

**DOMINION BOND RATING SERVICE LIMITED -
NEW BRUNSWICK POWER CORPORATION**

DÉCEMBRE 1999

New Brunswick Power Corporation

(The rating is based on the Provincial guarantee. This report specifically analyzes the Utility.)

Current Report: December 1999
Previous Report: October 5, 1998

RATING

Rating Trend Rating Action Debt Rated
"A" Stable Confirmed Long Term Debt

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RATING HISTORY (as at Dec. 31) Current 1998 1997 1996 1995 1994 1993 1992
Long Term Debt "A" "A" "A" "A" "A" "A" "A" "A"

UPDATE

The rating is a flow through of the rating of the Province of New Brunswick, which unconditionally guarantees the Utility's debt. During F1998, the Utility wrote-down its nuclear assets by \$450 million and acknowledged that the Lepreau nuclear plant will require a major refurbishment by 2008. The charge has severely weakened the balance sheet by eliminating the equity base, in spite of ongoing debt reduction over the last few years. While excessively high debt levels have contributed to consistently poor profitability and weak financial ratios, there was a marked improvement in earnings and key debt ratios in F1998. The positive trend is expected to continue during F1999 and into F2000 as Lepreau continues to operate at a normal capacity factor. The Utility's other strengths include: (1) substantial surplus cash flows that are available for potential debt reduction. Annual capital expenditures are expected to remain below \$100 million for the next 2-3 years and will be easily financed with internally generated cash flows. (2) New Brunswick Power is well positioned geographically

to wheel power through the province to markets in the U.S. northeast. Exports and the wheeling of power are a material source of earnings for the Utility. (3) The regulatory environment is comparatively favourable and the Utility is allowed to increase rates by 3% or the CPI (whichever is higher), without a regulatory hearing and/or approval. Nevertheless, New Brunswick Power must contend with a number of significant challenges as follows: (1) a sensitivity to currency exchange rates given that 30% of long-term debt is denominated in U.S. dollars, and a reliance on thermal based fuels which are priced in U.S. dollars. (2) Potential load loss over the next five years as natural gas from the Sable Island gas fields becomes available in the province and in export markets in the U.S. northeast. (3) Although emissions are presently an environmental concern, the conversion of two existing units to gas and the planned shutdown of an older coal-based plant by 2004 should materially reduce both generating costs and emissions in the near future.

CONSIDERATIONS

Strengths:

- Debt guaranteed by Provincial Government
- Surplus cash flows available for debt reduction
- Conversion of plants to gas will reduce costs and emissions, to be financed through partnerships
- Well positioned geographically to broker power
- Relatively favourable regulatory environment

Challenges:

- \$450 million Nuclear asset write-down: original capital investment unrecoverable
- Excessively high debt levels
- Sensitivity to currency exchange rates: fuel costs and 30% of debt denominated in U.S. dollars
- Sable Island gas a developing competitive threat

FINANCIAL INFORMATION

For years ended March 31

	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
EBIT Interest Coverage (times)	1.05	0.86	0.73	0.67	0.74	0.97	0.73	0.98
Net Debt in the Capital Structure	99.9%	88.6%	88.2%	87.9%	88.0%	88.4%	88.0%	85.8%
Cash Flow/Total Debt (times)	0.08	0.05	0.04	0.04	0.04	0.05	0.05	0.06
Cash Flow/Capital Expenditures (times)	3.80	2.76	1.87	0.75	0.90	0.59	0.28	0.27
Operating Income (\$ millions)	343	279	237	226	253	276	226	234
Net Income (before transfers/extras.) (\$ millions)	18	(43)	(83)	(109)	(58)	50	(2)	48
Operating Cash Flow (\$ millions)	247	163	129	123	144	174	146	147
Electricity Sales (millions of kWhs)	20,597	18,577	16,805	17,337	16,361	15,110	15,725	18,284
Electricity Revenues (cents per kWh sold)	5.71	5.99	5.99	5.70	5.59	5.75	5.58	4.94
Variable Costs (cents per net gen kWh sold)	2.85	3.25	3.35	3.83	2.98	2.92	3.14	2.82
Fixed Costs (cents per net gen kWh sold)	3.10	3.52	4.19	4.54	3.97	3.03	2.88	2.17
Purchased Power (cents per gross kWh purchased)	3.82	3.83	3.00	2.38	2.42	2.66	3.58	3.44
Pre-tax Margin* (cents per kWh sold)	(0.05)	(0.38)	(0.67)	(0.80)	(0.52)	0.16	(0.18)	0.15

* Excludes ancillary revenues.

THE COMPANY New Brunswick Power Corporation, a wholly owned Crown corporation, generates, transmits and distributes electricity in the province.

Integrated Electric Utility

DOMINION BOND RATING SERVICE LIMITED

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REGULATION

New Brunswick Power Corporation is regulated by the Board of commissioners of Public Utilities ("PUB") of the Province of New Brunswick and is governed by applicable guidelines as set out in the Provincial Government's Energy Policy. As these directives also incorporate an economic agenda (i.e. maintaining low rates to sustain provincial economic growth), New Brunswick Power's allowable earnings are restricted to 1.25X interest coverage. This is far below what regulated utilities in the private sector are allowed to earn. The Provincial Government is expected to come out with a new Energy Policy by the middle of next year. The new policy is expected to address the following issues: (1) Deregulation - A legislative committee in a

recent report recommended a 5-year transition period in the move towards a competitive market environment. The committee also recommended the New Brunswick Power undergo a structural separation into three distinct operating entities: generation, transmission and distribution. (2) An appropriate capital structure for New Brunswick Power - The committee acknowledged that the Utility's current debt load would make it difficult for the Utility to operate in a competitive environment. (3) Regulation - The committee recommended that New Brunswick Power be regulated in a manner similar to the way gas distributors are regulated in the province. (4) Environmental concerns with respect to the Province's electricity generation capacity.

CONSIDERATIONS

Strengths: (1) New Brunswick Power Corporation's debt is unconditionally guaranteed by the Provincial Government. As a result, the rating of New Brunswick Power is a flow through of the rating of the Province of New Brunswick.

(2) The Utility is generating substantial surplus cash flows. As capital expenditures are expected to remain under \$100 million in each of the next 2-3 years, the Utility should continue to generate surplus cash flows, which will be available for potential debt reduction and/or the re-building of an equity base. The Utility is not required to pay a dividend to its parent (the Provincial Government).

(3) The regulatory environment is relatively favourable. The Utility can raise rates by up to 3%, or the CPI rate (whichever is higher), without a requiring lengthy hearings and regulatory approval. A 2.9% rate increase was implemented October 1, 1998. Rate rebalancing among the commercial and residential customer classes is currently under consideration to bring rates in line with the cost of delivered service.

(4) Conversion of oil- and/or coal-based plants to gas or dual energy facilities should help to materially reduce costs and emissions in the future. Two projects currently underway are being financed through partnerships, which will eliminate any potential balance sheet pressures. The first unit is expected to become operational in January 2001, and the second unit in June 2002. These projects will also help to reduce competitive pressures in export markets. New Brunswick Power has contracted to buy the winter capacity of the first unit at its avoided cost, while partner Westcoast Energy Inc. will bear the risk of marketing the summer capacity. Similarly, the Utility will purchase about 50% of the winter capacity of the second unit at its avoided cost, and Westcoast Energy will bear the risk associated with marketing the remaining energy produced.

(5) New Brunswick Power is in a good position to broker/wheel power from Québec or Nova Scotia to markets in the U.S. The Utility's interconnections include 1060-Mw with Hydro-Québec, 500-Mw with Nova Scotia Power, 200-Mw with Maritime Electric and 810-Mw with New England, which represent about 65% of installed capacity. The high interconnections provide New Brunswick Power with operating flexibility to meet the energy demands of its

own customers, as well as provide incremental earnings for wheeling and/or exporting power.

(6) Largely due to the thermal-based nature of its generating facilities, electricity rates in New Brunswick are relatively high compared to some other regions in Canada. The Utility's rates are, however, lower than most of its neighbouring competitors in the U.S. northeast and other Maritime provinces.

Challenges: (1) The Lepreau nuclear generator represents a major future challenge for the Utility. (a) The Utility recorded a \$450 million write-down of the asset in F1998. The station has experienced a wide range of problems relating to pressure tubes and feeder pipes, although the plant has been operating largely problem-free over the last two years. As a result, the Utility has reduced the service life of the plant to 25-years from 31-years, and has acknowledged that a major refurbishment, at an estimated cost of about \$0.5 billion, will be required by 2008. (b) Accounting reserves of \$197 million have been recorded to date to finance the decommissioning of nuclear facilities and the disposal of waste fuels, but no cash funds have been set aside to meet this future obligation. Although this is a standard practice in Canada, this is a stark contrast to U.S. nuclear operators, which establish cash reserves. In addition, given the uncertainties associated with nuclear waste disposal technology, it is difficult to assess whether these reserves will be sufficient.

(2) The write-down of nuclear assets has eliminated the equity base, and balance sheet leverage has increased sharply to 100% in F1998 debt from 89% in F1997. Excessively high debt levels have contributed to consistently weak profitability and key debt ratios.

(3) With 30% of outstanding long-term debt denominated in U.S. dollars, the Utility is sensitive to currency exchange rates. This sensitivity is exacerbated by the Utility's reliance on thermal-based generating capacity as fuels are priced in U.S. dollars. This exposure (interest expense) is partially hedged by U.S. dollar revenues and is managed with currency hedges.

(4) The development of the Sable Island gas fields represents a competitive threat. Although it will take time

to develop gas distribution infrastructure in the province, load loss over the longer term is likely as customers convert to gas. With much of the gas from the Sable Island field being transported to new markets in the U.S. Northeast, the Utility's export sales will also be adversely affected. Some of the risk of future load loss in export markets has, however, been effectively transferred to the Utility's new partners (see Strength 4).

(5) Given its heavy reliance on thermal based generation (63% of installed capacity), the Utility must contend with

future environmental concerns. Presently, the coal and heavy oil used by the Utility has a relatively high sulfur content. Emissions will be sharply reduced over the next few years as New Brunswick Power has announced that it will close its 57-Mw Grand Lake coal-based plant by 2004, and two 100-Mw oil-fired units are being converted into 250-Mw combined cycle facilities that will displace higher cost thermal generated energy.

EARNINGS

With the Lepreau nuclear station returning to a more normal capacity factor, earnings (before extraordinary items and transfers) in F1998 improved substantially to \$18 million compared to a \$43 million loss the previous year. Earnings benefited primarily from higher export sales to U.S. markets, with electricity sales increasing from 4,771 GWh to 7,048 GWh in F1998, as well as lower fuel costs as a result of the sharp decline in oil prices. The increase in exports more than offset: (1) a 2% decline in domestic electricity sales attributable to warmer than normal winter temperatures; and (2) higher interest costs (by \$12 million), in spite of ongoing debt reduction over the last few years due to the devaluation of the Canadian dollar.

Outlook: The recent positive trend in earnings (before extraordinary items and transfers) is expected to continue into F1999 and F2000 as Lepreau continues to operate at a normal capacity factor. In addition, the Canadian dollar has strengthened relative to last year, which should reduce interest costs, particularly in light of ongoing debt

reduction.

Longer term, New Brunswick Power will have to contend with potential load loss as natural gas from Sable Island becomes available for the first time ever in its service region. The competitive threat from natural gas, a more cost competitive fuel source in spite of the recent increase in the commodity price of gas, will also be felt in export markets in the U.S. Northeast as shipments (via the newly constructed Maritimes & Northeast Pipeline) are expected to commence shortly. The load loss will likely not be significant initially, either domestically or in export markets, as it will take some time to develop the distribution infrastructure. The domestic distribution network will first connect a number of the larger industrial customers, but as most of these customers presently use oil, conversions should not affect New Brunswick Power. Conversions of residential customers will likely be very slow as home heating is presently largely electricity-based and would require a material capital investment to convert to gas.

FINANCIAL PROFILE

Cash flows from operations continued to improve in F1998 (the write-down was a non-cash charge) and benefited from stronger earnings and a \$6 million increase in depreciation expense. (The service life of Lepreau was shortened and the methodology changed from an escalating to a straight-line basis.) The Utility does not pay a dividend to its owner, and together with \$65 million in capital expenditures, New Brunswick Power generated substantial surplus cash flows. The Utility was able to reduce (for the third year in a row) outstanding debt by \$186 million during F1998, however, the \$450 million charge to write-down the Lepreau nuclear asset eliminated the equity account. Debt in the capital structure has, as a result, increased sharply to 100% from 89% at the end of F1997.

Outlook: Cash flows are expected to continue to be more than sufficient to fund annual capital expenditures of about \$100 million for the next few years. DBRS expects that surplus cash flows will be used to reduce outstanding debt levels and/or to rebuild the equity base.

The conversion of two thermal-based units currently underway should not create any additional balance sheet pressure as the projects are being financed through a partnership arrangement.

DEBT MATURITY SCHEDULE

	<u>F1999</u>	<u>F2000</u>	<u>F2001</u>	<u>F2002</u>	<u>F2003</u>
(millions - includes sinking fund payments)	\$130	\$237	\$246	\$613	\$109

New Brunswick Power Corporation
Balance Sheet

(\$ millions)

	As at March 31				As at March 31		
	1999	1998	1997R		1999	1998	1997R
Assets:				Liabilities & Equity:			
Cash + equivalents	7	4	21	S-T debt	159	194	111
Accounts receivable	191	184	171	Accounts payable	128	105	116
Material, supplies + fuel	74	77	84	Accrued interest	84	85	88
Prepaid expenses	3	5	5	L-T debt due 1 yr	130	99	134
Current Assets	275	270	280	Current Liabilities	501	483	450
Net fixed assets	3,130	3,252	3,818	Long term debt	2,945	3,075	3,170
Deferred charges + other assets	205	605	138	Deferred liab	218	214	226
Sinking fund investments	56	70	57	Shareholders equity	2	425	447
Total	3,666	4,197	4,293	Total	3,666	4,197	4,293

Ratio Analysis

For years ended March 31

	1999	1998	1997	1996	1995	1994	1993	1992
Liquidity Ratios (1)								
Current Ratio	0.55	0.56	0.62	0.68	0.53	0.69	1.12	0.58
Accumulated depreciation/Gross fixed assets	40.0%	37.2%	31.6%	29.0%	27.2%	25.3%	24.4%	24.7%
Cash flow/Total debt	0.08	0.05	0.04	0.04	0.04	0.05	0.05	0.06
Cash flow/Capital expenditures (2)	3.80	2.76	1.87	0.75	0.90	0.59	0.28	0.27
Net debt in capital structure	99.9%	88.6%	88.2%	87.9%	88.0%	88.4%	88.0%	85.8%
Average coupon on l-t debt	9.07%	9.06%	9.07%	9.13%	9.20%	9.20%	9.47%	9.68%
Common equity in capital structure	0.1%	11.4%	11.7%	12.0%	12.0%	11.6%	11.7%	13.9%
Common dividend payout (before transfers)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Coverage Ratios (3)

EBIT interest coverage	1.05	0.86	0.73	0.67	0.74	0.97	0.73	0.98
EBITDA interest coverage	1.63	1.41	1.30	1.09	1.21	1.42	1.14	1.45
Fixed charges coverage	1.05	0.87	0.76	0.70	0.77	0.97	0.77	0.98

Earnings Quality / Operating Efficiency

Power purchases/Revenues	8.1%	10.6%	11.3%	14.7%	9.1%	6.1%	9.0%	13.3%
Fuel costs/Revenues	22.9%	24.9%	20.7%	20.4%	16.0%	16.1%	20.5%	18.3%
Operating margin	28.5%	24.5%	22.8%	22.2%	26.9%	30.8%	25.1%	25.4%
Net margin (before transfers.)	1.5%	-3.8%	-8.0%	-10.7%	-6.2%	5.6%	-0.3%	5.2%
Return on avg equity (before transfers)	8.4%	-9.9%	-18.2%	-23.6%	-13.1%	12.0%	-0.6%	11.8%
Profit returned to Government (after transfers)	66.1%	166.3%	139.4%	361.0%	63.6%	48.4%	87.0%	52.6%
Customers/Employee	131	131	129	125	117	114	107	101
GWh sold/Employee	7.8	7.1	6.4	6.4	5.7	5.2	5.2	5.8

Self Generation - Cost Structure (4)

(cents per net generated kWh sold) (Tables may not add due to rounding)

OM&A	1.34	1.44	1.74	2.05	1.84	1.83	1.79	1.70
Fuel	1.51	1.81	1.62	1.78	1.14	1.09	1.35	1.12
Variable Costs	2.85	3.25	3.35	3.83	2.98	2.92	3.14	2.82
Gov't Levies	0.29	0.34	0.40	0.45	0.38	0.36	0.29	0.19
Net Interest Expense	1.78	2.06	2.43	2.91	2.60	2.15	2.26	1.59
Total Cash Costs	4.93	5.65	6.18	7.18	5.96	5.43	5.69	4.60
Capitalized Interest/AFUDC	(0.01)	(0.01)	(0.02)	(0.04)	(0.23)	(0.45)	(0.59)	(0.36)
Depreciation	1.03	1.13	1.38	1.22	1.22	0.98	0.91	0.75
Total Costs	5.96	6.77	7.54	8.37	6.95	5.96	6.02	5.00

Purchased Power (cents per gross kWh purch.)	3.82	3.83	3.00	2.38	2.42	2.66	3.58	3.44
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(1) All debt ratios are net of sinking fund assets.

(2) Capital expenditures are net of customer contributions.

(3) Before capitalized interest/AFUDC. Interest income netted from interest expense.

(4) Internally generated energy less energy used + lost - excludes power purchases. Transmission losses apportioned relative to energy supplied.

New Brunswick Power Corporation

Income Statements

(\$ millions)	For years ending March 31								
	1999	1998	1997	1996	1995	1994	1993	1992	1991
Wholesale	68.0	69.4	68.9	67.3	65.0	64.2	61.5	58.4	55.1
Industrial	283.0	279.9	262.6	257.4	233.6	222.8	223.9	220.7	205.9
General Service/Commercial	170.0	168.2	162.9	158.2	148.9	146.3	139.5	134.2	126.1
Residential	335.0	335.6	315.5	303.3	289.1	285.9	269.8	251.9	239.7
Street Lights	16.0	16.2	15.4	15.3	14.5	13.6	19.0	12.5	12.1
Sub-total domestic	872.0	869.3	825.3	801.5	751.1	732.8	707.7	677.7	638.9
Exports	304.0	244.3	181.6	186.9	164.1	135.8	169.2	225.2	248.0
Sub-total energy revenues	1,176.0	1,113.6	1,006.9	988.4	915.2	868.7	876.9	902.9	886.9
Non-energy revenues	28.0	26.8	30.2	29.7	27.2	27.0	26.2	21.0	21.6
Total revenues	1,204.0	1,140.4	1,037.1	1,018.1	942.3	895.7	903.1	923.9	908.5
Expenses:									
Operating & administration	245.4	226.8	230.9	239.2	241.6	243.3	244.8	256.0	253.4
Power purchases	98.0	120.5	117.3	149.2	86.1	54.8	80.9	123.0	113.8
Fuel costs	276.0	283.8	214.9	208.1	150.6	144.6	185.5	169.2	191.3
Depreciation & amortization	189.0	177.1	184.0	143.0	160.1	129.5	125.2	113.5	106.3
Taxes	31.6	31.6	31.4	30.6	29.4	28.0	23.8	14.1	12.9
Debt guarantee fee	21.0	21.6	22.0	21.8	21.1	19.7	16.6	13.8	12.0
Total operating costs	861.0	861.4	800.5	792.0	688.9	619.9	676.7	689.6	689.8
Operating income	343.0	279.0	236.5	226.1	253.4	275.8	226.4	234.3	218.7
Less: Interest expense	361.0	354.5	363.3	382.3	382.0	332.0	361.6	303.8	290.3
Capitalized interest	(1.0)	(1.6)	(2.8)	(4.2)	(30.4)	(60.1)	(80.3)	(54.0)	(23.1)
Interest income	(35.0)	(30.8)	(40.9)	(42.9)	(39.8)	(46.6)	(52.5)	(63.9)	(67.6)
Net interest expense	325.0	322.1	319.6	335.2	311.8	225.4	228.8	186.0	199.6
Income before transfers	18.0	(43.1)	(83.1)	(109.1)	(58.4)	50.4	(2.5)	48.3	19.1
Equalization/Fuel channel transfers	9.0	21.9	68.0	71.2	87.3	0.4	8.5	(23.3)	(10.7)
Income before extraordinary items	27.0	(21.2)	(15.1)	(37.9)	28.9	50.8	6.0	25.1	8.5
Extraordinary items	(450.0)	0.0	(4.3)	46.1	(3.1)	(27.1)	(4.9)	0.0	(0.1)
Net income	(423.0)	(21.2)	(19.4)	8.2	25.7	23.7	1.1	25.1	8.4
Operating Cash Flows	247.0	163.1	129.0	123.5	144.0	174.5	145.5	147.4	145.2
Less: Capital expenditures (net of contrib)	65.0	59.1	69.1	164.4	160.1	293.7	515.5	537.9	441.4
Cash flow before working capital	182.0	104.0	59.9	(40.9)	(16.1)	(119.2)	(370.0)	(390.5)	(296.2)
LESS: Working capital	(21.0)	25.3	(2.7)	11.2	29.2	64.6	(1.6)	(12.7)	(29.5)
Free Cash Flow	203.0	78.7	62.6	(52.1)	(45.3)	(183.9)	(368.4)	(377.7)	(266.7)
LESS: Other investments	14.0	11.5	0.0	0.0	0.0	9.5	13.8	3.1	9.1
PLUS: Net financing (incl s-t financing)	(186.0)	(83.5)	(70.0)	161.1	(83.2)	41.4	490.1	492.5	160.1
Net Change in Cash Flows	3.0	(16.3)	(7.4)	109.0	(128.4)	(152.0)	107.8	111.7	(115.7)
Unit Revenues and Costs	(cents per kWh sold) (Tables may not add due to rounding)								
Wholesale	6.36	6.36	6.30	6.30	6.13	5.88	5.68	5.53	5.38
Industrial	4.73	4.66	4.69	4.58	4.52	4.41	4.37	4.25	4.36
General Service/Commercial	8.35	8.14	7.95	7.82	7.68	7.49	7.32	7.17	7.06
Residential	7.64	7.33	7.10	6.86	6.68	6.37	6.14	6.02	5.91
Street Lights	22.22	22.85	22.17	22.32	21.07	19.56	27.35	17.60	17.04
Domestic Revenues	6.44	6.30	6.23	6.07	5.98	5.79	5.62	5.47	5.48
Exports	4.31	5.12	5.12	4.51	4.32	5.54	5.38	3.82	4.27
Average Electricity Revenues	5.71	5.99	5.99	5.70	5.59	5.75	5.58	4.94	5.08
Ancillary Revenues	0.14	0.14	0.18	0.17	0.17	0.18	0.17	0.11	0.12
Average Revenues	5.85	6.14	6.17	5.87	5.76	5.93	5.74	5.05	5.20
Costs:									
Operating & Administration	1.19	1.22	1.37	1.38	1.48	1.61	1.56	1.40	1.45
Purchased Power	0.48	0.65	0.70	0.86	0.53	0.36	0.51	0.67	0.65
Fuel	1.34	1.53	1.28	1.20	0.92	0.96	1.18	0.93	1.10
Variable Costs	3.01	3.40	3.35	3.44	2.92	2.93	3.25	3.00	3.20
Gov't Levies	0.26	0.29	0.32	0.30	0.31	0.32	0.26	0.15	0.14
Net interest costs	1.58	1.74	1.92	1.96	2.09	1.89	1.97	1.31	1.27
Cash Costs	4.85	5.43	5.59	5.70	5.32	5.13	5.47	4.46	4.61
Cash Margin	1.00	0.71	0.58	0.17	0.44	0.79	0.27	0.59	0.59
Capitalized Interest/AFUDC	(0.00)	(0.01)	(0.02)	(0.02)	(0.19)	(0.40)	(0.51)	(0.30)	(0.13)
Depreciation	0.90	0.94	1.08	0.80	0.97	0.84	0.75	0.58	0.55
Decommissioning	0.01	0.01	0.02	0.02	0.01	0.01	0.04	0.04	0.06
Pre-tax Margin	0.09	(0.23)	(0.49)	(0.63)	(0.36)	0.33	(0.02)	0.26	0.11
Variable Costs	3.01	3.40	3.35	3.44	2.92	2.93	3.25	3.00	3.20
Fixed Costs (deprec, interest + taxes)	2.75	2.97	3.31	3.06	3.19	2.66	2.51	1.79	1.89
Total Costs	5.76	6.37	6.67	6.50	6.12	5.59	5.76	4.79	5.09

New Brunswick Power Corporation

For years ending March 31

Operating Statistics		<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
Electricity Sold - Breakdown										
Wholesale		1,069	1,091	1,094	1,068	1,061	1,091	1,084	1,056	1,024
Industrial		5,985	6,003	5,604	5,620	5,170	5,055	5,128	5,196	4,720
General Service/Commercial		2,036	2,066	2,048	2,022	1,938	1,952	1,906	1,871	1,786
Residential		4,387	4,575	4,441	4,418	4,326	4,489	4,395	4,188	4,054
Street Lights		72	71	70	69	69	70	70	71	71
Total Domestic		13,549	13,806	13,257	13,198	12,564	12,656	12,582	12,382	11,655
Exports		7,048	4,771	3,548	4,140	3,797	2,454	3,142	5,901	5,813
Total - GWh sold		20,597	18,577	16,805	17,337	16,361	15,110	15,724	18,283	17,468
Energy sales growth		10.9%	10.5%	-3.1%	6.0%	8.3%	-3.9%	-14.0%	4.7%	-8.9%
Generation										
Hydro	21%	884	884	881	881	881	881	881	879	865
Nuclear	15%	635	635	635	635	635	635	640	640	630
Oil	43%	1,785	1,785	1,787	1,787	1,787	1,889	1,942	1,943	1,465
Orimulsion	7%	300	300	300	300	300	0	0	0	0
Coal	13%	515	515	508	508	508	600	265	265	262
Installed Capacity - Megawatts		4,119	4,119	4,111	4,111	4,111	4,005	3,728	3,727	3,222
Energy Generated - GWh										
Hydro		2,696	2,357	2,859	2,731	2,797	2,943	2,545	2,720	3,334
Nuclear		4,970	3,962	3,777	1,703	5,593	5,704	5,197	5,793	5,858
Oil		5,982	4,687	2,268	2,816	2,975	4,247	6,460	6,998	5,463
Orimulsion		2,410	2,424	2,104	1,971	82	0	0	0	0
Coal		4,041	3,811	3,787	3,728	3,220	1,947	1,046	1,135	1,045
Gross energy generated	89%	20,099	17,242	14,795	12,950	14,667	14,841	15,248	16,646	15,699
PLUS: Purchases	11%	2,568	3,148	3,908	6,274	3,559	2,058	2,261	3,574	3,620
Energy generated + purchased		22,667	20,390	18,704	19,223	18,226	16,899	17,509	20,220	19,319
LESS: Internal use		1,092	1,004	904	842	959	913	913	942	883
Transmission losses		663	627	677	738	558	595	537	614	647
Distribution losses		315	182	318	306	349	282	335	380	322
Total - GWh sold		20,597	18,577	16,805	17,337	16,361	15,110	15,725	18,284	17,468
Energy lost + used/Energy gen + purch		9.1%	8.9%	10.2%	9.8%	10.2%	10.6%	10.2%	9.6%	9.6%
Peak demand - Megawatts		2,786	2,792	2,832	2,826	2,790	2,771	2,654	2,728	2,566
Peak demand/Installed capacity		67.6%	67.8%	68.9%	68.7%	67.9%	69.2%	71.2%	73.2%	79.6%
Export Interconnections										
Hydro-Quebec		1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060	1,060
Nova Scotia Power Corp.		500	500	500	500	500	500	500	500	500
Maritime Electric Co. Ltd.		200	200	200	200	200	200	200	200	200
New England Utilities		810	810	810	810	810	810	810	810	810
Total - Megawatts		2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570
Interconnections as a % of Installed Capacity		62.4%	62.4%	62.5%	62.5%	62.5%	64.2%	68.9%	69.0%	79.8%