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September 26, 2019

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



Dear Commissioners:

Hurricane Dorian Storm Restoration Costs

On September 7, 2019, Hurricane Dorian passed over Prince Edward Island bringing heavy rains and strong winds gusting over 120 km/h to parts of the Island. The impact of this storm was felt across the Island and widespread customer outages were experienced in all three districts of the Company. At the peak of the storm on the morning of Sunday, September 8, 2019, approximately 65,000 Maritime Electric customers were without power.

Efforts to restore power began as soon as weather conditions allowed and the Company systematically brought the transmission and distribution systems back into service with no near misses or safety incidents reported. The sheer number of fallen trees experienced during this storm made restoration work hazardous, complex and time consuming. Our Customer Contact Centre and Social Media Response Team worked around the clock to respond to and inform our customers throughout the storm as well as during restoration efforts. Overall, the storm response team operated for 24 hours a day for over 8 days straight to restore power and support our customers. Since then, the Company has continued to inspect the hardest hit areas and is continuing with the cleanup work necessary to prevent further outages related to the storm.

This was the largest restoration effort in our Company's history with 79 line crews deployed at the peak of our restoration efforts. In addition to the 180 employees at Maritime Electric, the Company engaged our contractor crews from H-Line Enterprises, Atlantic Reach and GSD Utility Services. Mutual aid crews from our parent company, Fortis Inc. including Newfoundland Power as well as Canadian Niagara Power, Cornwall Electric and Algoma Power of the Fortis Ontario group of companies responded as well. Other mutual aid was received from T & T Line Construction, Ontario Line Clearing, Summerside Electric Utility, Saint John Energy, Forestry Division of the PEI Department of Environment, Water and Climate Change, PEI Department of Transportation, Infrastructure & Energy, PEI Emergency Measures Organization and PEI Department of Justice & Public Safety Employees.

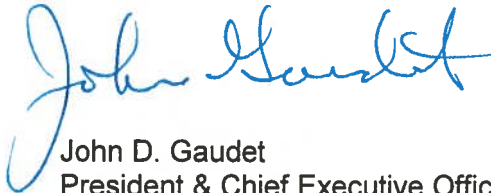
The Company is proud of its response efforts given the large scale of this storm and the damage that it caused Island-wide. However, this effort does come at a cost. The Company estimates the financial impact of the storm is approximately \$3.4 million. The capital component of this storm, mainly related to replacing approximately 100 broken poles, is estimated to be \$340,000 and is within the threshold of the existing capital budget for storms. The nature of the damage from this storm is such that the majority of the effort was on removing trees from lines and repairing conductor, the costs of which are operating in nature rather than capital. As such, the expected operating impact of the storm is estimated to be in the range of \$3.0 million. As of the end of

August 2019, the Company had approximately \$350,000 remaining in its operating budget for storm related expenditures to the end of the year and pending any further weather related events in 2019, this may be available to relieve a portion of the financial impact of Dorian.

Given that the magnitude of the operating impact of this storm is well in excess of our normal operating budgets for storm restoration, the Company respectfully requests the Commission's approval to defer the operating costs related to Hurricane Dorian and amortize these costs over a three-year period. The Company also proposes to recover the amortization from customers as a rate rider on the customer's monthly bill over the three-year period. The Company is committed to providing the Commission with any additional information required to assess this request and its impact on Maritime Electric customers and we welcome the opportunity to discuss the matter further at your convenience by contacting Jason Roberts at 902-629-3696 or Gloria Crockett at 902-629-3641.

Yours truly,

MARITIME ELECTRIC



John D. Gaudet
President & Chief Executive Officer

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