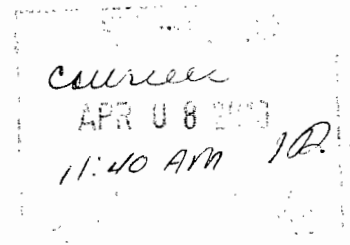


MARITIME
ELECTRIC
A FORTIS COMPANY

April 8, 2010

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



Dear Mr. Lanigan:


Re: Order UE10-01

Please find attached eight (8) copies of Maritime Electric's supplemental affidavit in respect of Commission Order UE10-01. An electronic version will follow shortly.

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

Yours truly,

MARITIME ELECTRIC


J.W. Geldert
Vice President, Finance, Administration
& Chief Financial Officer

JWG22
Encl. as noted

CANADA

PROVINCE OF PRINCE EDWARD ISLAND

**BEFORE THE ISLAND REGULATORY
AND APPEALS COMMISSION**

IN THE MATTER of Section 20 of the Electric Power Act, R.S.P.E.I. 1988, Cap. E-4, and **IN THE MATTER** of the Application of Maritime Electric Company, Limited, for an order of the Commission approving rates, tolls and charges for electric service for the periods beginning April 1, 2010 and April 1, 2011 and for certain approvals incidental to such an order.

SUPPLEMENTAL AFFIDAVIT

We, Frederick James O'Brien, of Alberton, in Prince County, and John William Geldert, John David Gaudet and Steven David Loggie of Charlottetown, in Queens County, Province of Prince Edward Island, MAKE OATH AND SAY AS FOLLOWS:

1. We are the President and Chief Executive Officer, Vice President, Finance and Chief Financial Officer, Vice President, Corporate Planning and Energy Supply, and Vice President, Customer Service for Maritime Electric Company, Limited ("Maritime Electric" or the "Company") respectively and as such have personal knowledge of the matters deposed to herein, except where noted, in which case we rely upon the information of others and in which case we verily believe such information to be true.
2. This Affidavit is supplemental to our previous Affidavit filed in this matter on January 29, 2010.

3. By application filed with the Island Regulatory and Appeals Commission ("the Commission") on October 18, 2007, Maritime Electric applied to the Commission for, among other things, amendments to its rates, tolls and charges ("the 2008 Application").
4. As part of the 2008 Application, Maritime Electric requested that the Commission consider a modification in the second block declining residential rate ("the Second Block Rate").
5. By Order UE08-01, the Commission approved the following schedule to modify the Second Block Rate by increasing and ultimately eliminating the second block threshold as follows:

Rate Class	Current	April 1, 2008	April 1, 2009	April 1, 2010
Residential	1,200 kWh	1,600 kWh	2,000 kWh	-

6. The Government of Prince Edward Island and the Federation of Agriculture subsequently requested that the Commission review, rescind or rehear that portion of Order UE08-01 that would eliminate the Second Block Rate on April 1, 2010.
7. As a result of these requests, Maritime Electric applied to the Commission for approval to suspend implementation of the balance of Order UE08-01 and to include the issue as part of this Application ("the 2010 Rate Application").
8. By Order UE10-01, the Commission ordered that:
 - (i) the elimination of the 2,000 kWh threshold for the Second Block Rate will be delayed and reviewed as part of the Company's 2010 Application for proposed rate changes, Commission Docket UE20940;
 - (ii) the Company must file, for consideration as part of the 2010 proposed rate amendments, information outlining the implications of the continuation of the Second Block Rate which includes Cost of Service study information and Demand Side Management Plan revisions;

- (iii) evidence must be presented to the Commission demonstrating changed circumstances that warrant varying the original Order; and
- (iv) the Company shall immediately file financial information detailing the overall cost of the Second Block Rate and the implications to all consumer rate classes.

IMPLICATIONS OF CONTINUING THE SECOND BLOCK RATE

- 9. Continuation of the Second Block Rate in its current form will have implications on the financial material provided to date in the 2010 Rate Application.
- 10. In particular, if the Commission determines that the Second Block Rate should be retained in its current form, Maritime Electric proposes to allocate the Revenue Requirement Recovery associated with retaining the Second Block Rate (\$1,118,500 for the period April 1, 2010 to December 31, 2010 and \$1,554,600 for the period January 1, 2011 to December 31, 2011) across all rate classes and to adjust the re-basing of the Energy Cost Adjustment Mechanism proposed in this Application. A spreadsheet detailing the impact upon the various customer classes is attached as Exhibit 1. For the purposes of these calculations we have assumed new rates would commence August 1, 2010. Attached as Exhibit 2 are revised financial statements which reflect these changes.

DEMAND SIDE MANAGEMENT PLAN REVISIONS


- 11. Pursuant to the requirements of the Renewable Energy Act, R.S.P.E.I. 1988, Cap. R-12.1, Maritime Electric is required to periodically file its proposed plans for demand side management ("DSM") with the Commission and to receive Commission approval. Over the past few years, Maritime Electric has filed DSM plans containing a number of ongoing and proposed initiatives, one of which was the elimination of the Second Block Rate. In Maritime Electric's view, given the various ongoing DSM initiatives, the continuation of the Second Block Rate in its current form will not have a material impact upon Maritime Electric's DSM plans.

CHANGED CIRCUMSTANCES

12. Since Commission Order UE08-01, circumstances have changed. Most significantly, the Government of Prince Edward Island has entered into discussions with the Government of Quebec, with the objective of obtaining a power purchase agreement with Hydro Quebec.
13. At the present time, discussions between Prince Edward Island and Quebec are ongoing, with the next meetings currently scheduled for April 14, 2010 in Montreal. Should these discussions result in a power purchase agreement whereby Hydro Quebec agrees to provide all or substantially all of Prince Edward Island's electricity requirements, the DSM initiatives currently being pursued by Maritime Electric may change significantly. In the circumstances, maintaining the Second Block Rate in its current form is a reasonable measure that maintains the status quo.
14. In summary, Maritime Electric is not opposed to retaining the Second Block Rate in its current form. Although retaining the Second Block Rate represents a variation in Maritime Electric's current DSM plans, this variation will not have a material impact. Finally, given the current discussions between Prince Edward Island and Quebec, it is clear that circumstances have significantly changed since the granting of UE08-01.

ALL OF WHICH is respectfully submitted this 8th day of April, 2010.

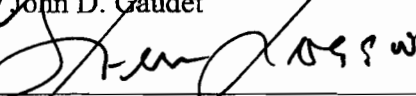
SWORN TO SEVERALLY at
Charlottetown, Prince Edward Island, the
8th day of April, 2010 before me:


A Commissioner for taking Affidavits in
the Supreme Court of Prince Edward Island


Frederick J. O'Brien

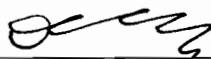

J. William Geldert


John D. Gaudet


Steven D. Loggie

Report of Commission						
Rate Class	Demand (KW/Month)	Consumption (kWh/Month)	2010		2011	
			As Per Original Application Filed January 29, 2010	As Revised to Retain Residential Second Block	As Per Original Application Filed January 29, 2010	As Revised to Retain Residential Second Block
Residential - Rural	n/a	650	-0.5%	-1.1%	-0.4%	0.0%
General Service	0 - 20	500	2.1%	2.7%	0.5%	0.8%
General Service	30	3,000	2.1%	2.7%	0.5%	0.8%
General Service	50	5,000	2.2%	2.7%	0.4%	0.7%
General Service	250	250,000	-2.7%	-2.1%	-1.6%	-1.3%
Large Industrial	9,000	9,000,000	-9.3%	-9.0%	-5.3%	-4.9%
Small Industrial	50	5,000	2.0%	2.6%	0.3%	0.6%
Small Industrial	150	25,000	0.0%	0.5%	-0.5%	-0.2%
Small Industrial	500	300,000	-4.5%	-3.9%	-2.6%	-2.2%

This is Exhibit 1 of the Affidavit of
 Frederick O'Brien, William Geldert
 John Gaudet and Steven Loggie
 Sworn to before me this 8th day of
 April, A.D. 2010



 A Commissioner of the Supreme
 Court of Prince Edward Island

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

	Actual 2009	Forecast 2010 (Revised)	Forecast 2011 (Revised)
Revenue			
Revenue Requirement	\$ 142,747,634	\$ 157,271,600	\$ 167,084,000
Amortization - Costs Recoverable From Customers (Pre-2004)	(2,000,000)	(2,000,000)	(2,000,000)
Net Revenue	140,747,634	155,271,600	165,084,000
Operating Expenses (net of ECAM)			
Operating Expenses (net of ECAM)	97,878,264	111,947,200	119,500,900
Amortization - Fixed Assets	12,264,001	12,987,000	14,364,000
Amortization - Deferred Charges	177,840	240,400	303,000
Operating Income	30,427,530	30,097,000	30,916,100
Financing Costs	12,674,532	11,748,800	12,089,800
Earnings Before Income Taxes	17,752,998	18,348,200	18,826,300
Income Taxes	6,362,855	6,353,000	6,243,200
Net Earnings - Regulated	\$ 11,390,143	\$ 11,995,200	\$ 12,583,100
Fortis Inc Head Office Costs (net of tax) ¹	170,663	239,300	259,200
Net Earnings - Non-Regulated	11,219,480	11,755,900	12,323,900
Return on Average Common Equity (%) - Non-Regulated	9.58%	9.55%	9.55%
Return on Average Common Equity (%) - Regulated	9.73%	9.75%	9.75%

¹ Costs disallowed in calculating the Annual Revenue Requirement and Regulated Return on Average Common Equity as per Order UE09-02.

This is Exhibit 2 to the Affidavit of
Frederick O'Brien, William Geldert,
John Gaudet and Steven Loggie
Sworn to before me this 8th day of
April, A.D. 2010

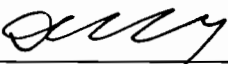

A Commissioner of the Supreme
Court of Prince Edward Island

Exhibit 2
Maritime Electric
Financial Results (Actual and Forecast)
Balance Sheets (Revised)

	Actual 2009	Forecast 2010 (Revised)	Forecast 2011 (Revised)
ASSETS			
Fixed Assets			
Property, plant and equipment	\$ 446,032,378	\$ 466,078,800	\$ 486,979,600
Less: Accumulated amortization	140,109,479	150,027,700	160,356,200
	305,922,899	316,051,100	326,623,400
Other Long-Term Assets			
Costs Recoverable from Customers (Pre-2004)	9,983,600	7,983,600	5,983,600
Costs Recoverable from Customers (Post-2003)	44,258,385	51,052,600	58,467,400
Intangible assets	6,000,000	6,000,000	6,000,000
Deferred charges	3,346,822	3,419,400	3,429,300
	63,588,807	68,455,600	73,880,300
Current Assets			
Accounts receivable	22,038,073	26,763,700	32,392,200
Materials and supplies	3,288,905	3,100,000	3,150,000
Prepaid expenses	494,840	492,000	488,500
Income tax deposit	5,921,580	5,921,600	0
	31,743,398	36,277,300	36,030,700
TOTAL ASSETS	\$ 401,255,104	\$ 420,784,000	\$ 436,534,400
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's Equity			
Common shares	\$ 31,100,681	\$ 31,100,700	\$ 31,100,700
Retained earnings	89,240,397	95,235,600	101,818,700
	120,341,078	126,336,300	132,919,400
Long-term Debt	152,000,000	137,000,000	157,000,000
Other Long-Term Liabilities			
Future income taxes	15,033,000	22,000,000	28,300,000
Contributions	29,014,219	28,097,900	27,183,500
	44,047,219	50,097,900	55,483,500
Current Liabilities			
Bank indebtedness	438,321	4,100	2,500
Short-term borrowings	17,005,000	40,415,000	34,560,000
Future income taxes	23,847,147	19,258,900	15,543,400
Accounts payable and accrued liabilities	43,576,340	47,671,800	41,025,600
	84,866,808	107,349,800	91,131,500
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	\$ 401,255,104	\$ 420,784,000	\$ 436,534,400
Capital Structure - Year End			
Total Debt	58.5%	58.5%	59.2%
Common Equity	41.5%	41.5%	40.8%
	100.0%	100.0%	100.0%

Exhibit 2
Maritime Electric
Financial Results (Actual and Forecast)
Statements of Cash Flows (Revised)

	Actual 2009	Forecast 2010 (Revised)	Forecast 2011 (Revised)
Cash Flow from Operating Activities			
Net Earnings	\$ 11,390,143	\$ 11,995,200	\$ 12,583,100
Add (deduct) non-cash items:			
Amortization - Fixed Assets	12,264,001	12,987,000	14,364,000
Amortization - Deferred Charges	177,840	240,400	303,000
Future income taxes	5,406,144	2,378,700	2,584,500
Changes in non-cash working capital	(2,931,136)	(5,232,700)	(12,914,200)
	26,306,991	22,368,600	16,920,400
Cash Flow From Financing Activities			
Issuance (Repayment) of long-term debt	0	(15,000,000)	20,000,000
Contributions	5,313,287	265,000	275,000
Payment of dividends	(5,000,000)	(6,000,000)	(6,000,000)
	313,287	(20,735,000)	14,275,000
Cash Flow from Investing Activities			
Expenditures for Fixed Assets (Net)	(28,254,493)	(24,609,400)	(25,025,800)
Increase (Decrease) in Cash	(1,634,215)	(22,975,800)	5,856,600
Bank Indebtedness, Beginning of Year	(15,809,106)	(17,443,300)	(40,419,100)
Bank Indebtedness, End of Year	(\$17,443,321)	(\$40,419,100)	(\$34,562,500)