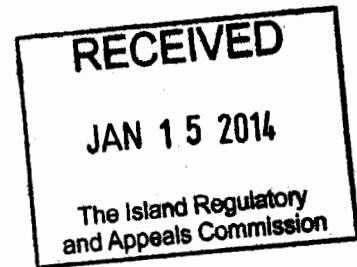


MARITIME
ELECTRIC
A FORTIS COMPANY

January 15, 2014

Mr. Mark Lanigan
Island Regulatory and Appeals Commission
PO Box 577
134 Kent Street Suite 501
Charlottetown PE C1A 7L1



Dear Mr. Lanigan:

Return on Rate Base

Section 48(12) of the Electric Power Act states "No later than January 15 of each year, Maritime Electric Company, Limited shall file with the Commission its calculation of its average rate base and return on average rate base for the previous year based upon its audited financial statements using the formulas set out in Schedule 3."

Attached is the Company's filing of the required information. An electronic version will follow.

If you have any questions please do not hesitate to contact me.

Yours truly,

MARITIME ELECTRIC

A handwritten signature in black ink, appearing to read "J. Roberts".

Jason Roberts
Director, Regulatory & Financial Planning

JCR03
Enclosure

**Electric Power Act
Section 4912 - Schedule 3
Rate Base**

	2012	2013
Fixed Assets	\$ 507,259,580	\$ 524,829,218
Less Work in progress	(1,939,534)	(599,014)
Less Accumulated amortization	(165,027,490)	(173,479,218)
Net Fixed Assets	340,292,556	350,750,986
Less Contributions - net	(27,713,042)	(27,022,044)
Less Future income taxes - net of Long-Term Receivable	(19,164,733)	(15,619,818)
Add Deferred Financing Costs	437,798	433,025
Add Unrecovered pre-2004 costs recoverable from customers	3,983,600	1,983,600
Less Post-2003 costs due to from customers	19,141,472	(14,138,019)
Less Regulatory Liabilities - Other	(7,070,281)	(10,285,412)
Add Intangible assets	4,457,062	4,397,456
Add Deferred Charge	2,788,905	2,403,705
	(23,139,219)	(57,847,507)
Add Working Capital		
Inventory	4,540,566	5,362,967
Gross operating expenses * 3.6%	3,637,947	4,603,812
Income taxes paid * 3.6%	737,207	306,000
	\$ 8,915,720	\$ 10,272,779
Rate Base (unaveraged)	\$ 326,069,057	\$ 303,176,258
Average Rate Base		\$ 314,622,657

	2013
Total revenue	\$ 188,093,521
Operating expenses (net of ECAM)	(140,575,833)
Financing costs	(4,774)
	47,512,914
Amortization - Costs Recoverable From Customers (Pre-2004)	(2,000,000)
Amortization - Fixed Assets	(14,439,089)
Amortization - Deferred Charges	(385,200)
	(16,824,289)
Earnings Before Income Taxes and Financing	30,688,625
Income taxes	(5,895,638)
Earnings on Average Rate Base (interest expense excluded)	\$ 24,792,987
Rate Base - Year End Average	\$ 314,622,657
Return on Average Rate Base (%)	7.88%