



Energy
Corporation

Société de
l'énergie



Office of the Chief Executive Officer

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November 20, 2020

Ms. Cheryl Mosher
Senior Financial Advisor
Island Regulatory & Appeals Commission
PO Box 577
Charlottetown, PE C1A 7L1

Dear Ms. Mosher:

RE: Commission Docket UE20944

The following are our comments regarding Grant Thornton's October 14, 2020 report to IRAC on Maritime Electric's Rate Application.

Provincial Costs Recoverable

PEI Energy Accord

We confirm that all overcollections received in respect of Pt. Lepreau and Dalhousie costs are being held for the sole purpose of making payments on the associated debt. However, we do not wish to receive overcollections as they result in current ratepayers paying more than their fair share of the Pt. Lepreau and Dalhousie costs vis-à-vis future ratepayers. Therefore, we strongly support amending our Debt Collection Agreement with Maritime Electric to require fixed monthly payments, regardless of the mechanism used by Maritime Electric to collect those amounts from ratepayers. This would ensure that any future overcollection by Maritime Electric remains under IRAC's purview.

We estimate that fixed remittances of approximately \$425,000 per month for the next three years would ensure that any overcollections received to date have been applied to the associated debt. After that, remittances could be set equal to our required debt payments, which will approximate \$455,000 per month until the debt is fully repaid in March 2038. Please note that the above amounts may change as the accumulated overcollections will continue to fluctuate until the Debt Collection Agreement is amended.

Electricity Efficiency and Conservation Plan

We agree with Grant Thornton's interpretation of this issue.

If you require any further information, please do not hesitate to contact me.

Yours truly,

A handwritten signature in blue ink, appearing to read "Kim Horrell". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Kim Horrell
CEO PEI Energy Corporation