

**THE NEW BRUNSWICK
ENERGY AND UTILITIES BOARD**

**IN THE MATTER OF a Review of the New
Brunswick System Operator's ("NBSO")
2010-2011 Revenue Requirement**

APPENDIX G

**NBSO Letter to EUB Dated August 26, 2009
(Reference to Rebate of Surplus)**



New Brunswick System Operator
Exploitant du réseau du Nouveau-Brunswick

IN CONFIDENCE

August 26, 2009

SENT BY ELECTRONIC MAIL AND POST

Ms. Lorraine R. Légère
Secretary, New Brunswick Energy
and Utilities Board
15 Market Square, Suite 1400
Saint John, NB E2L 4Y9

Dear Ms. Légère:

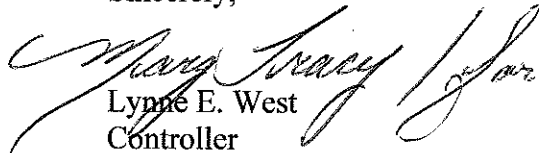
Re: New Brunswick System Operator Financial Information for July 2009

Enclosed herewith for filing with the Board is the New Brunswick System Operator's (NBSO) financial information for the month of July 2009. The 2008/09 surplus was rebated on the July bills; this is reflected on the Balance Sheet.

The original documents will be forwarded via courier. The data provided is unaudited and being provided to the Board "In Confidence".

Should you require additional information or have any questions concerning this material, please do not hesitate to contact me at 458-4933.

Sincerely,



Lynne E. West
Controller

Encl.

New Brunswick System Operator
STATEMENT OF OPERATIONS AND DEFICIT
Period ended July 31, 2009
(in thousands)
(unaudited)

Current month			Year to Date			
Actual	Budget		Actual	Budget	Total Budget	June Forecast
Revenues						
Transmission:						
2,962	2,694	(1) Point to Point tariff	11,338	10,777	32,333	32,626
2,900	3,195	(2) Network tariff	13,284	14,454	50,162	49,288
93	34	(3) Power factor penalty	341	308	1,024	998
5,955	5,923	(4) Total transmission	24,963	25,539	83,519	82,912
1,586	1,611	(5) Ancillary services	6,210	6,566	20,224	19,880
93	30	(6) Miscellaneous	390	297	1,170	1,170
7,634	7,564	(7) Total revenue	31,563	32,402	104,913	103,962
Expenses						
5,955	5,923	(8) Transmission	24,963	25,539	83,519	82,912
663	714	(9) Ancillary services	2,608	2,920	8,794	8,536
680	819	(10) Operations, maintenance and administration	3,050	3,277	11,435	11,404
7,298	7,456	(11) Total expenses	30,621	31,736	103,748	102,852
336	108	(12) Operating income (loss)	942	666	1,165	1,110
(1)	0	(13) Interest charges	(3)	0	0	-
337	108	(14) Net income (loss) for the period	945	666	1,165	1,110

*Monthly settlements of market participants' energy imbalance and residual monthly costs are not reflected in NBSO's Statement of Operations since they do not represent revenues or expenses of NBSO as NBSO merely acts as an intermediary in the settlement process.

**Statement of Revenues and Expenses - New Brunswick System Operator
for the month ended July 31, 2009**

(in thousands)

(unaudited)

	Current month (CM)		Year to date (YTD)		Total Budget	Last Year		June Forecast
	Actual	Budget	Actual	Budget		CM	YTD	
1. Transmission								
Revenue								
Point to Point (OATT Sch 7 & 8)	2,962	2,694	11,338	10,777	32,333	2,704	11,320	32,626
Network (OATT attachment H)	2,900	3,195	13,284	14,454	50,162	2,959	13,816	49,288
Power Factor Penalty	93	34	341	308	1,024	192	481	998
Expense								
Transmission Exp. NBP Transco	5,955	5,923	24,934	25,539	83,519	5,847	25,579	82,912
Transmission Exp. WPS			29			8	38	
Subtotal	-	-	-	-	-	-	-	-
2. Ancillary Services								
Reactive Supply & Voltage Control (OATT Sch 2)								
Revenue	475	475	1,900	1,900	5,703	398	1,767	5,703
Expense	474	474	1,896	1,896	5,692	470	1,881	5,692
Subtotal	1	1	4	4	11	(72)	(114)	11
Capacity based ancillary services (OATT Sch 3,5 & 6)								
Revenue	256	275	872	1,210	4,138	186	1,118	3,818
Expense	174	236	640	944	2,952	145	276	2,725
Regulation and Load Following for Wind (OATT Sch 3c)								
Revenue	2	8	26	44	149			125
Expense	15	4	72	80	150			119
Subtotal	69	43	186	230	1,185	41	842	1,099
3. Market Settlement								
Market Settlement Revenue	886		2,998			1,931	10,658	2,112
Market Settlement Expense	886		2,998			1,931	10,658	2,112
Subtotal	-	-	-	-	-	-	-	-
4. SO Operation								
Revenue								
SO ancillary service (OATT Sch 1)	853	853	3,412	3,412	10,234	577	2,181	10,234
Miscellaneous Revenue	93	30	198	190	732	39	190	732
Flow through Revenue		-	190	107	438	2	76	438
Expense								
SO Operations	679	819	2,855	3,170	10,997	727	3,007	10,966
Flow through Expense		-	190	107	438	2	76	438
Subtotal	267	64	755	432	(31)	(111)	(636)	-
Excess (shortfall) of revenues over expenses	337	108	945	666	1,165	(142)	92	1,110

For the month of July there was an overall surplus of \$337k compared to a budgeted surplus of \$108k. April was the first month using the new method of revenue recovery for Schedule 1 and 2. Revenue recovered from Market Participants using transmission services in the month is one twelfth of the total Revenue Requirement approved by the EUB.

SO Operations expenses are lower than budget mainly due to the move to new facilities scheduled to occur later than originally budgeted. The margin on CBAS was \$26k greater than budget. Beginning in fiscal 2010 revenues and expenses for regulation and load following for wind, schedule 3c in the OATT, are shown as new items on this Statement.

Confidential

**New Brunswick System Operator
For the period ended July 31, 2009
EXECUTIVE SUMMARY
(unaudited)**

Summary of results for the period ended July 31, 2009

Operating Highlights	Current Month		Year-to-date		Budget	June 09 Forecast
	Actual	Budget	Actual	Budget		
(1) Reliability - SAIFI (loss of supply-frequency)	0.17	N/A	0.57	N/A	N/A	N/A
(2) Reliability - SAIDI (loss of supply-duration)	0.27	N/A	0.80	N/A	N/A	N/A
(3) CPS1 - Interconnect frequency	164	N/A	N/A	N/A	N/A	N/A
(4) CPS2 - interchange flows	99	N/A	N/A	N/A	N/A	N/A
Financial Highlights (in thousands \$)						
	Actual	Budget	Actual	Budget	Budget	June 09 Forecast
(5) Revenue*	7,364	7,564	31,563	32,402	104,913	103,962
(6) Operation, maintenance & administration	680	819	3,050	3,277	11,435	11,404
(8) Net income (loss)	337	108	945	666	1,165	1,110

*Monthly settlements of market participants' energy imbalance and residual monthly costs are not reflected in NBSO's Statement of Operations since they do not represent revenues or expenses of NBSO as NBSO merely acts as an intermediary in the settlement process.