

## Nicole McKenna

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**From:** Cheryl Mosher <cmosher@irac.pe.ca>  
**Sent:** Monday, March 5, 2018 4:04 PM  
**To:** Nicole McKenna; Tom Matheson  
**Cc:** Scott MacKenzie  
**Subject:** FW: -"Notice of Hearing" for the MECL OATT application - Reference Docket UE20943

**Categories:** IRAC

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**From:** randjking@pei.sympatico.ca [mailto:randjking@pei.sympatico.ca]  
**Sent:** Sunday, February 23, 2018 1:21 PM  
**To:** Cheryl Mosher <cmosher@irac.pe.ca>  
**Subject:** -"Notice of Hearing" for the MECL OATT application - Reference Docket UE20943

Good Morning Ms. Mosher:

Since the July 2016 Maritime Electric Co Ltd. (MECL) OATT Application to the Commission, file activity and additions to the exhibit list have evolved that may have affected both the original application and the basis of a public hearing.

To recap, the original 2016 posting of the "Notice of Application" removed the normal public opportunity to submit clarifying questions to MECL and replaced this step with a scheduled "Technical Briefing" session presented by MECL, primarily for the benefit of the Commissioners; public attendees were permitted but could not table questions. Following this briefing in September 2016, additional documents have been submitted to the Commission including two Synapse reports requested by the Commission and my own submission tabling both questions and suggestions. This and other documented activity between MECL and the City of Summerside suggests that the content of the MECL application to be reviewed during the 2018 hearing may have changed; certainly the target implementation date of January 2017 is no longer valid. I would therefore appreciate clarification on the documentation that will be the subject of the hearing and the process that is to be adopted before and during the hearing. Perhaps the most appropriate method here is to list clarifying questions (in no particular priority) and seek your guidance on the documentation that applies and the intended process up to and during the hearing:

For the IRAC Hearing Documentation:

- 1) Have the Synapse reports' recommendations now been included in a revised MECL OATT application?

- 2) Is a set schedule of OATT tariffs for multiple future years (not just one year) now included in the MECL OATT application?
- 3) Does the Commission have examples of OATT tariffs for comparable electrical utilities and is it satisfied that parity exists?
- 4) Does the MECL OATT application now cite, for comparison purposes, the latest NB Power OATT tariffs (and not those from 2015 as tabled in the original application)?
- 5) Does the Commission concur that the new MECL OATT rates need to be higher than the current rates?
- 6) Does the Commission concur that the new MECL OATT rates need to be higher than NB Power rates?
- 7) Having excluded the PEI Interconnection Upgrade Project costs from OATT calculations, has the recent capital cost of the PEI “Y104 transmission expansion project” now been included in a revised MECL OATT application?
- 8) In calculating the revenue requirement for OATT tariffs as “5% of total operating costs”, has the Commission determined that this method used by MECL is comparable with the methods employed by other electrical utilities?
- 9) An additional annual OATT charge of \$1.975M has been recently invoked by NB Power for the New Brunswick transmission infrastructure that was part of the PEI Interconnection Upgrade Project. Is the Commission in agreement with NB Power’s approach to apply an additional OATT tariff to PEI customers for a \$40M + capital expenditure that has been financed and effectively gifted by PEI?
- 10) The MECL 2017 Integrated System Plan serves notice that \$30M+ additional transmission/distribution capital expenditure is planned over the next three years, driven directly by the uncontrolled annual increases in PEI’s coincident peak load demands. Does the Commission recognize that OATT tariffs (and retail energy price) will continue to increase beyond whatever is approved this year unless regulatory steps are taken to adjust customer load demands?

For the IRAC Hearing process:

- 1) Will new documentation be available before the hearing date of March 19 2018
- 2) For public members not intending to seek intervener status, will there be opportunities to ask clarifying questions either before or during the hearing?

I hope you find the above questions constructive and pertinent to having a fruitful public hearing; I would appreciate confirmation of receipt of this e-mail.

Yours truly,

Roger King, P.Eng., MBA

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