

*Financial Statements of*

**NEW BRUNSWICK POWER NUCLEAR  
CORPORATION - NUCLEAR  
FUEL WASTE TRUST**

*for the year ended March 31, 2009*

## Auditors' Report

To the Trustee of New Brunswick Power Nuclear Corporation-Nuclear Fuel Waste Trust:

We have audited the statement of assets of the New Brunswick Power Nuclear Corporation Nuclear Fuel Waste Trust (the "Trust") as at March 31, 2009 and the statements of operations and comprehensive (loss) income and changes in assets for the year then ended. These financial statements are the responsibility of the trustee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the trustee, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2009 and the results of its operations and the changes in its assets for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants

May 6, 2009

**NEW BRUNSWICK POWER NUCLEAR CORPORATION-  
NUCLEAR FUEL WASTE TRUST**

**Statement of Assets**

as at March 31, 2009

(in thousands)

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
INVESTMENTS		
Investments (Note 3)	\$ 48,652	\$ 44,770
	<u>48,652</u>	<u>44,770</u>
OTHER		
Accrued interest receivable (Note 3)	176	155
<b>TOTAL ASSETS</b>	<b>\$ 48,828</b>	<b>\$ 44,925</b>

**NEW BRUNSWICK POWER NUCLEAR CORPORATION -  
NUCLEAR FUEL WASTE TRUST**  
**Statement of Operations and Comprehensive (Loss) Income**  
for the year ended March 31, 2009  
(in thousands)

	<u>2009</u>	<u>2008</u>
Investment income	\$ 2,307	\$ 2,014
Amortization of premium	(150)	(128)
<b>INCOME</b>	<b>\$ 2,157</b>	<b>\$ 1,886</b>
<b>Other comprehensive (loss) income</b>		
Change in unrealized gains and losses on available-for-sale investments:		
Unrealized gains and (losses) arising during the year	(2,254)	44
<b>COMPREHENSIVE (LOSS) INCOME</b>	<b>\$ (97)</b>	<b>\$ 1,930</b>

**NEW BRUNSWICK POWER NUCLEAR CORPORATION**  
**NUCLEAR FUEL WASTE TRUST -**  
**Statement of Changes in Assets**  
for the year ended March 31, 2009  
(in thousands)

	<u>2009</u>	<u>2008</u>
<b>ASSETS, BEGINNING OF YEAR</b>	<b>\$ 44,925</b>	<b>\$ 38,995</b>
Contributions	<b>4,000</b>	4,000
Increase in assets from operations	<b>2,157</b>	1,886
(Decrease) increase in assets from other comprehensive income	<b>(2,254)</b>	44
<b>ASSETS, END OF YEAR</b>	<b>\$ 48,828</b>	<b>\$ 44,925</b>

# NEW BRUNSWICK POWER NUCLEAR CORPORATION – NUCLEAR FUEL WASTE TRUST

## Notes to the Financial Statements for the year ended March 31, 2009 (in thousands)

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### 1. DESCRIPTION OF THE FUNDS

As required under the Nuclear Fuel Waste Act (“NFWA”), owners of nuclear fuel waste established, by incorporation, the Nuclear Waste Management Organization (“NWMO”). The NWMO will report regularly to the Government of Canada and make recommendations on long-term management of nuclear fuel waste.

The *Nuclear Fuel Waste Act* requires major owners of used nuclear fuel in Canada to establish trust funds to finance the long-term management of used nuclear fuel. In June 2007, the Government of Canada announced its decision to accept the long term disposal plan proposed by the NWMO. The funding requirement is based on the accepted proposal and was approved on April 7, 2009. The funding requirement for the 2008/09 year was \$7 million. The Corporation contributed \$4 million in November 2008 and \$3 million upon approval of the proposal in April 2009.

The Trustee of the Trust is CIBC Mellon Trust Company. The NWMO is the beneficiary of the Trust. The Trust, the Point Lepreau Used Fuel Management Segregated Fund and the Point Lepreau Decommissioning Segregated Fund collectively have been accepted by the Canadian Nuclear Safety Commission as satisfaction of New Brunswick Power Nuclear Corporation’s (“Nuclearco”) financial guarantee requirement in the operating license. The financial statements present the assets of the Trust as at March 31, 2009 and the statements of operations and comprehensive (loss) income and changes in assets for the year then ended.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of presentation*

The financial statements of the Trust have been prepared by management in accordance with Canadian generally accepted accounting principles.

#### *Payments in lieu of future income taxes*

Payments in lieu of future income taxes are the liability of Nuclearco, the holder of the investments and have been recognized in the records of Nuclearco.

# NEW BRUNSWICK POWER NUCLEAR CORPORATION – NUCLEAR FUEL WASTE TRUST

## Notes to the Financial Statements for the year ended March 31, 2009 (in thousands)

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Financial instruments*

Financial assets are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Trust's designation of such instruments. Settlement date accounting is used.

#### Classification

Accrued interest receivable  
Nuclear Fuel Waste Trust

Loans and receivables  
Available-for-sale

#### Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity or held-for-trading investments. Except as mentioned below, available-for-sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive income until realized when the cumulative gain or loss is transferred to investment income.

Available-for-sale financial assets that do not have quoted market prices in an active market are recorded at cost.

Interest on interest-bearing available-for-sale financial assets is calculated using the effective interest method.

#### Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

#### Effective interest method

The Trust uses the effective interest method to recognize interest income or expense which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

**NEW BRUNSWICK POWER NUCLEAR CORPORATION – NUCLEAR FUEL  
WASTE TRUST**

**Notes to the Financial Statements  
for the year ended March 31, 2009  
(in thousands)**

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**3. INVESTMENTS**

Investments are comprised of cash and Federal and Provincial Bonds as follows:

	<u>2009</u>	<u>2008</u>
Accrued interest receivable	\$ 176	\$ 155
Investments	48,652	44,770
	<u>\$ 48,828</u>	<u>\$ 44,925</u>