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**UE20944 - MECL - General Rate Application - November 30, 2018-(Posted 2018/12)**

Thank you for giving the public an opportunity to present at the rate hearings on Aug. 8, 2019.

Further to my comments dated August 9, 2019.

The 2018 financial statements in Note # 6 identify financing cost related to LePreau and Dalhousie(see below) .

Total cost is \$8,386,380 to the Energy Corporation.

Maritime Electric in its submission list as cost recoverable for 2018 the amount of \$6,618,712

There is a difference of \$1,767,968

Energy sales forecast by Maritime Electric for 2018 is 1,234,900,000 kWh

True cost in 2018 is 0.679 cents per kWh.

For a residential customer this is 4.7% of the energy charge.

These are energy expenses that occurred going back to 2008 and before (see graph below).

ECAM flattened out at \$55 million. Yet the Energy Corporation in 2018 has outstanding debt of \$ 84,732,557 related to LePreau and other ECAM related matters I might add.

I am concerned about the lack of transparency when deals are made between the Government and Maritime Electric.

In general, I am concerned about the role Government is playing in the electricity file.

Government's role can be positive such as the introduction of the first windfarm at Eastpoint.

As I stated at the open session Thursday night, I am concerned about the lack of on-island generating capacity. We need 100MW of new on-island capacity.

Maritime Electric in 2015 proposed the installation of a 50MW combustion turbine for peaking and back-up. Government proposed to install 'green' capacity. Yet after 4 years nothing has materialised.

As the event of November 28, 2018 showed Prince Edward Island is vulnerable with loss of cable interconnect to New Brunswick

August 13, 2019

John te Raa

## Prince Edward Island Energy Corporation

Notes to the Consolidated Financial Statements  
For the year ended March 31, 2018

### 6. Other Financial Assets

	2018	2017
Customers of a local utility provider (Point Lepreau financing), 3.41%, receivable in monthly installments of \$346,861 including principal and interest, due March 2038.	59,465,993	61,620,637
Customers of a local utility provider (Point Lepreau financing), 2.45%, receivable in monthly interest only payments up to April 2021, then monthly payments of principal and interest of \$252,666, due April 2030.	25,266,564	25,766,564
Customers of a local utility provider (Dalhousie financing), 1.87%, receivable in monthly payments of principal and interest of \$97,363, due April 2021.	3,497,886	4,589,737

