

Nicole McKenna

From: Nicole McKenna
Sent: Friday, April 6, 2018 2:04 PM
To: Nicole McKenna
Subject: FW: RE: -"Notice of Hearing" for the MECL OATT application - Reference Docket UE20943

From: randjking@pei.sympatico.ca [mailto:randjking@pei.sympatico.ca]
Sent: Wednesday, April 4, 2018 5:17 PM
To: Cheryl Mosher <cmosher@irac.pe.ca>
Subject: Fwd: RE: -"Notice of Hearing" for the MECL OATT application - Reference Docket UE20943

Hello Again: Responding to your e-mail this morning, below is the e-mail I sent on March 25. The addressing seems to be OK: not sure why you didn't receive it.

Please let me know when you receive this forwarded message,

Tx - Roger King

> ----- Original Message -----

> From: "randjking@pei.sympatico.ca" <randjking@pei.sympatico.ca>
> To: Cheryl Mosher <cmosher@irac.pe.ca>
> Date: March 25, 2018 at 1:05 PM
> Subject: RE: -"Notice of Hearing" for the MECL OATT application - Reference Docket UE20943

>

> Hello Again: As a conclusion statement following the closure of the public
> hearing, I submit the following:

>

> The seventeen month delay in convening the 2016 OATT IRAC public hearing was
> brought to a close by this week's three day hearing. The topic of annual cost
> impacts and obligations for all parties involved – the three transmission
> customers and MECL retail customers was not directly discussed. However the
> filed interrogatories' exhibits and evidence provided some details. As a summary
> of cost allocation topics, I am registering the following, assuming that the
> disposition of these might be addressed in the Commission's forthcoming OATT
> Order.

>

> 1) Exhibit M-1 informs that between 2005 and 2014 the calculations of OATT
> annual revenue requirement increased from \$5,772,000 to \$7,307,000. Since the
> interim OATT tariffs were last changed in 2009, we could assume that for this
> revenue requirement increase of \$1,535,000 an annual increase of \$300,000 might
> have occurred suggesting an accrued amount of \$4,500,000 to 2014 and even
> \$9,000,000 to 2017. Depending upon how this accumulated annual cost was
> collected -via retail rates or through an accrual account - then presumably
> retail customer compensation or accrual disposition should occur.

>

> 2) Exhibit M-1(b) does include the \$1,459,999 additional OATT revenue
> requirement for using the new undersea cables as of 2017 but does not include

> the 2017 OATT revenue requirement items as tabled in Exhibit M-7, Question #18
> (MECL response to the City of Summerside questions - January 26, 2018). For an
> additional OATT revenue requirement of \$1,091,000 these are:

- >
- > a. An additional \$100,000 for new undersea cables O&M
- >
- > b. An additional \$880,000 for completing the Y104 Transmission upgrade
> project
- >
- > c. An additional \$81,000 for the T-1 tap to the New Glasgow sub-station
- >
- > d. An additional \$30,000 for the T-15 tap to the airport sub-station
- >

> 3) The undersea cables contingency fund annual contribution of \$300,000 is
> being collected through retail rates; this has to be removed as soon as the OATT
> tariff is implemented. Starting March 2019 this contingency fund contribution
> will be increased to \$375,000 generating an added \$75,000 to the OATT revenue
> requirement.

> 4) A future cost that has not been quantified will be driven by the MECL
> 2017 Integrated System Plan that cites \$30M+ additional
> transmission/distribution capital expenditure which is planned over the next
> three years.

> For the Commission's consideration, I submit that the 2018 OATT Order might
> include:

> 1) The mechanism for retail customer compensation or accrual disposition
> for the accumulated OATT revenue requirement from 2009 to 2017 of approximately
> \$9,000,000.

> 2) A calendar when the M-1(b) Application should be extended and the
> associated increased tariffs declared for each of the current revenue
> requirement items identified above.

> 3) Provision and OATT change guidelines for the new rate case that is due
> this year (2018) to set retail rates from March 2019 and (hopefully) until to
> 2022. Approximately 20% of allocated OATT costs flowing in and then out of the
> MECL revenue requirement is, I believe, included in defining retail rates.

> I thank you for your attention to my commentary; I would appreciate confirmation
> of receipt of this e-mail.

> Regards,

> Roger King

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