



**THE ISLAND REGULATORY AND  
APPEALS COMMISSION**  
Prince Edward Island  
Île-du-Prince-Édouard  
CANADA

Docket  
UE20000  
Order UE11-04

**IN THE MATTER** of an  
application by Maritime Electric Company,  
Limited for direction concerning earnings in  
excess of approved maximum return on equity.

**BEFORE THE  
COMMISSION**

on Thursday, the 22nd day of December, 2011.

Maurice Rodgerson, Chair  
John Broderick, Commissioner  
Michael Campbell, Commissioner

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# Order

Compared and Certified a True Copy

(Sgd) *Allison MacEwen*

Director, Technical and Regulatory  
Services

**IN THE MATTER** of an  
application by Maritime Electric Company,  
Limited for direction concerning earnings in  
excess of approved maximum return on equity.

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# Order

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**UPON** reviewing the application of Maritime Electric Company, Limited (the “Company”) for approval to set aside earnings (plus interest) in excess of the maximum return on average common equity approved by Commission Order UE10-03 for fiscal year-end 2011;

**AND UPON** reviewing the *Electric Power (Electricity-Rate Reduction) Amendment Act* which sets out the Return on Average Common Equity for 2011 and 2012;

**AND UPON** noting the *Electric Power (Electricity-Rate Reduction) Amendment Act* does not provide direction to the Commission or the Company regarding the financial treatment of earnings in excess of the approved return of average common equity;

**AND UPON** considering Section 48(13) of the *Electric Power (Electricity-Rate Reduction) Amendment Act*, regarding the process for the return of earnings in excess of rate base;

**AND UPON** noting Section 48(13) is not applicable in this case because earnings do not exceed the rate base as set out in Schedule 1 of the *Electric Power (Electricity-Rate Reduction) Amendment Act*;

**AND UPON** considering that electricity rates for 2012 are set in legislation and can only be changed by legislative amendment;

**AND UPON** concluding that the Company's request conforms to the spirit of Section 48(13) of the *Electric Power (Electricity-Rate Reduction) Amendment Act*,

**AND UPON** recognizing that the Company will come forward in 2012 with a rate proposal for 2013 rates, which will include the excess earnings of 2011 and 2012, if applicable;

**NOW THEREFORE**, pursuant to the *Electric Power Act*,

**IT IS ORDERED THAT**

1. The Company shall defer, with interest accruing at its cost of short-term borrowing, any earnings in excess of the approved returns on average common equity for 2011 and 2012, if applicable; and,
2. The Company's 2013 rate application shall include a proposal for the return to ratepayers of any applicable excess earnings for the years 2011 and 2012.

**DATED** at Charlottetown, Prince Edward Island, this 22nd day of December, 2011.

**BY THE COMMISSION:**

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(Sgd) *Maurice Rodgerson*

Maurice Rodgerson, Chair

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(Sgd) *John Broderick*

John Broderick, Commissioner

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(Sgd) *Michael Campbell*

Michael Campbell, 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.