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The Island Regulatory
and Appeals Commission

January 15, 2016

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 for the fiscal year ending December 31, 2015. An electronic version will follow.

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

Yours truly,

MARITIME ELECTRIC



Jason Roberts
Director, Regulatory & Financial Planning

JCR01
Enclosure

**Electric Power Act
Section 48(12) - Schedule 3
Rate Base**

		2014	2015
	Fixed Assets	\$ 549,747,577	\$ 573,109,433
Less	Work in progress	(2,502,588)	(5,098,313)
Less	Accumulated amortization	(184,784,475)	(194,466,955)
	Net Fixed Assets	362,460,514	373,544,165
Less	Contributions - net	(26,254,677)	(25,439,503)
Less	Future income taxes - net of Long-Term Receivable	(17,297,723)	(13,750,370)
Add	Deferred Financing Costs	427,996	422,675
Less	Post-2003 costs due from (to) customers	(5,061,928)	2,467,325
Less	Regulatory Liabilities - Other	(13,465,192)	(23,486,720)
Add	Regulatory Asset - Other	3,660,423	0
Add	Intangible assets	4,270,784	4,105,909
Add	Deferred Charge	2,074,705	1,868,817
		(51,645,612)	(53,811,867)
Add	Working Capital		
	Inventory	5,709,926	5,163,885
	Gross operating expenses * 3.6%	4,708,780	4,887,951
	Income taxes paid * 3.6%	127,512	304,488
		\$ 10,546,218	\$ 10,356,324
	Rate Base (unaveraged)	\$ 321,361,120	\$ 330,088,622
	Average Rate Base	\$	\$ 325,724,871

**Electric Power Act
Section 48(12) - Schedule 3
Return on Average Rate Base**

		2015
	Total revenue	\$ 185,227,031
	Operating expenses (net of ECAM)	(137,818,798)
	Financing costs	(5,320)
		47,402,913
	Amortization - Fixed Assets	(15,886,668)
	Amortization - Deferred Charges	(207,362)
		(16,094,030)
	Earnings Before Income Taxes and Financing	31,308,883
	Income taxes	(6,001,467)
	Earnings on Average Rate Base (interest expense excluded)	\$ 25,307,416
	Rate Base - Year End Average	\$ 325,724,871
	Return on Average Rate Base (%)	7.77%