



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

Docket: UE20730
Order: UE20-02

IN THE MATTER of an application by Maritime Electric Company, Limited for an order of the Island Regulatory and Appeals Commission approving the 2020 Annual Capital Budget, pursuant to section 17(1) of the *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4, and for certain approvals incidental thereto;

AND IN THE MATTER of a Supplemental Budget Request filed by Maritime Electric Company, Limited for an order approving certain 2020 capital expenditures related to the PEI Broadband Project.

BEFORE THE COMMISSION ON Tuesday,
the 5th day of May, 2020.

J. Scott MacKenzie, Q.C., Chair
M. Douglas Clow, Vice-Chair
Erin T. Mitchell, Commissioner

CERTIFIED A TRUE COPY

Cheryl Mosher,
Senior Financial Advisor
Island Regulatory & Appeals Commission

Order

IN THE MATTER of an application by Maritime Electric Company, Limited for an order of the Island Regulatory and Appeals Commission approving the 2020 Annual Capital Budget, pursuant to section 17(1) of the *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4, and for certain approvals incidental thereto;

AND IN THE MATTER of a Supplemental Budget Request filed by Maritime Electric Company, Limited for an order approving certain 2020 capital expenditures related to the PEI Broadband Project.

Order

WHEREAS on or about August 23, 2019, Maritime Electric Company, Limited (“Maritime Electric” or the “Company”) filed an application with the Island Regulatory and Appeals Commission (the “Commission”) pursuant to section 17(1) of the *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4 (the “Act”) seeking approval of the Company’s 2020 Annual Capital Budget (the “2020 Capital Budget”);

AND WHEREAS in section 5.5 of the 2020 Capital Budget, the Company sought approval for line rebuilds associated with the PEI Broadband Project, but the Company did not include the amount of capital expenditures associated with the PEI Broadband Project;

AND WHEREAS on or about December 5, 2019, the Company filed a supplemental budget request with the Commission seeking approval of a provisional amount for 2020 capital expenditures associated with the PEI Broadband Project (the “Supplemental Budget Request”);

AND WHEREAS on December 9, 2019, the Commission issued Order UE19-09 approving the 2020 Capital Budget, subject to certain exceptions, but did not approve the Supplemental Budget Request as the Commission required further information from the Company;

AND WHEREAS the Commission issued interrogatories to Maritime Electric on February 11, 2020 and April 17, 2020 with respect to the Supplemental Budget Request;

AND WHEREAS Maritime Electric has filed responses to the interrogatories and the Commission has had an opportunity to review the responses;

AND WHEREAS section 8 of the *Act* requires Maritime Electric, as a public utility, to permit the use of its conduits, poles, wires and other equipment by any person providing telephone or cable television service to the public;

AND WHEREAS section 8 of the *Act* further requires that the joint use of equipment shall be for reasonable compensation, wherever public convenience and necessity requires the use, and when the use will not result in any detriment to the service already being rendered or in any danger to the safety of the public;

AND WHEREAS Bell Canada ("Bell") and Xplornet Communications Inc. ("Xplornet") shall compensate Maritime Electric for the joint use of Maritime Electric's equipment in relation to the PEI Broadband Project;

AND WHEREAS in accordance with the Supplemental Budget Request, the Company is seeking approval to increase the 2020 capital expenditures for line rebuilds from \$3,587,000 to \$9,297,000, representing an increase of \$5,710,000;

AND WHEREAS the Company is also seeking approval to increase the 2020 contributions from customers from \$400,000 to \$2,400,000, representing an increase of \$2,000,000;

AND WHEREAS the Commission has determined that the proposed revisions to the 2020 Capital Budget set forth in the Supplemental Budget Request are, in the circumstances, reasonable;

NOW THEREFORE, pursuant to section 17 of the *Act*, the Commission Orders as follows:

1. The Supplemental Budget Request for 2020 capital expenditures related to the PEI Broadband Project is hereby approved. The 2020 Capital Budget, as

approved in Order UE19-09, shall therefore be revised as follows:

2020 Revised Capital Budget		
Description	Line Rebuilds	Contributions
PEI Broadband Project – Bell	\$2,436,000	-
PEI Broadband Project – Xplornet	\$3,274,000	\$2,000,000
Subtotal	\$5,710,000	\$2,000,000
2020 Capital Budget as Approved in Order UE19-09	\$3,587,000	\$400,000
Revised 2020 Capital Budget	\$9,297,000	\$2,400,000

2. A summary of the revised 2020 annual capital expenditures is therefore as follows:

Expenditure	Amount Approved in Order UE19-09	Revised Amount Approved in Order UE20-02
Generation	\$767,000	\$767,000
Distribution	\$21,609,000	\$27,319,000
Transmission	\$9,214,000	\$9,214,000
Corporate	\$1,956,000	\$1,956,000
Capitalized General Expense	\$557,000	\$557,000
Interest During Construction	\$563,000	\$563,000
Less: Customer Contributions	(\$400,000)	(\$2,400,000)

Net Capital Expenditures	\$34,266,000	\$37,976,000
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3. The Company shall file written reports with the Commission every three (3) months from the date the Company commences work on the PEI Broadband Project. The reports shall provide updates on costs, work performed, project timelines, and any variations from the expenditures approved herein.
4. In the event the expenditures related to the PEI Broadband Project vary by plus or minus \$250,000.00 from the amounts approved herein, Maritime Electric shall be required to seek Commission approval for the variance forthwith.

DATED at Charlottetown, Prince Edward Island, this 5th day of May, 2020.

BY THE COMMISSION:

(Sgd) J. Scott MacKenzie

J. Scott MacKenzie, Q.C., Chair

(Sgd) M. Douglas Clow

M. Douglas Clow, Vice-Chair

(Sgd) Erin T. Mitchell

Erin T. Mitchell, 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.

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.