



Docket UE20937
Order UE10-01

IN THE MATTER of an
application by Maritime Electric Company,
Limited to suspend Commission Order UE08-01,
and refer elimination of the declining block rate
adjustment to Commission Docket UE20940,
2010 proposed rate amendments.

BEFORE THE COMMISSION

on Tuesday, the 9th day of March, 2010.

Maurice Rodgerson, Chair
John Broderick, Commissioner
Anne Petley, Commissioner
Ernest Arsenault, Commissioner

Order

Compared and Certified a True Copy

(Sgd) *Mark Lanigan*

Technical and Regulatory Services

IN THE MATTER of an

application by Maritime Electric Company,
Limited to suspend Commission Order UE08-01,
and refer elimination of the declining block rate
adjustment to Commission Docket UE20940,
2010 proposed rate amendments.

Order

WHEREAS, Maritime Electric Company Limited (the “Company”) has applied to the Island Regulatory and Appeals Commission (the “Commission”) for approval to suspend Commission Order UE08-01 as it relates to the implementation of the final phase elimination of the second block reduced residential rate and include this matter as part of the Company’s 2010 application for proposed rate amendments;

AND WHEREAS, presently, the 2nd block reduced rate applies to residential customers consuming in excess of 2,000 kWh per month and is scheduled to terminate April 1, 2010;

AND WHEREAS, the Company states the suspension is warranted because of the following:

- potential rate restructuring associated with a possible electricity deal between the Governments of Prince Edward Island and Quebec;
- the implications on rates associated with a recently completed Cost Allocation Study;
- rate implications associated with a forthcoming revised Demand Side Management (“DSM”) program; and
- it would provide a further opportunity for interested groups and individuals to make their views known on the elimination of the 2nd block rates;

AND WHEREAS, the Commission has received requests from both the Federation of Agriculture and the Government of Prince Edward Island asking the Commission to review, rescind, or rehear Order UE08-01;

AND WHEREAS, the Commission notes the original Order UE08-01 followed a publicly advertised process seeking input and, in fact, public comment was received as a result of the advertisements placed in Island newspapers;

AND WHEREAS, the Commission notes the decision to phase out the reduced second block rate over three years took into consideration time for all user groups to prepare for its elimination;

AND WHEREAS, other interested parties have expressed concern about the fairness and consequences of retaining a 2nd block reduced rate, both from the potential environmental impact of consumption patterns and the cost implications to other ratepayers;

AND WHEREAS, rescinding an Order, especially a phased-in rate change that is two-thirds completed and which followed a public process, requires compelling evidence of changed circumstances;

AND WHEREAS, the Commission notes that it has not been presented with adequate evidence to support rescinding Order UE08-01 and to rescind a Commission Order, without evidence, would be contrary to the principles of administrative law and natural justice;

AND WHEREAS, the Commission is prepared to provide interested parties with the opportunity to present further evidence on the matter;

NOW THEREFORE, pursuant to the *Island Regulatory and Appeals Commission Act* and the *Electric Power Act*,

IT IS ORDERED THAT

1. the elimination of the 2,000 kWh threshold for the 2nd block rate will be delayed and reviewed as part of the Company's 2010 application of proposed rate changes, Commission Docket UE20940;
2. the Company must file, for consideration as part of the 2010 proposed rate amendments, information outlining the implications of the continuation of the 2nd block declining rate which include Cost of Service study information and Demand Side Management Plan revisions;
3. evidence must be presented to the Commission demonstrating changed circumstances that warrant varying the original Order; and
4. the Company shall immediately file financial information detailing the overall cost of the 2nd block rate and the implications to all consumer rate classes.

DATED at Charlottetown, Prince Edward Island, this 9th day of March, 2010.

BY THE COMMISSION:

(Sgd) Maurice Rodgerson

Maurice Rodgerson, Chair

(Sgd) John Broderick

John Broderick, Commissioner

(Sgd) Anne Petley

Anne Petley, Commissioner

(Sgd) Ernest Arsenault

Ernest Arsenault, Commissioner

NOTICE

Section 12 of the *Island Regulatory and Appeals Commission Act* reads as follows:

12. The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it, or rehear any application before deciding it.

Parties to this proceeding seeking a review of the Commission's decision or order in this matter may do so by filing with the Commission, at the earliest date, a written Request for Review, which clearly states the reasons for the review and the nature of the relief sought.

Sections 13.(1), 13(2), 13(3), and 13(4) of the *Act* provide as follows:

13.(1) An appeal lies from a decision or order of the Commission to the Court of Appeal upon a question of law or jurisdiction.

(2) The appeal shall be made by filing a notice of appeal in the Court of Appeal within twenty days after the decision or order appealed from and the rules of court respecting appeals apply with the necessary changes.

(3) The Commission shall be deemed to be a party to the appeal.

(4) No costs shall be payable by any party to an appeal under this section unless the Court of Appeal, in its discretion, for special reasons, so orders.

IRAC140A(04/07)

NOTE: In accordance with IRAC's *Records Retention and Disposition Schedule*, the material contained in the official file regarding this matter will be retained by the Commission for a period of 5 years.