

February 12, 2019

Island Regulatory & Appeals Commission
PO Box 577
Charlottetown PE C1A 7L1

Dear Commissioners:

Pursuant to Section 49(1) of the Rules of Practice and Procedure for Hearings, Maritime Electric hereby submits its Request for Confidentiality of those details and documents to be filed with the Commission with respect to the certain interrogatories directed to the Company. The Company requests confidential treatment of the information and objects to the disclosure of any abridged versions thereof.

The Company requests confidentiality of responses with respect to:

A. Point Lepreau Settlement Proceeds

Commission Staff Interrogatory IR-2(b) seeks information with respect to the Provincial Costs Recoverable which are impacted by the insurance settlement proceeds received by NB Power as discussed in Section 4.1.2 of the evidence. Due to the commercial sensitivity of the settlement provisions and related proceeds to NB Power and its insurers, Maritime Electric, NB Power and the PEI Energy Corporation (PEIEC) have executed a Minutes of Settlement which prohibits the public disclosure of this information.

IR-2-Attachment 2, as referenced in response IR-2(b) contains information with respect to the related insurance settlement proceeds received by the Company and remitted to the PEIEC. This information is subject to the Minutes of Settlement confidentiality agreement between the parties.

B. Compensation

Commission Staff Interrogatories 29, 30 and 31 relate to compensation of certain employees and directors of the Company. The information requested is both personal and private information of the named individuals and commercially sensitive in nature as the Company competes to attract and retain highly skilled employees and directors.

The Company submits that the Commission's past practice in accepting disclosure of compensation information on a confidential basis is a reasonable approach that ensures the Commission has the necessary information before it while respecting the privacy of those individuals whose private information is disclosed.

C. Energy Supply Contracts and Pricing

Generally the request for confidentiality of energy supply contracts and pricing information is based on the following reasoning:

- The Commercial terms of the EPA are a result of negotiations that reflect and factor each party's generation assets, the Buyer's energy, capacity and ancillary service

requirements and the Seller's dispatch order obligations. The EPA defines the use of firm, secure and assured energy for the purpose of determining the order of purchase.

- The Maritime energy market has relatively few participants. The seller has expressed serious concerns about providing the details of the EPA to additional parties, particularly those located in the Maritimes, based on the relatively small number of participants.
- As required by the Electric Power Act under Section 12.2 Maritime Electric has an obligation to consult with the PEIEC in negotiating energy supply. To that end, MECL, the PEIEC and NB Power entered a Confidentiality, Proprietary and Non-Disclosure Agreement (NDA) to fulfill the purpose of a long-term power purchase agreement. The Agreement contains conditions with respect to non-disclosure, fiduciary and security obligations. MECL is bound by the terms of the NDA although recognizes the regulatory requirement for the review of the EPA, but requests that the review be kept internal without the engagement of additional consultants.

Specifically, Maritime Electric requests confidentiality of the following interrogatories:

Booth IR-10

The Summary of Purchase and Generation report contains commercially-sensitive information pertaining to MECL's on-Island generation sources and amounts of energy received from named off-Island sources. In addition, this report contains confidential figures that detail energy flow between on-Island Transmission Users.

The Company believes that both the amount and origin of the Company's energy sources, and any on-Island transactions between Transmission Users, are confidential in nature and should remain as such.

Multeese IR-48 and 49

This response contains confidential sales information, and includes consumption, demand and interruptible sales figures for individual large industrial customers. This has been deemed to be commercially sensitive information for the customer, and as such should not be released to the public.

In the following interrogatories, Maritime Electric believes that disclosing the information on terms, pricing and assessments to multiple parties may compromise its bargaining position when negotiating future power contracts. This information was previously filed with the Commission in undertaking UE20944-Energy Purchase Agreement with NBEM.

Multeese IR-2

This contains commercially-sensitive information pertaining to MECL's assessment of the Maritimes area capacity and energy markets, pricing options offered by NBEM, and NBEM's cost to provide products and services.

This request also contains final EPA energy and capacity pricing and terms.

Multeese IR-6c and 6d

The Point Lepreau Participation Agreement will be provided to the Commission's Consultant as part of IR-29.

The wind generation power purchase contracts contain commercially-sensitive energy pricing information in MECL's power purchase agreements with wind energy generation providers.

Multeese IR-28

The detailed breakdown of Schedule 8-3 contains MECL's past and future energy purchases broken down by source and product type, and includes commercially-sensitive information found within the EPA.

Multeese IR-29

The Point Lepreau Participation Agreement is contained as Attachment 1 to IR-29. The EPA between MECL and NBEM contains commercially sensitive terms and pricing.

Multeese IR-30

This response contains both amounts of energy and their corresponding costs for each of MECL's energy sources over the period of 2017-2021.

Multeese IR-33

The wind generation power purchase contracts contain commercially-sensitive information energy pricing in MECL's power purchase agreements with wind energy generation providers.

Maritime Electric respects the Commission's responsibility to review all aspects of costs for which the Utility seeks recovery from its customers. The Company does not object to providing the requested personal and commercially sensitive information to the Commission on a confidential basis. However, Maritime Electric does object to the public disclosure or distribution of information to third parties and therefore, requests that it be considered confidential.

Yours truly,

MARITIME ELECTRIC



J. C. Roberts
Vice President, Finance & Chief Financial Officer

JCR15
Enclosure