

Appendix 2
Maritime Electric
Financial Results (Actual and Forecast)
Statements of Earnings

	Actual 2018	Actual 2019	Forecast 2020	Forecast 2021
Revenue				
Revenue Requirement	\$ 203,265,498	\$ 211,036,823	\$ 229,372,400	\$ 232,036,600
Operating Expenses (net of ECAM)	147,386,371	153,485,660	163,132,900	170,342,700
Amortization - Fixed Assets	22,583,380	23,337,238	28,572,100	26,202,300
Amortization - Deferred Charges	617,448	250,598	3,223,700	260,000
Operating Income	32,678,300	33,963,327	34,443,700	35,231,600
Financing Costs	12,618,847	13,217,455	12,858,800	12,880,700
Earnings Before Income Taxes	20,059,452	20,745,872	21,584,900	22,350,900
Income Taxes	6,266,588	6,483,242	6,742,000	6,978,500
Net Earnings - Regulated	\$ 13,792,864	\$ 14,262,630	\$ 14,842,900	\$ 15,372,400
Fortis Inc Head Office Costs (net of tax) ¹	368,460	408,480	438,800	447,100
Net Earnings - Non-Regulated	\$ 13,424,404	\$ 13,854,150	\$ 14,404,100	\$ 14,925,300
Return on Average Common Equity (%) - Non-Regulated	9.07%	9.08%	9.07%	9.08%
Return on Average Common Equity (%) - Regulated	9.35%	9.35%	9.35%	9.35%

¹ Costs disallowed in calculating the Annual Revenue Requirement and Regulated Return as per Order UE09-02

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Financial Results (Actual and Forecast)
Balance Sheets

	Actual 2018	Actual 2019	Forecast 2020	Forecast 2021
ASSETS				
Current Assets				
Accounts receivable	\$ 44,225,608	\$ 43,689,904	\$ 44,351,700	\$ 45,178,300
Materials and supplies	2,793,911	3,240,398	3,000,000	3,000,000
Prepaid expenses	513,000	511,428	497,600	507,300
	47,532,519	47,441,730	47,849,300	48,685,600
Fixed Assets				
Property, plant and equipment	654,053,538	679,767,856	712,215,800	693,668,900
Less: Accumulated amortization	236,162,822	245,078,293	269,903,600	231,933,900
	417,890,716	434,689,563	442,312,200	461,735,000
Other Long-Term Assets				
Regulatory Asset - CTGS Accumulated Reserve Variance	-	-	9,654,500	9,654,500
Costs Recoverable from Customers (ECAM & WNRA)	3,685,711	1,715,362	997,400	-140,900
Regulatory Asset - OPEB	1,168,904	2,536,000	2,986,600	2,813,800
Intangible assets	3,915,322	4,002,494	4,150,000	4,300,000
Deferred charges	1,743,341	4,623,072	1,566,000	1,305,900
	10,513,278	12,876,928	19,354,500	17,933,300
TOTAL ASSETS	\$ 475,936,513	\$ 495,008,221	\$ 509,516,000	\$ 528,353,900
SHAREHOLDER'S EQUITY AND LIABILITIES				
Current Liabilities				
Bank indebtedness	\$ 1,231,902	\$ 3,917,264	\$ 1,776,800	\$ 1,636,900
Short-term borrowings	12,500,000	15,000,000	22,000,000	28,000,000
Rebates Payable to Customers	15,725,025	15,453,528	5,847,300	4,648,100
Accounts payable and accrued liabilities	32,191,645	35,290,445	39,363,900	41,013,500
	61,648,572	69,661,237	68,988,000	75,298,500
Long-term Debt	219,140,190	219,038,717	219,052,500	219,067,000
Other Long-Term Liabilities				
Future income taxes	21,025,114	27,324,930	33,834,900	40,577,600
Contributions	24,185,307	23,691,857	24,598,000	25,496,000
	45,210,421	51,016,787	58,432,900	66,073,600
Shareholder's Equity				
Common shares	31,100,681	31,100,681	31,100,700	31,100,700
Retained earnings	118,836,649	124,190,799	131,941,900	136,814,100
	149,937,330	155,291,480	163,042,600	167,914,800
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	\$ 475,936,513	\$ 495,008,221	\$ 509,516,000	\$ 528,353,900
Capital Structure - Year End				
Total Debt	60.8%	60.5%	60.0%	60.0%
Common Equity	39.2%	39.5%	40.0%	40.0%
	100.0%	100.0%	100.0%	100.0%

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Statements of Cash Flows

	Actual 2018	Actual 2019	Forecast 2020	Forecast 2021
Cash Flow from Operating Activities				
Net Earnings	\$ 13,792,864	\$ 14,262,630	\$ 14,842,900	\$ 15,372,400
Add (deduct) non-cash items:				
Amortization - Fixed Assets	22,583,380	23,337,238	28,572,100	26,202,300
Amortization - Deferred Charges	626,603	263,602	234,600	274,500
Future income taxes	2,297,823	6,299,816	6,509,900	6,742,700
Changes in non-cash working capital	-616,184	3,116,802	-2,261,900	925,800
	<u>38,684,487</u>	<u>47,280,088</u>	<u>47,897,600</u>	<u>49,517,700</u>
Cash Flow From Financing Activities				
Issuance (Repayment) of long-term debt	25,297,500	-	-	-
Contributions	677,905	758,922	2,400,000	2,460,000
Financing Fees	-221,461	-114,477	-	-
Payment of dividends - Regulated	-8,500,000	-8,500,000	-7,500,000	-10,500,000
- Non-regulated	-1,247,120	-	-	-
	<u>16,006,823</u>	<u>-7,855,555</u>	<u>-5,100,000</u>	<u>-8,040,000</u>
Cash Flow from Investing Activities				
Expenditures for Fixed Assets (Net)	-39,008,070	-41,365,090	-47,490,500	-47,337,800
Deferred Charges	-519,344	-3,244,805	-166,600	-
	<u>-39,527,414</u>	<u>-44,609,895</u>	<u>-47,657,100</u>	<u>-47,337,800</u>
Increase (Decrease) in Cash	15,163,896	-5,185,362	-4,859,500	-5,860,100
Bank Indebtedness, Beginning of Year	-28,895,798	-13,731,902	-18,917,300	-23,776,800
Bank Indebtedness, End of Year	<u>(\$13,731,902)</u>	<u>(\$18,917,264)</u>	<u>(\$23,776,800)</u>	<u>(\$29,636,900)</u>