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Interrogatories of Commission Staff

TO: Maritime Electric Company, Limited

DATE: October 22, 2019

RE: Hurricane Dorian Storm Restoration Costs

The Island Regulatory and Appeals Commission (the “Commission”) in assessing the reasonableness of the Hurricane Dorian Storm Restoration Costs submitted by Maritime Electric Company, Limited (“Maritime Electric”) requests that Maritime Electric respond to the following interrogatories:

- 1) Please provide a report which shows the details of the costs that make up the estimated \$3.4 million financial impact due to the storm.
- 2) In the letter dated September 26, 2019, Maritime Electric states that it has “*approximately \$350,000 remaining in its operating budget for storm related expenditures*”. Please provide more detail on the operating budget including, but not limited to, the original budgeted amount and the total costs that have been recorded for storms, ensuring that the specific costs show the detail of the expenditure and are categorized based on each weather event.
- 3) For the operating budget for storm related expenditures, please show how that balance was reflected in the budget submitted during the General Rate Application before the Commission. In the event that the budget for this line item has been adjusted, please provide a detailed description as to the reason for the adjustment.
- 4) In the September 26, 2019 letter, Maritime Electric has requested Commission approval “*to defer the operating costs related to Hurricane Dorian and amortize these costs over a three-year period*”. Please provide comments on why it is reasonable to collect these costs over a three year period versus in the current period?

- 5) Maritime Electric has also requested to recover the amortization from customers via a rate rider on customers' bills. Please provide an explanation why the method used to collect these costs has changed?

- 6) In January 2019, Maritime Electric filed a storm post-mortem relating to the storm that occurred on November 29, 2018. Maritime Electric reported costs of approximately \$1 million for damage to the Company's system arising from the November 2018 storm. At that time, Maritime Electric classified the majority of the storm-related costs as capital (rather than operating) costs. Please explain why Maritime Electric proposes to classify the majority of expenses related to Hurricane Dorian as operating costs, and provide justification for classifying these costs as operating rather than capital costs.

Further interrogatories may follow.