{2}$%, to the Province of New Brunswick.

On April 30, 1991, the Commission issued $75,000,000 debentures, repayable on June 1, 2001, bearing interest at 9 $\frac{3}{4}$%, to the Province of New Brunswick.

15. Contingent liability

The Commission implemented a rate increase of 6.9% on January 16, 1991 following approval by the Board of Commissioners of Public Utilities on an interim basis only. The rate increase is therefore subject to final decision by the Board following a full public hearing scheduled for July, 1991. Should the Board determine that all or part of the rate increase is not justified, the Commission will be required to rebate any over collection to its customers. At March 31, 1991 the estimated increased revenue as a result of the rate increase was $10,800,000.

Corporate Information

Managing Officers

G. Linwood Titus
President

C. F. Baird
Senior Vice-President

Dennis A. Savoie
Vice-President Operations

Walter Patterson
Vice-President Corporate Planning and External Marketing

William J. Connell
Vice-President Corporate Services

Kenneth B. Little
Vice-President Finance

Peter J. Dykeman, Q.C.
Corporate Secretary

Commission

Alfred W. Lacey, Chairman
Richard Duguay, O.D.
Tim Isaac
Barbara Landry
George Lloyd
Gary D. Long, Ph.D.
Bill Malenfant
Bélonie Mallet
Brenda Pirie-Seheult
Nathan J. Rubin

A contractor's crew laying the underground electrical conduits on the Ste-Rose site. The Ste-Rose turbine, which will be operating in November 1991, will be used for peaking requirements during the winter and for emergency restoration of power to the Acadian Peninsula.

Statement of Generation and Sales

Generation	1990-1991 Kilowatt Hours	1989-1990 Kilowatt Hours	Difference Kilowatt Hours	Difference %
Hydro	3,333,671,700	2,432,909,600	900,762,100	37.0%
Thermal	6,507,664,000	9,330,328,600	(2,822,664,600)	(30.3%)
Nuclear	5,857,472,000	5,498,121,000	359,351,000	6.5%
Diesel	7,000	64,200	(57,200)	(89.1%)
Purchases	3,620,064,400	3,913,821,600	(293,757,200)	(7.5%)
Gross geneartion & purchases	19,318,879,100	21,175,245,000	(1,856,365,900)	(8.8%)
Station service	882,665,700	1,008,050,100	(125,384,400)	(12.4%)
Net generation & purchases	18,436,213,400	20,167,194,900	(1,730,981,500)	(8.6%)
Losses - transformer & transmission	646,492,400	666,217,400	(19,725,000)	(3.0%)
Losses % of net generation & purchases	3.51%	3.30%		
Total energy available for distribution	17,789,721,000	19,500,977,500	(1,711,256,500)	(8.8%)

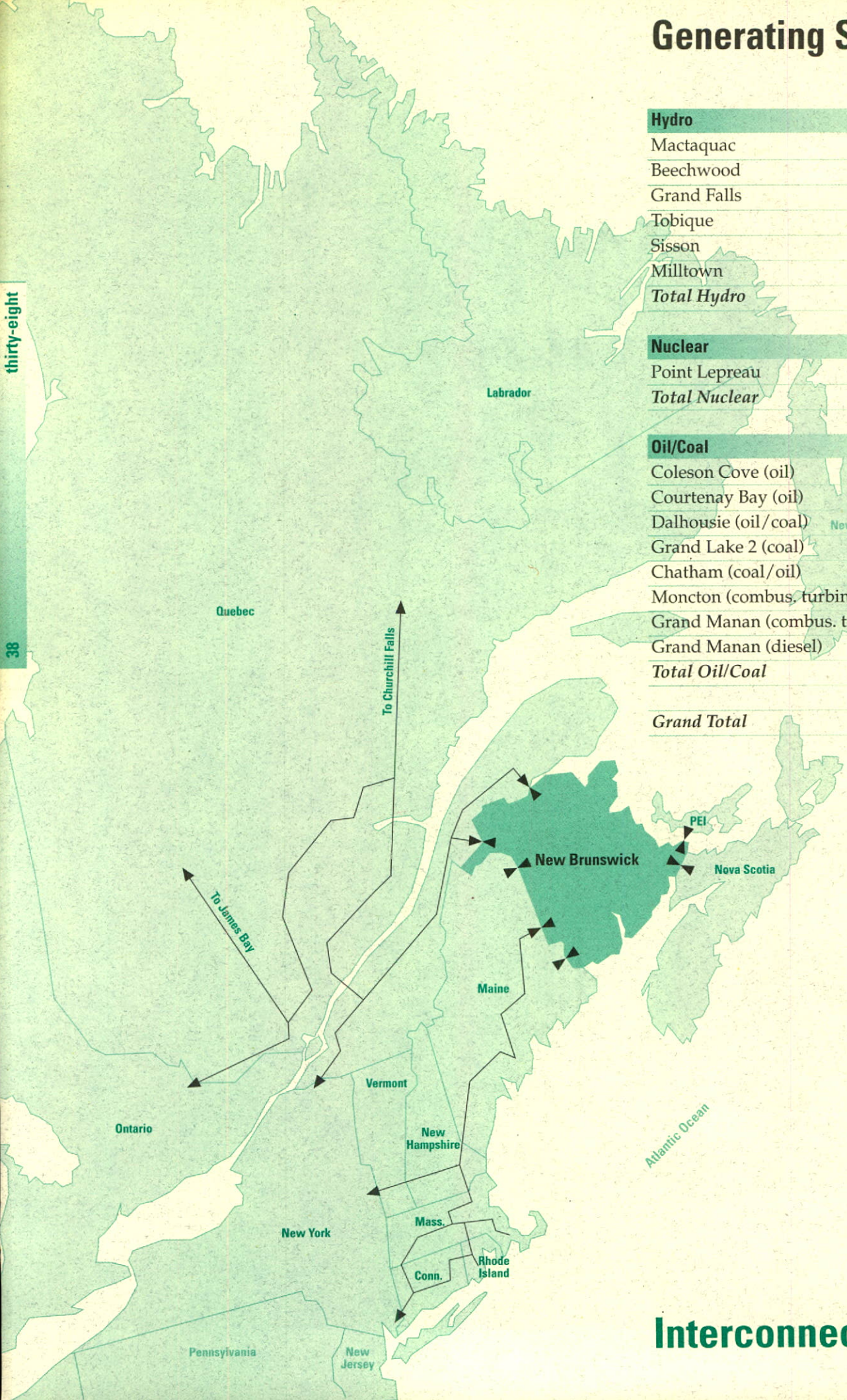
Sales	1990-1991 Kilowatt Hours	1989-1990 Kilowatt Hours	Difference Kilowatt Hours	Difference %
Wholesale	1,023,842,919	1,027,992,737	(4,149,818)	(0.4%)
Industrial power	4,719,775,559	5,180,765,813	(460,990,254)	(8.9%)
General service	1,786,180,132	1,740,189,189	45,990,943	2.6%
Residential	4,053,879,747	3,965,527,790	88,351,957	2.2%
Street lights	71,008,461	67,301,007	3,707,454	5.5%
Total in province sales	11,654,686,818	11,981,776,536	(327,089,718)	(2.7%)
Interconnections	5,812,887,000	7,190,745,000	(1,377,858,000)	(19.2%)
Grand total sales	17,467,573,818	19,172,521,536	(1,704,947,718)	(8.9%)
Internal use	47,600	371,132	(323,532)	(87.2%)
Distribution losses	322,099,582	328,084,832	(5,985,250)	(1.8%)
Total energy distributed & sold	17,789,721,000	19,500,977,500	(1,711,256,500)	(8.8%)

Statement of Operating & Physical Statistics (in $millions where $ shown)

	31 March 1991	31 March 1990	31 March 1989	31 March 1988	31 March 1987
Plant Nameplate Capacity-MW	3,222	3,222	3,190	3,190	3,190
Total Revenue	$ 908.5	$ 957.5	$ 856.3	$ 867.0	$ 825.2
Total Expenditures and Appropriations	$ 900.1	$ 931.3	$ 808.7	$ 854.9	$ 812.9
Fixed Assets, including work in progress	$3,806.3	$3349.3	$3198.3	$3086.0	$3020.9
Current Assets	$ 225.2	$ 216.8	$ 235.8	$ 309.7	$ 211.1
Current Liabilities	$ 451.6	$ 334.3	$ 277.1	$ 496.9	$ 239.9
Inventories	$ 91.6	$ 85.3	$ 78.1	$ 72.6	$ 73.0
Long Term Debt - Net	$1,930.8	$1731.0	$1813.3	$1793.8	$2088.5
Sinking Funds Assets	$ 590.9	$ 550.7	$ 478.3	$ 429.7	$ 369.3
Accumulated Depreciation	$ 985.0	$ 893.3	$ 809.4	$ 723.4	$ 642.9
Other Reserves, Earnings, Retained & Minority Interest	$ 398.0	$ 389.6	$ 363.4	$ 329.1	$ 285.7
Kilometres Transmission Lines	6,306	6,277	6,255	6,259	6,160
Kilometres Distribution Circuits	25,097	24,601	24,555	24,155	23,861
Number Residential Customers	249,639	245,449	239,598	234,572	229,293
Number Industrial Customers	1,561	1,558	1,695	1,637	1,574
Number General Service Customers	21,789	21,233	20,425	19,806	19,232
Number Street Light Customers	3,141	3,002	2,741	2,556	2,387
Direct Customers	276,130	271,242	264,459	258,571	252,486
Indirect Customers	39,941	39,494	39,081	38,773	38,436
Total Customers	316,071	310,736	303,540	297,344	290,922

Generating Station Data

	No. of units	Nameplate capacity kW
Hydro		
Mactaquac	6	653 400
Beechwood	3	115 000
Grand Falls	4	63 000
Tobique	2	20 000
Sisson	1	10 000
Milltown	7	3 900
Total Hydro	*23*	*865 300*
Nuclear		
Point Lepreau	1	630 000
Total Nuclear	*1*	*630 000*
Oil/Coal		
Coleson Cove (oil)	3	1 005 000
Courtenay Bay (oil)	4	263 365
Dalhousie (oil/coal)	2	280 000
Grand Lake 2 (coal)	4	85 000
Chatham (coal/oil)	2	32 500
Moncton (combus. turbine)	1	25 000
Grand Manan (combus. turbine)	1	32 000
Grand Manan (diesel)	5	3 811
Total Oil/Coal	*22*	*1 726 676*
Grand Total	*46*	*3 221 976*



Interconnections Map

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