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February 11, 2026



Ms. Cheryl Bradley
Island Regulatory & Appeals Commission
PO Box 577
Charlottetown PE C1A 7L1

Dear Ms. Bradley:

**Deferral of Hurricane Fiona Costs – Docket UE21505
Response to Additional Interrogatories from Commission Staff**

Please find attached the responses to additional Interrogatories from Commission Staff with respect to the Company's application to collect operating and capital costs related to Hurricane Fiona restoration.

An electronic copy of this submission will be forwarded shortly.

Yours truly,

MARITIME ELECTRIC

A handwritten signature in blue ink that reads "Gloria Crockett".

Gloria Crockett, CPA, CA
Director, Regulatory & Financial Planning

GCC08
Enclosure



ADDITIONAL INTERROGATORIES

**Responses to Additional Interrogatories
of
Commission Staff**

**Deferral of Hurricane Fiona Costs – Equity Injection Request
(UE21505)**

Submitted February 11, 2026

The Island Regulatory and Appeals Commission (the “Commission”), in assessing the reasonableness of the Application requesting Approval to Recover Costs Related to Hurricane Fiona (the “Application”), submitted by Maritime Electric Company, Limited (“Maritime Electric” or “MECL”), requests responses to the following interrogatories:

Section 1 – Deferral Balance & Carrying Costs

IR-14 Provide an updated deferral balance to the most recent practicable date, including complete carrying cost calculations under both compounding and non-compounding methodologies. Include:

- a. Monthly detail of principal and interest;
- b. Source(s) of interest rate used; and
- c. Calculation methodology in full.

Response:

a. To address the Commission’s request for monthly detail of principal and interest for the Fiona deferral balance and the associated carrying costs, IR-14 - Attachment 1 has been provided. It includes both the compounded and non-compounded interest methodologies. While the non-compounded interest calculations are provided as requested, this is not representative of normal commercial financing arrangements including those of Maritime Electric as discussed in the response to IR-15. Both compounding and non-compounding scenarios assume approval of application and recovery through rates effective May 1, 2026 consistent with the response to IR-26.

b. From January to August 2023, the interest rates used to calculate the carrying costs for the Fiona storm deferral were based on the interest costs of short-term borrowings, allocated proportionally to the \$34.6 million attributed to Fiona.

In September 2023, the Company successfully refinanced its short-term borrowings to long-term debt. From that point on, the interest rates used to calculate the carrying costs for the Fiona storm deferral are based on all sources of Company debt, allocated proportionally to the \$34.6 million attributed to Fiona.

c. The calculation methodology is outlined in the reference column of IR-14 - Attachment 1, which shows that the total interest attributed to the Fiona storm deferral is determined by applying the proportion of the Company’s total debt associated with carrying the deferral balance to the interest expense incurred during each period.

IR-15 Explain the rationale for the selected carrying cost methodology and why MECL considers compounding (if applicable) to be appropriate in the circumstances.

Response:

Commercial lenders do not typically offer non-compounded interest lending on large loans that are expected to be outstanding for periods of longer than a year.

Compounded interest is used by lenders because it more accurately reflects the economic cost of providing borrowed funds. Once interest is charged but remains unpaid, that amount becomes part of the lender's outstanding exposure, and compounding ensures the lender is compensated for financing both the principal and the accumulated interest. This approach aligns with commercial lending norms, as most financial institutions calculate interest on a compounded basis to match their own cost of capital and revenue recognition practices. Compounding also reflects the time-value of money and increased exposure over time, ensuring consistency with standard accounting principles and market-based debt financing structures.

The Company considers the compounding interest methodology to be the only appropriate alternative for the Fiona storm deferral. Approval of a non-compounding scenario when the Company's financing is provided by commercial lenders under normal compounding terms and conditions effectively denies Maritime Electric a fair and reasonable opportunity to recover its prudently incurred costs.

IR-16 Provide MECL's position on whether carrying costs should be borne entirely by customers, shared between customers and shareholders, or excluded entirely, and quantify the financial impact of each approach.

Response:

The Company's position is that carrying costs must be recovered through customer rates. The restoration costs were unavoidably incurred as a direct consequence of unprecedented weather events, which required the Company to finance substantial storm-related expenditures that were entirely outside of its control. Further, the carrying costs reflect compounded interest charges that arise under standard commercial lending practices - where lenders universally apply compounded interest on outstanding debt - and were magnified by regulatory lag in establishing an approved recovery mechanism for the deferral balance. Further, these carrying costs were not included in the Company's revenue requirement rates in the last General Rate Application filed with the Commission on June 20, 2022 and hence the Company has not had a fair and reasonable opportunity to recover these costs in rates approved by the Commission in UE23-04.

Section 2 – Vegetation Management

IR-17 Does MECL acknowledge delays and backlog in vegetation management prior to Fiona increased the system’s exposure to vegetation contact and contributed to the extent of damage and restoration costs? If MECL does not agree, provide all evidence supporting its position.

Response:

Maritime Electric does not agree that delays or a backlog in vegetation management prior to Fiona contributed to the extent of damage or restoration costs. The Company maintains that the nature of the storm and the location of the vegetation that caused the damage were the primary factors.

As stated in previous filings, the vast majority of trees that fell and caused damage to the electrical system were located outside the public road right-of-way (“ROW”).¹ These trees were beyond the permissible scope of the Company’s vegetation management program. Maritime Electric notes that even lines where vegetation maintenance had been performed as recently as the summer of 2022, significant damage occurred because trees fell from adjacent private properties beyond the ROW.

Additional investment in standard vegetation management (e.g., trimming) prior to Fiona would not have materially reduced the damage. Where Maritime Electric receives permission to manage vegetation on private property, that permission typically only extends to achieving standard line clearances (e.g., three metres, as per Appendix G of the Vegetation Management Plan Report (“2023 VM Plan”)) through trimming only, which does not prevent trees that are further away from falling and damaging infrastructure during extreme weather events.²

Maritime Electric emphasizes that its vegetation management performed outside the ROW is currently permission-based. The Company lacks the statutory authority to enter private land to trim or cut trees without landowner consent.

EA Technology acknowledges this in their report, where in the summary of review findings they state:

“The review suggests that even if vegetation clearances were to be rigorously maintained to Maritime Electric’s specification, clearances would be insufficient to prevent interference from the larger falling branches and trees flanking the rights of way during severe weather events.”³

¹ Docket UE21505 Exhibit M-5 Hurricane Fiona Post Mortem Report March 7, 2023 and Appendix D Images from Fiona

² <https://irac.pe.ca/wp-content/uploads/Vegetation-Management-Report.pdf>

³ Refer to EA Technology report number EA28630, Maritime Electric: Storm Fiona Emergency Response, section 7.1, paragraph 5.

IR-18 Provide MECL's assessment of the extent to which vegetation located within the right-of-way (ROW) contributed to system damage during Fiona, including:

- a. Any data or estimates on the proportion of damage attributable to inside-ROW vegetation;
- b. How MECL distinguishes inside-ROW from outside-ROW tree contacts; and
- c. Whether MECL maintains records, mapping, or field observations identifying tree-fall origin points.

Response:

Maritime Electric confirms that vegetation located within the ROW did not significantly contribute to system damage during Hurricane Fiona. While tree and branch contacts from within the ROW cause faults, they do not cause significant damage that requires replacements or repairs, other than splicing conductor that may be damaged from the fault current.

- a. Maritime Electric does not have specific data on the proportion of damage attributable to inside the ROW vs outside the ROW.
- b. The standard public ROW typically measures 66 feet wide, extending 33 feet from the centerline of the road. Most roads on the Island are narrow, with the top slope of the ditch situated at the edge of the ROW. Maritime Electric's utility poles are generally authorized to be placed at the top slope of the ditch. This position ensures that poles are outside the drainage area and maximizes clearance between pole lines (including guy wires) and vehicles for safety purposes. Since these poles are commonly located at the ROW's edge, vegetation on the road side of the pole line is usually within the provincial ROW, while vegetation on the field side or adjacent to the corridor is generally considered to be on private property, outside the ROW. All service lines are typically installed on private property and lie outside the ROW.⁴ Occasionally, when additional space exists between the top slope of the ditch and the edge of the ROW, Maritime Electric may request permission through specific construction permits to install poles at the top slope of the ditch, thus increasing separation between the pole line and the edge of the ROW. Please note that prior to May 2023 the Department of Transportation Environmental Management Section approval-to-proceed primarily permits only tree trimming within the ROW. For additional details, please refer to Section 6.1 of the 2023 VM Plan.
- c. Maritime Electric does not maintain records or mapping to identify tree-fall origin points; however, specific outage cause codes are used when a customer-owned tree causes an outage to a service line.

⁴ A service line is the final segment of the electrical system that connects a customer's premise to the distribution line.

IR-19 Provide MECL's assessment of the extent to which vegetation outside the ROW contributed to system damage during Fiona, including any available quantification of such impacts.

Response:

It is Maritime Electric's assessment that vegetation outside the ROW contributed to the vast majority of the system damage during Fiona. Please refer to Section 5.2 of the Hurricane Fiona Post-Mortem Report which states:

"It is estimated that 99 per cent of the 1,285 transmission and distribution poles that broke were because of the approximately 40,000 trees from outside of the ROW that fell on the power lines."

When trees in the ROW fall, they do not result in poles breaking.

As noted in the response to IR-17, the Commission's expert, EA Technology, acknowledges this in their report, where in the summary of review findings they state:

*"The review suggests that even if vegetation clearances were to be rigorously maintained to Maritime Electric's specification, clearances would be insufficient to prevent interference from the larger falling branches and trees flanking the rights of way during severe weather events."*⁵

⁵ Refer to EA Technology report number EA28630, Maritime Electric: Storm Fiona Emergency Response, section 7.1, paragraph 5.

IR-20 Identify and file any internal or external analyses, post-event reviews, consultant reports, or filed data that assess the contribution of inside-ROW verses outside-ROW vegetation to storm-related damage and restoration costs.

Response:

The Hurricane Fiona Post-Mortem Report, filed March 7, 2023, includes Maritime Electric's comprehensive review and analysis. As previously stated in the response to EA Technology IR-57, it was estimated that over 40,000 trees impacted the distribution system during Fiona.⁶ It was not feasible or practical to collect the location of the faults caused by tree contact, and therefore Maritime Electric is not able to compare tree-caused outages against vegetation management activities, or to specifically quantify inside-ROW versus outside-ROW vegetation impacts. However, Maritime Electric reiterates that system impacts from trees located outside the ROW's caused the vast majority of damage. Trees located in the ROW falling from high winds do not result in wires or poles breaking.

⁶ Docket UE21505, Exhibit M-13, Page 72

- IR-21** Has MECL performed – or is MECL able to perform – any analysis comparing actual Fiona damage to the damage reasonably expected had vegetation management been aligned with MECL’s stated cycle-trimming targets and neighbouring utility norms?
- a. If yes, provide the analysis.
 - b. If no, explain why not and whether such an estimate could reasonably be developed.

Response:

- a. No, Maritime Electric has not performed such an analysis. Falling trees caused significant structural damage; the status of trimmed vs not trimmed prior to falling would not change the resulting damage. In addition, for clarification, please refer to Section 8.0 of the 2023 VM Plan, and note that Maritime Electric’s vegetation management program is primarily risk-based, with cycle-based trimming only achievable over an extended period, where practical and permissible.
- b. Estimating a “what-if” scenario is not possible, as tree failure is not predictable during extreme weather. Furthermore, there is no evidence to suggest that outside-ROW tree failure is related to inside-ROW vegetation. As previously stated, EA Technology supports this in Section 7.1 of their report.

IR-22 Has MECL identified or quantified any specific portion of Fiona-related restoration costs that it considers attributable to vegetation management backlog or delays? If not, explain why MECL believes such cost attribution is not feasible.

Response:

Maritime Electric has not identified or quantified any specific portion of Fiona-related restoration costs attributable to a vegetation management backlog or delays. The Company maintains that additional investment in traditional vegetation management prior to the storm would not have materially reduced the damage. Maritime Electric maintains that such a cost attribution is not feasible for the following reasons:

1. Nature of the Damage: Outside-ROW Vegetation

Maritime Electric's assessment, and that of IRAC's expert EA Technology, found that the vast majority of trees and branches that caused damage were located outside the public road ROW. Because these trees were beyond the Company's permissible cutting authority, standard vegetation management programs, regardless of timing or budget, would not have addressed them.

2. Biological and Environmental Variability

Estimating the reliability implications of vegetation management is difficult, if not impractical, due to:

- i. The biological nature of vegetation: Tree growth, death, and failure are continual processes that are impossible to predict with accuracy; and
- ii. High degree of external factors: The impact of tree contacts is heavily dependent on unpredictable weather variables, such as the severity of wind, wind gust strength and frequency, ground saturation, and root system strength.

3. Standard Clearances

The Company notes that even when it has authority to manage trees, that authority is typically limited to achieving standard line clearances (e.g., three metres). These standard clearances are designed to maintain reliability under normal "blue-sky" conditions, but they do not mitigate the impact of large trees located further away that uproot and fall into the lines during extreme weather events like Fiona. As described in the response to IR-18(b), the provincial permits prior to Fiona primarily allow for tree trimming only within the ROW.

4. Permission-Based Constraints

Maritime Electric emphasizes that its program is permission-based, and a single landowner refusing service can leave a section of the line exposed. Because permissions vary across properties, the Company maintains that achieving a uniform "backlog-free" state is impossible under current legislative constraints, making it unfeasible to calculate what costs might have been "avoided".

- IR-23** In the GRA filed June 2022, MECL indicated that its vegetation management practices were behind industry norms and that increased investment was required to improve cutting cycles and align with neighbouring jurisdictions. The Commission also notes that, in prior years, MECL earned a net income above its approved rate of return; in accordance with the regulatory framework, these over-earnings were set aside and subsequently refunded to customers during the GRA period. MECL did not retain these amounts.
- a. At the time, did MECL consider using some portion of available over-earnings, prior to refund, to accelerate vegetation management work before Fiona?
 - b. If not, explain why this option was not pursued.
 - c. In MECL's view, would increased vegetation management investment in the years prior to Fiona - including accelerated work funded by available over-earnings - have reduced system exposure or the extent of storm-related damage?
 - d. Provide any analysis MECL has conducted, or can conduct, to assess the potential impact of earlier vegetation management investment on Fiona outcomes.

Response:

- a. At the time, Maritime Electric did not consider using some portion of available over-collections from customers to accelerate vegetation management work rather than refunding the amount to customers as this would have required the benefit of hindsight. Apart from a minor amount of over-collections in 2021 of less than \$250,000, the last time the Company had a material amount of over-collections was in 2019, two and a half years prior to the completion of the Vegetation Management Program presented as Appendix E in the General Rate Application filed on June 20, 2022.
- b. As stated in the response to IR-23(a) above, this option was not pursued in 2019 and prior when significant over-collections were accumulated because the Company had not yet completed sufficient study of its vegetation management practices to determine that more investment was required to expand the vegetation management program.

Further, as discussed in the response to IR-17, the majority of trees that fell and caused damage to the electrical system during Fiona were located outside of the public road ROW, well beyond the permissible scope of the Company's vegetation management program. Hence, even if the Company had the benefit of hindsight and redirected over-collections to vegetation management spending instead of refunding the amounts to customers, much of the damage from Fiona would still have occurred because trees fell from adjacent private properties beyond the ROW and the scope of the Company's vegetation management program. This fact was acknowledged by the Commission's own expert, EA Technology, in their report to the Commission.

- c. Increased vegetation management investments prior to Fiona would not have reduced system exposure or the extent of storm damage. Please refer to the response to EA Technology IR-17. Maritime Electric reiterates that the scope of vegetation management treatments within the ROW prior to Fiona were primarily limited to tree trimming, as per the previously referenced Department of Transportation Environmental Management Section permits. Vegetation management outside the ROW was and is still limited to landowner permissions. As such, additional trimming prior to Fiona would not have made

any reduction in structural damage to assets that was primarily caused by tree fall-ins from outside the ROW, especially from trees that were a significant distance from the lines. If tree clearing (removal) permissions/policy had been in place both inside and outside the ROW, vegetation management spending on removals prior to Fiona may have reduced the impact. However, as mentioned previously, significant damage occurred where trees uprooted and contacted lines from great distances and this would have been the case regardless of tree clearing permissions.

- d. Please refer to the response to IR-12. Maritime Electric has not performed such an analysis. Where Maritime Electric has authority to manage trees, that authority is typically limited to achieving standard line clearances (e.g., three metres). These standard clearances are designed to maintain reliability under normal "blue-sky" conditions, but they do not mitigate the impact of large trees located further away that uproot and fall into the lines during extreme weather events like Fiona.

IR-24 Provide an update to the Vegetation Management Plan previously filed with the Commission on December 8, 2023, including:

- a. Progress to date on each commitment or target outlined in the plan (e.g. cycle times, corridor widths, outage reduction metrics).
- b. Quantified outcomes achieved since the last filing, including comparisons to baseline performance before implementation of the plan.
- c. Any changes to timelines, budgets, or scope since the plan was filed.
- d. An explanation of any delays, variances, or obstacles encountered and proposed mitigation measures.

Response:

Please refer to the 2025 Vegetation Management Plan (“2025 VM Plan”) provided in IR-24 – Attachment 1.

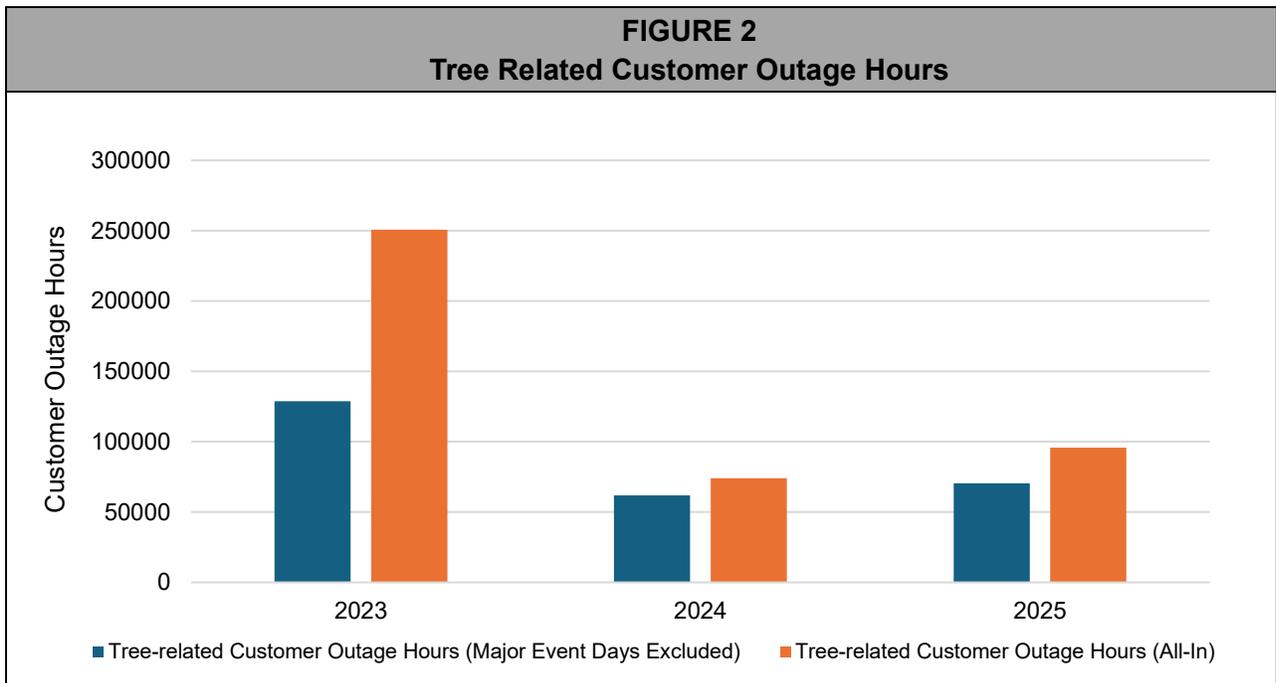
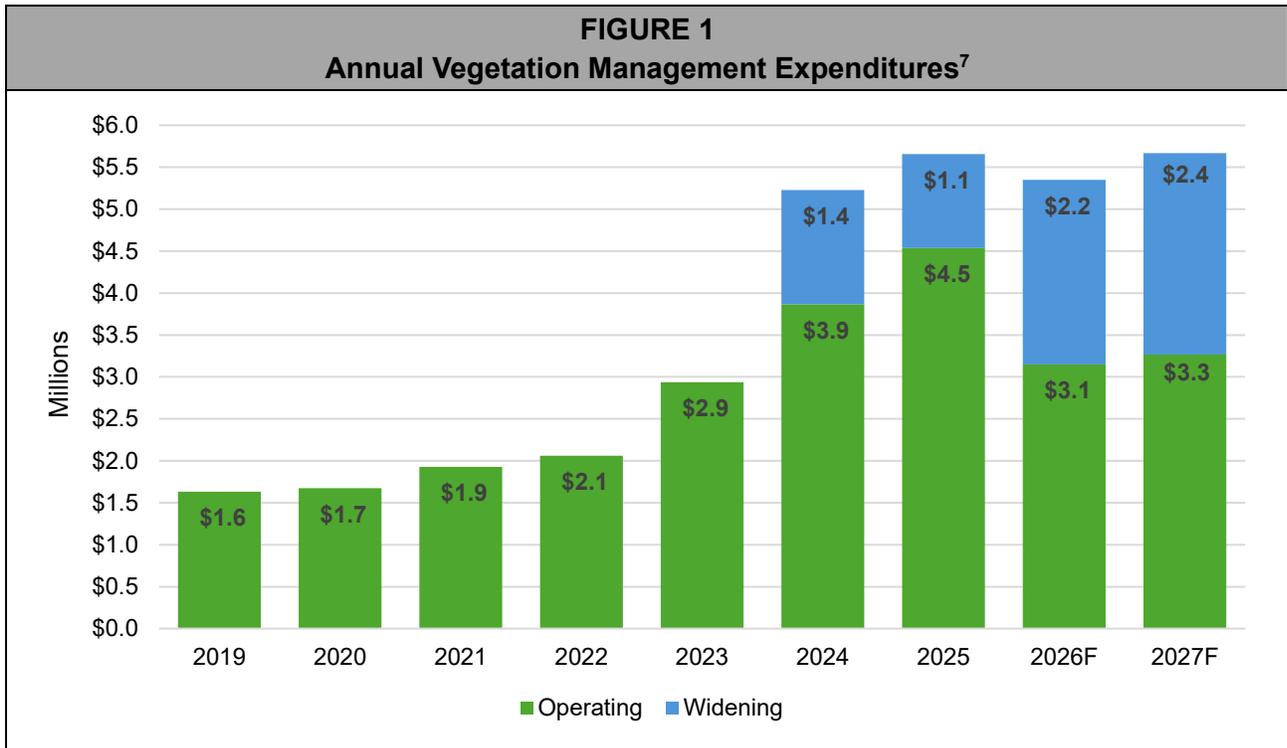
- a. As outlined in Section 3.2 of the 2023 VM Plan and Section 2.2 of the 2025 VM Plan, Maritime Electric continues to increase operating expenditures in vegetation management. Please refer to the response for part (b) for the recent historical and forecast vegetation management investments. In addition, for clarification, please refer to Section 8.0 of the 2023 VM Plan, and note that Maritime Electric’s vegetation management program is primarily risk-based, with cycle-based trimming only achievable over an extended period, where practical and permissible.

Please refer to Section 4.4 of the 2023 VM Plan. The Commission has since approved the 2024 and 2025 corridor widening programs for transmission and distribution. To date, over \$2.4 million has been invested in establishing new, wider corridors. In its 2026 capital budget application, Maritime Electric has requested an increase to the distribution corridor widening program.

Please refer to Section 4.6 of the 2023 VM Plan. The Commission has since approved the initial deployment of a satellite-based vegetation risk analysis program as part of the 2025 capital budget application. The initial deployment included a system-wide (transmission and distribution) assessment in 2025, with results informing the 2026 vegetation management plan, and informing the targeted areas (20 per cent of the system) for subsequent satellite scans in 2026.

Please refer to Section 4.7 of the 2023 VM Plan. Maritime Electric has since received approval from the PEI Department of Environment, Energy and Climate Action for the herbicide pilot. Maritime Electric intends to conduct the herbicide trial in 2026.

- b. Please refer to Figures 1 and 2 below. Maritime Electric has made a step-change in both operating and capital expenditure for vegetation management. Figure 2 shows the improvement in reliability performance related to tree-related outages since 2023. The outage hours in 2024 and 2025 have been reduced by approximately half.



⁷ 2026F and 2027F amounts are estimates for periods outside of the existing period covered by Commission Order UE23-04 and Maritime Electric reserves the right to manage all operating costs including vegetation management until rates are further reviewed and approved by the Commission.

Maritime Electric

- c. Please refer to the response to part (b). In addition to Maritime Electric expenditures in vegetation management, the various telecommunication rural broadband projects have contributed approximately \$1.3 million additionally to vegetation management activities from 2023 to 2025.
- d. The primary obstacle to Maritime Electric's vegetation management program remains the requirement for permissions for trimming, removals or widening outside the ROW. Maritime Electric has requested power of entry or a similar legislative authority to perform increased vegetation management outside of the ROW. Please see IR-24 – Attachment 2, correspondence between the Minister of Environment, Energy and Climate Action and Maritime Electric regarding vegetation management authority.

Due to abnormally dry conditions during the summer and early fall of 2025, Maritime Electric had to suspend the use of mechanized equipment (i.e., mulchers) due to the potential for ignition and fire risk. This mitigation measure has been incorporated into Maritime Electric's wildfire mitigation plan and will continue to be monitored for implications going forward.

Section 4 – True-up Mechanism

IR-25 Propose a detailed true-up mechanism to credit any future government funding against the unrecovered balance, including timing, calculated methodology, and treatment of the next general rate application.

Response:

The Company has not received any indication that government funding may be forthcoming from either Provincial or Federal Government sources since filing the Application on November 3, 2023. As almost three and a half years have passed since Hurricane Fiona impacted the Island, it seems highly unlikely that such funding will be received in the future.

Should government funding be provided to Maritime Electric in the future, the amount would first be applied to any unrecovered regulatory deferral balance related to Fiona immediately upon receipt. If the amount of government funding received is more than the remaining balance to be collected from customers at the time, the net amount will become a regulatory liability repayable to customers.

As is the case with any balance receivable from or payable to customers, the Company would then apply to the Commission for approval of a plan to refund the balance to customers. There are several ways this could be achieved including:

- i. applying the amount to offset other existing regulatory balances receivable from customers such as Energy Cost Adjustment Mechanism, Weather Normalization Reserve Account or the over-refunded balance in Rate of Return Adjustment (“RORA”);
- ii. reducing revenue requirement from basic rates in a general rate application by amortizing the balance refundable to customers over a period similar to the proposal to amortize the current Fiona operating costs receivable; or
- iii. refunding the balance to customers as a separate rate rider similar to how RORA has been refunded in the past.

The Company’s proposal to the Commission will depend on the amount and timing of the balance repayable to customers.

Section 5 – Sensitivity Analysis and Rate Impacts

IR-26 Provide rate impact analysis for each customer class under the sensitivity scenarios set out in Table 1 below. Analysis must be based on the most recent practicable date, use the same assumptions for load profiles across all scenarios, and clearly identify the impact of each variable.

TABLE 1						
Scenario	Recovery Period	Capital Rate Base Inclusion	Carrying Cost Method	Return on Deferred OM&G	Equity Ratio	Notes
1. MECL Updated Proposal	5 years	Yes	Compounding	Yes	37.8%	MECL proposal updated for Commission-approved equity injection
2. Variant – Non-Compounding	5 years	Yes	Non-Compounding	Yes	37.8%	Tests the impact of carrying cost methodology only
3. NSUARB-Style Approach	5 years	Yes	Non-Compounding	No	37.8%	Reflects approach similar to NSUARB Decision M11411
4. Extended Recovery – Compounding	10 years	Yes	Compounding	Yes	37.8%	Tests long recovery period with full cost treatment
5. Extended Recovery – Non-Compounding	10 years	Yes	Non-Compounding	Yes	37.8%	Tests long recovery period with reduced carrying cost effects
6. Extended Recovery – No Rate Base Inclusion	10 years	Yes	Non-Compounding	No	37.8%	Tests extended recovery and removal of return components

Response:

IR-26 requests a rate impact analysis based upon certain assumptions including an equity ratio of 37.8 per cent.

In Commission Order UE23-04, the Commission determined that Maritime Electric was entitled to, among other things, an average common equity ratio of 40 per cent for each of 2023, 2024, and 2025, or until otherwise varied by the Commission. That determination followed a full evidentiary hearing, including expert evidence on capital structure, cost of capital, and financial risk. The present proceeding concerns the recovery of prudently incurred costs arising from an abnormal weather event, not a general reassessment of the Maritime Electric’s capital structure or cost of capital.

It is important to emphasize that capital structure is not a discretionary or secondary modeling assumption. It is a foundational input that directly affects a utility’s revenue requirement, its ability to earn the approved return and its financial integrity. For this reason, Canadian regulators have consistently treated capital structure determinations as matters requiring specific notice, dedicated evidence, and a structured hearing process.

Maritime Electric remains committed to fully cooperating with the Commission and providing all information necessary to assess the prudence and recoverability of Hurricane Fiona costs and, for that reason, a response to IR-26 follows. Nevertheless, Maritime Electric respectfully requests that the Commission confirm that the approved 40 per cent average common equity ratio continues to apply for purposes of this proceeding and, to that end, this response also provides calculations using the approved equity ratio of 40 per cent.

The following scenario analysis is based on the forecast deferral balance as of April 30, 2026 and based on rate adjustments approved by the Commission effective May 1, 2026.

Table 1 provides the forecast balance as of April 30, 2026 for each scenario requested. Scenario #1 and Scenario #4 assume that the full balance of Fiona including compounded carrying costs will be recovered over 5 years and 10 years, respectively. For the remaining scenarios, the total balance to be recovered has been adjusted to reflect non-compounded interest.

TABLE 1						
Total Fiona Balance to be Recovered (\$000)						
Month Ending April 30, 2026						
	IR 16 Scenarios					
	1	2	3	4	5	6
Capital Costs Related to Fiona Restoration	\$ 19,279	\$ 19,279	\$ 19,279	\$ 19,279	\$ 19,279	\$ 19,279
Operating Costs Deferred Related to Fiona Restoration	15,173	15,173	15,173	15,173	15,173	15,173
Carrying Costs Incurred to December 31, 2025	6,074	6,074	6,074	6,074	6,074	6,074
Forecast Carrying Costs, January 1 to April 30, 2026	700	700	700	700	700	700
Adjust for Non-compounding Interest	-	(562)	(562)	-	(562)	(562)
TOTAL	\$ 41,226	\$ 40,664	\$ 40,664	\$ 41,226	\$ 40,664	\$ 40,664

Table 2A provides a summary of the forecast incremental revenue requirement for the year ended December 31, 2026 with the requested equity ratio of 37.8 per cent. While the longer amortization period in scenarios 4 through 6 lower the revenue requirement from amortization of operating and carrying costs, the savings are offset by higher financing comparable to the similar scenarios 1 through 3 with shorter amortization periods.

Further the reduction in the return on equity in scenarios 3 and 6 are offset somewhat by the associated increase in the costs financing the operating and carrying costs 100 per cent by debt.

TABLE 2A Forecast Revenue Requirement (\$000) Year Ending December 31, 2025						
	IR 16 Scenario					
	1	2	3	4	5	6
Return on Debt	\$ 1,019	\$ 1,005	\$ 1,334	\$ 1,061	\$ 1,046	\$ 1,401
Return on Equity	1,368	1,349	621	1,426	1,405	621
Subtotal - Return on Rate Base	2,387	2,354	1,955	2,487	2,451	2,022
Depreciation of Capital Costs	507	507	507	507	507	507
Amortization of Operating and Carrying Costs	2,926	2,851	2,851	1,463	1,426	1,426
Income Taxes	587	578	266	611	602	266
TOTAL	\$ 6,407	\$ 6,290	\$ 5,579	\$ 5,068	\$ 4,986	\$ 4,221

Table 2B is a summary of the forecast incremental revenue requirement for the year ended December 31, 2026 with the approved equity ratio of 40 per cent.

TABLE 2B Forecast Revenue Requirement (\$000) Year Ending December 31, 2025						
	IR 16 Scenario					
	1	2	3	4	5	6
Return on Debt	\$ 983	\$ 969	\$ 1,318	\$ 1,024	\$ 1,009	\$ 1,385
Return on Equity	1,448	1,428	657	1,509	1,487	657
Subtotal - Return on Rate Base	2,431	2,397	1,975	2,533	2,496	2,042
Depreciation of Capital Costs	507	507	507	507	507	507
Amortization of Operating and Carrying Costs	2,926	2,851	2,851	1,463	1,426	1,426
Income Taxes	621	612	282	647	637	281
TOTAL	\$ 6,485	\$ 6,367	\$ 5,615	\$ 5,150	\$ 5,066	\$ 4,256

Table 3A provides the forecast sales (in megawatt hours or MWh) and revenue requirement by customer class for the period May 1 to December 31, 2026 with the requested equity ratio of 37.8 per cent. It should be noted that if the recovery period is shortened (i.e., rates are effective at a date later than May 1, 2026), the annual revenue requirement for 2026 as presented in Table 2 remains the same, but the sales to recover these amounts will be less. As a result, a larger incremental rate increase per kilowatt hour (“kWh”) will be needed to recover the 2026 revenue requirement.

TABLE 3A							
Forecast Sales and Annual Revenue Requirement by Customer Class (\$000 except MWh)							
May 1, 2026 to December 31, 2026							
	Sales (MWh)*	IR 16 Scenarios					
		1	2	3	4	5	6
Residential	500,106	\$ 3,712	\$ 3,628	\$ 3,230	\$ 2,931	\$ 2,876	\$ 2,443
General Service I	263,461	1,882	1,854	1,641	1,491	1,465	1,233
Large Industrial	104,364	379	381	334	303	303	257
Small Industrial	61,638	356	349	306	281	280	237
Street Lighting	2,158	63	63	55	50	50	41
Unmetered	1,651	15	15	13	12	12	10
TOTAL	933,378	\$ 6,407	\$ 6,290	\$ 5,579	\$ 5,068	\$ 4,986	\$ 4,221

* Assumes rate change will be prorated for April 2026 consumption billed in May 2026.

Table 3B provides the forecast sales (in megawatt hours or MWh) and revenue requirement by customer class for the period May 1 to December 31, 2026 with the approved equity ratio of 40 per cent.

TABLE 3B							
Forecast Sales and Annual Revenue Requirement by Customer Class (\$000 except MWh)							
May 1, 2026 to December 31, 2026							
	Sales (MWh)*	IR 16 Scenarios					
		1	2	3	4	5	6
Residential	500,106	\$ 3,774	\$ 3,685	\$ 3,251	\$ 2,983	\$ 2,937	\$ 2,439
General Service I	263,461	1,897	1,867	1,651	1,503	1,482	1,258
Large Industrial	104,364	379	382	337	314	304	267
Small Industrial	61,638	356	355	308	287	281	240
Street Lighting	2,158	64	63	55	51	50	42
Unmetered	1,651	15	15	13	12	12	10
TOTAL	933,378	\$ 6,485	\$ 6,367	\$ 5,615	\$ 5,150	\$ 5,066	\$ 4,256

Table 4A provides a comparison of the existing approved basic energy charge per kWh and the proposed energy charge effective May 1, 2026 under each scenario assuming the requested equity ratio of 37.8 per cent.

TABLE 4A							
Energy Charge per kWh to Recover revenue Requirement (\$) *							
	Approved March 1, 2025	IR 16 Scenarios - Proposed - May 1, 2026					
		1	2	3	4	5	6
Residential - First Block	0.1663	0.1732	0.1730	0.1723	0.1717	0.1716	0.1708
Residential - Second Block	0.1315	0.1370	0.1368	0.1363	0.1358	0.1357	0.1351
General Service - First Block	0.2053	0.2138	0.2136	0.2127	0.2120	0.2118	0.2108
General Service - Second Block	0.1329	0.1384	0.1383	0.1377	0.1372	0.1372	0.1365
Small Industrial - First Block	0.2009	0.2092	0.2090	0.2081	0.2074	0.2074	0.2064
Small Industrial - Second Block	0.0995	0.1036	0.1035	0.1030	0.1027	0.1027	0.1022
Large Industrial	0.0830	0.0864	0.0864	0.0860	0.0857	0.0857	0.0853

* Basic rates do not include the ECAM charge per kWh and Provincial Energy Efficiency Program Charge per kWh.

Table 4B provides a comparison of the existing approved basic energy charge per kWh and the proposed energy charge effective May 1, 2026 under each scenario assuming the approved equity ratio of 40.0 per cent.

TABLE 4B							
Energy Charge per kWh to Recover revenue Requirement (\$) *							
	Approved March 1, 2025	IR 16 Scenarios - Proposed - May 1, 2026					
		1	2	3	4	5	6
Residential - First Block	0.1663	0.1733	0.1731	0.1723	0.1718	0.1717	0.1708
Residential - Second Block	0.1315	0.1371	0.1369	0.1363	0.1359	0.1358	0.1351
General Service - First Block	0.2053	0.2139	0.2137	0.2127	0.2121	0.2119	0.2109
General Service - Second Block	0.1329	0.1384	0.1383	0.1377	0.1372	0.1372	0.1366
Small Industrial - First Block	0.2009	0.2092	0.2091	0.2081	0.2075	0.2074	0.2065
Small Industrial - Second Block	0.0995	0.1036	0.1036	0.1030	0.1028	0.1027	0.1022
Large Industrial	0.0830	0.0864	0.0864	0.0860	0.0858	0.0857	0.0854

* Basic rates do not include the ECAM charge per kWh and Provincial Energy Efficiency Program Charge per kWh.

Table 5A provides a summary of the annual cost for benchmark Residential and General Service customers under existing rates and the proposed increase under each scenario for the same assuming the requested equity ratio of 37.8 per cent.

TABLE 5A							
Existing and Proposed Increase in Annual Before Tax Cost for Benchmark Customer (\$ and %)							
	Existing Cost March 1, 2025	IR 16 Scenarios					
		1	2	3	4	5	6
Rural Residential Customer Using 1,000 kWh per Month	\$ 2,390.16	\$ 82.80	\$ 80.40	\$ 72.00	\$ 64.80	\$ 63.60	\$ 54.00
		3.5%	3.4%	3.0%	2.7%	2.7%	2.3%
Urban Residential Customer Using 1,000 kWh per Month	\$ 2,361.96	\$ 82.80	\$ 80.40	\$ 72.00	\$ 64.80	\$ 63.60	\$ 54.00
		3.5%	3.4%	3.0%	2.7%	2.7%	2.3%
General Service Customer Using 10,000 kWh/100 KW Demand per Month	\$ 26,136.84	\$ 840.00	\$ 822.00	\$ 732.00	\$ 660.00	\$ 648.00	\$ 546.00
		3.2%	3.1%	2.8%	2.5%	2.5%	2.1%

Table 5B provides a summary of the annual cost for benchmark Residential and General Service customers under existing rates and the proposed increase under each scenario for the same assuming the approved equity ratio of 40 per cent.

TABLE 5B							
Existing and Proposed Increase in Annual Before Tax Cost for Benchmark Customer (\$ and %)							
	Existing Cost March 1, 2025	IR 16 Scenarios					
		1	2	3	4	5	6
Rural Residential Customer Using 1,000 kWh per Month	\$ 2,390.16	\$ 84.00	\$ 81.60	\$ 72.00	\$ 66.00	\$ 64.80	\$ 54.00
		3.5%	3.4%	3.0%	2.8%	2.7%	2.3%
Urban Residential Customer Using 1,000 kWh per Month	\$ 2,361.96	\$ 84.00	\$ 81.60	\$ 72.00	\$ 66.00	\$ 64.80	\$ 54.00
		3.5%	3.4%	3.0%	2.8%	2.7%	2.3%
General Service Customer Using 10,000 kWh/100 KW Demand per Month	\$ 26,136.84	\$ 846.00	\$ 828.00	\$ 732.00	\$ 666.00	\$ 654.00	\$ 558.00
		3.2%	3.2%	2.8%	2.5%	2.5%	2.1%

Supporting calculations for Tables 1 – 5 are provided electronically in IR-26 - Attachments 1 – 6 for both the requested 37.8 per cent ratio and for the approved 40 per cent equity ratio.

IR-27 Quantify the financial impact to shareholders under each scenario in Table 1.

Response:

Table 6A provides a comparison of the shareholder earnings impact for 2026 for each of the scenarios requested in IR-26 using the requested equity ratio of 37.8 per cent.

TABLE 6A						
Annual Earnings Impact (\$000)						
Year Ending December 31, 2026						
	IR 16 Scenarios					
	1	2	3	4	5	6
Return on Equity	\$ 1,368	\$ 1,349	\$ 621	\$ 1,426	\$ 1,405	\$ 621
Adjust for Non-compounding Interest	-	(562)	(562)	-	(562)	(562)
Tax Savings on Non-compounding Interest	-	170	170	-	170	170
Total Impact on 2026 Earnings	\$ 1,368	\$ 957	\$ 229	\$ 1,426	\$ 1,013	\$ 229

Table 6B provides a comparison of the shareholder earnings impact for 2026 for each of the scenarios requested in IR-26 using the approved equity ratio of 40.0 per cent.

TABLE 6B						
Annual Earnings Impact (\$000)						
Year Ending December 31, 2026						
	IR 16 Scenarios					
	1	2	3	4	5	6
Return on Equity	\$ 1,448	\$ 1,428	\$ 657	\$ 1,509	\$ 1,487	\$ 657
Adjust for Non-compounding Interest	-	(562)	(562)	-	(562)	(562)
Tax Savings on Non-compounding Interest	-	170	170	-	170	170
Total Impact on 2026 Earnings	\$ 1,448	\$ 1,036	\$ 265	\$ 1,509	\$ 1,095	\$ 265

To provide a comparison of the total cost of financing under each scenario, Table 7A provides a breakdown of the total return on rate base over the full recovery period for each scenario broken down by the cost of debt and the cost of equity (i.e., shareholder return) using the requested 37.8 per cent equity return.

TABLE 7A						
Total Return on Rate Base (\$000)						
Cumulative Annual Return over Recovery Periods						
	IR 16 Scenarios					
	1	2	3	4	5	6
Cost of Debt	\$ 9,575	\$ 9,922	\$ 10,145	\$ 11,201	\$ 11,114	\$ 12,660
Cost of Equity	12,862	12,016	10,084	15,047	14,537	10,084
Total Return on Rate Base	\$ 22,437	\$ 21,938	\$ 20,229	\$ 26,248	\$ 25,651	\$ 22,744

Table 7B provides a breakdown of the total return on rate base over the full recovery period for each scenario broken down by the cost of debt and the cost of equity (i.e., shareholder return) using the approved 40.0 per cent equity return.

TABLE 7B						
Total Return on Rate Base (\$000)						
Cumulative Annual Return over Recovery Periods						
	IR 16 Scenarios					
	1	2	3	4	5	6
Cost of Debt	\$ 9,236	\$ 9,192	\$ 9,870	\$ 10,805	\$ 10,721	\$ 12,384
Cost of Equity	13,611	13,154	10,693	15,923	15,406	10,693
Total Return on Rate Base	\$ 22,847	\$ 22,346	\$ 20,563	\$ 26,728	\$ 26,127	\$ 23,077

It is important to consider the impact not only on the shareholder return but on the cost of debt as well. For example, for scenarios 3 and 6, which do not allow the shareholder to earn a return on the operating costs and carrying charges, a significant portion of the equity savings is offset by the increase in debt financing costs.

IR-28 Explain why shareholders should receive a return on deferred OM&G expenses under extraordinary storm conditions when such costs are not the result of capital investment or utility risk-taking.

Response:

While the deferred operating, maintenance and general (“OM&G”) expenses incurred to restore service from Hurricane Fiona is not a capital-related investment, there is a great deal of risk associated with incurring these costs. In fact, since the costs incurred are unplanned and non-discretionary, it can be argued that these are higher risk than normal course of business spending decisions where risks and rewards can be considered in the decision-making process.

The operating costs associated with the Fiona restoration were significant, unexpected, and outside the Company’s control. Labour including mutual aid crews from across North America and materials associated with restoration efforts created an immediate cash flow strain as evidenced by the grind down of Company’s equity structure since 2022 to the point that the Company was at risk of violating the legislated minimum of 35 per cent equity in 2025.

Allowing the Company to earn a return on this deferred balance fairly compensates the utility for the financing costs associated with the deferral balance until it can be fully recovered from customers. In fact, one could contend that the Company’s ability to earn its approved ROE since 2022 has been reduced by the Commission’s interim order stating that the Company could not earn a return on the regulatory deferral as set out in Table 8.

TABLE 8				
Foregone Earnings Potential Since Fiona Deferral (\$000 except %)				
	2022	2023	2024	2025
Balance Deferred	\$ 34,573	\$ 2,005	\$ 1,905	\$ 2,042
Foregone Annual Equity Investment	13,800	800	800	800
Foregone Average Equity	6,900	14,200	15,000	15,800
Approved ROE	9.35%	9.35%	9.35%	9.35%
Foregone Earnings Potential	\$ 645	\$ 1,328	\$ 1,403	\$ 1,477

The Company has an obligation to serve customers under the *Electric Power Act* and as part of that obligation it is required to restore power as swiftly as possible after a major event such as Fiona. The financial burden of rapid restoration is significant. If the Company is not allowed to recover these costs with a return, it could impact future restoration efforts as the Company may lack the financial ability to adequately invest in the resources required for rapid restoration.

Deferral mechanisms such as this allow utilities to address expenses outside of a general rate application. This can reduce "regulatory lag", and allow a utility to recover expenses closer to when they were incurred, which reduces the overall costs of financing and maintains financial stability for the utility.

Utilities operate under a "regulatory compact" - a promise to provide safe, reliable service in exchange for a reasonable opportunity to earn a fair return on their investments. Regulators generally permit the recovery of costs that are deemed "prudently incurred". If a storm is

determined to be an extraordinary, unforeseen event rather than negligence, the costs are usually deemed prudently incurred and eligible for recovery.⁸ Allowing a return on deferred storm expenses prevents these unexpected costs from causing financial distress, ensuring the utility remains solvent and able to continue operations.

Utilities need to maintain a rate of return comparable to other utilities of similar size and risk to attract debt and equity investment. By not allowing the Company to earn a return on prudently incurred cost deferrals, the resulting decline in overall return can negatively affect credit metrics, making it more difficult and expensive to raise capital in the future. This is supported in the Company's most recent credit rating report prepared by Standard and Poor's Financial Services LLC ("S&P") attached herein as IR-28 – Attachment 1. S&P noted in their annual credit rating assessment that the Company's credit rating could be downgraded if:

"There are adverse regulatory rulings, increasing physical risks, or operational setbacks that result in a higher business risk assessment or its financial metrics weaken..."

A downgrade in the Company's credit rating will result in higher borrowing costs that will need to be recovered through higher customer rates.

⁸ The Commission's expert, EA Technology, conclusion C6 states that costs associated with Maritime Electric's response are considered to have been prudently incurred.



IR-14 - Attachment 1

Fiona Interest - Compounded

		2023												Year End
Description	Reference	January	February	March (1)	April (2)	May	June	July	August	September	October	November	December	Balance
Total Debt	A			65,000,000	65,000,000	65,000,000	67,000,000	70,000,000	70,000,000	338,786,461	338,969,744	343,102,952	350,749,260	
Fiona Balance with Accrued Interest (3)	B			34,573,105	35,072,986	35,238,793	35,409,614	35,575,706	35,751,223	35,932,605	36,096,848	36,257,036	36,419,645	34,573,105
% of total Interest	C = B/A			53.19%	53.96%	54.21%	52.85%	50.82%	51.07%	10.61%	10.65%	10.57%	10.38%	
Monthly Interest Expense	D			939,813	307,286	315,090	314,270	345,353	355,142	1,548,542	1,504,255	1,538,779	1,528,080	
Interest related to Fiona	E = D X C			499,881	165,807	170,821	166,092	175,517	181,382	164,243	160,188	162,609	158,666	2,005,206
Adjustments	F			-	-	-	-	-	-	-	-	-	-	
Period-End Balance	F = B + E			35,072,986	35,238,793	35,409,614	35,575,706	35,751,223	35,932,605	36,096,848	36,257,036	36,419,645	36,578,311	36,578,311
Interest Rate	I = E / B / # of days X 365			5.86%	5.75%	5.71%	5.71%	5.81%	5.97%	5.56%	5.23%	5.46%	5.13%	

		2024												Year End
Description	Reference	January	February	March	April	May	June	July	August	September	October	November	December	Balance
Total Debt	A	350,233,010	352,236,887	349,247,046	345,419,374	344,809,050	351,090,745	351,799,247	355,366,039	357,771,700	361,903,674	367,686,092	376,922,481	
Fiona Balance with Accrued Interest	B	36,578,311	36,749,291	36,898,888	37,060,638	37,238,772	37,409,369	37,577,142	37,631,691	37,812,525	37,974,972	38,144,213	38,316,000	34,573,105
% of total Interest	C = B/A	10.44%	10.43%	10.57%	10.73%	10.80%	10.66%	10.68%	10.59%	10.57%	10.49%	10.37%	10.17%	
Monthly Interest Expense	D	1,637,113	1,433,870	1,530,959	1,660,277	1,579,624	1,574,563	1,649,224	1,707,661	1,537,031	1,612,878	1,655,916	1,647,018	
Interest related to Fiona	E = D X C	170,980	149,597	161,750	178,134	170,597	167,773	176,160	180,834	162,447	169,241	171,787	167,427	2,026,727
Adjustments (4)	F			-	-	-	-	(121,611)	-	-	-	-	-	(121,611)
Prior Year Interest	G													2,005,206
Balance (5)	H = B + E + F + G	36,749,291	36,898,888	37,060,638	37,238,772	37,409,369	37,577,142	37,631,691	37,812,525	37,974,972	38,144,213	38,316,000	38,483,427	38,483,427
Interest Rate	I = E / B / # of days X 365	5.50%	5.31%	5.16%	5.85%	5.39%	5.46%	5.52%	5.66%	5.23%	5.25%	5.48%	5.14%	

		2025												Year End
Description	Reference	January	February	March	April	May	June	July	August	September	October	November	December	Balance
Total Debt	A	380,606,857	383,366,793	385,786,453	388,187,777	392,113,558	404,583,444	420,931,388	424,059,300	425,092,586	427,089,178	436,566,969	426,465,491	
Fiona Balance with Accrued Interest	B	38,483,427	38,649,143	38,814,392	38,947,758	39,112,543	39,277,196	39,439,885	39,625,523	39,795,224	39,988,871	40,171,428	40,346,826	34,573,105
% of total Interest	C = B/A	10.11%	10.08%	10.06%	10.03%	9.97%	9.71%	9.37%	9.34%	9.36%	9.36%	9.20%	9.46%	
Monthly Interest Expense	D	1,638,957	1,639,134	1,325,564	1,642,396	1,650,689	1,675,813	1,981,265	1,816,079	2,068,537	1,949,745	1,906,159	1,891,938	
Interest related to Fiona	E = D X C	165,716	165,249	133,366	164,785	164,653	162,689	185,638	169,701	193,647	182,557	175,398	178,993	2,042,392
Prior Year Adjustments	F			-	-	-	-	-	-	-	-	-	-	(121,611)
Prior Year Interest	G													4,031,933
Balance (5)	H = B + E + F + G	38,649,143	38,814,392	38,947,758	39,112,543	39,277,196	39,439,885	39,625,523	39,795,224	39,988,871	40,171,428	40,346,826	40,525,819	40,525,819
Interest Rate	I = E / B / # of days X 365	5.07%	5.57%	4.05%	5.15%	4.96%	5.04%	5.54%	5.04%	5.92%	5.38%	5.31%	5.22%	

		2026												Year End
Description	Reference	January	February	March	April	May	June	July	August	September	October	November	December	Balance
Fiona Balance with Accrued Interest	A	40,525,819	40,705,606	40,868,715	41,050,023									34,573,105
Estimated Annual Interest Rate	B	5.22%	5.22%	5.22%	5.22%									
Interest related to Fiona (6)	C = B X A X Days/365	179,787	163,109	181,308	176,238									700,442
Prior Year Adjustments	D													(121,611)
Prior Year Interest	E													6,074,325
Balance (5)	F = A + C + D	40,705,606	40,868,715	41,050,023	41,226,261									41,226,261
Interest Rate	I = E / B	5.22%	5.22%	5.22%	5.22%									

- Notes:
- (1) - Interest on Fiona debt was calculated March 31, 2023 for the first quarter (January - March, 2023), beginning April 2023 interest on Fiona debt was recorded monthly.
 - (2) - From January 1, 2023 - August 31, 2023 Fiona debt was financed through short-term debt. Fiona Debt was then refinanced by long-term debt issued in September 2023, where interest was then calculated based on a percentage of total debt that is related to Fiona costs, multiplied by the # of days of interest incurred.
 - (3) - Beginning Fiona debt of \$34.6 million agrees to Table 14 of our Hurricane Fiona Post-Mortem Report, refiled with the Commission March 7, 2023.
 - (4) - An adjustment of \$121,611.17 occurred in August 2024 related to a reversal of an accrual for a potential damage claim which did not materialize.

Fiona Interest - Non-compounded

		2023												Year End Balance
Description	Reference	January	February	March (1)	April (2)	May	June	July	August	September	October	November	December	
Total Debt	A			65,000,000	65,000,000	65,000,000	67,000,000	70,000,000	70,000,000	338,786,461	338,969,744	343,102,952	350,749,260	
Fiona Balance (3)	B			34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105
% of total Interest	C = B/A			53.19%	53.19%	53.19%	51.60%	49.39%	49.39%	10.20%	10.20%	10.08%	9.86%	
Monthly Interest Expense	D			939,813	307,286	315,090	314,270	345,353	355,142	1,548,542	1,504,255	1,538,779	1,528,080	
Interest related to Fiona	E = D X C			499,881	163,444	167,594	162,169	170,570	175,405	158,028	153,426	155,057	150,622	1,956,196
Adjustment	F	-	-	-	-	-	-	-	-	-	-	-	-	
Period-End Balance	G = B + E + F	-	-	35,072,986	35,236,430	35,404,024	35,566,193	35,736,763	35,912,168	36,070,196	36,223,622	36,378,679	36,529,301	36,529,301
Interest Rate	I = E / B / # of days X 365			5.86%	5.75%	5.71%	5.71%	5.81%	5.97%	5.56%	5.23%	5.46%	5.13%	

		2024												Year End Balance
Description	Reference	January	February	March	April	May	June	July	August	September	October	November	December	
Total Debt	A	350,233,010	352,236,887	349,247,046	345,419,374	344,809,050	351,090,745	351,799,247	355,366,039	357,771,700	361,903,674	367,686,092	376,922,481	
Fiona Balance	B	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105
% of total Interest	C = B/A	9.87%	9.82%	9.90%	10.01%	10.03%	9.85%	9.83%	9.73%	9.66%	9.55%	9.40%	9.17%	
Monthly Interest Expense	D	1,637,113	1,433,870	1,530,959	1,660,277	1,579,624	1,574,563	1,649,224	1,707,661	1,537,031	1,612,878	1,655,916	1,647,018	
Interest related to Fiona	E = D X C	161,607	140,739	151,555	166,178	158,385	155,053	162,078	166,136	148,530	154,080	155,704	151,072	1,871,117
Adjustments (4)	F	-	-	-	-	-	-	(121,611)	-	-	-	-	-	(121,611)
Prior Year Interest	G													1,956,196
Balance (5)	H = B + E + F + G	36,690,908	36,831,647	36,983,202	37,149,380	37,307,765	37,462,818	37,503,285	37,669,421	37,817,951	37,972,031	38,127,735	38,278,807	38,278,807
Interest Rate	I = E / B / # of days X 365	5.50%	5.31%	5.16%	5.85%	5.39%	5.46%	5.52%	5.66%	5.23%	5.25%	5.48%	5.14%	

		2025												Year End Balance
Description	Reference	January	February	March	April	May	June	July	August	September	October	November	December	
Total Debt	A	380,606,857	383,366,793	385,786,453	388,187,777	392,113,558	404,583,444	420,931,388	424,059,300	425,092,586	427,089,178	436,566,969	426,465,491	
Fiona Balance	B	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105	34,573,105
% of total Interest	C = B/A	9.08%	9.02%	8.96%	8.91%	8.82%	8.55%	8.21%	8.15%	8.13%	8.10%	7.92%	8.11%	
Monthly Interest Expense	D	1,638,957	1,639,134	1,325,564	1,642,396	1,650,689	1,675,813	1,981,265	1,816,079	2,068,537	1,949,745	1,906,159	1,891,938	
Interest related to Fiona	E = D X C	148,878	147,822	118,793	146,276	145,543	143,204	162,731	148,063	168,236	157,833	150,955	153,379	1,791,713
Prior Year Adjustments	F	(121,611)	(121,611)	(121,611)	(121,611)	(121,611)	(121,611)	(121,611)	(121,611)	(121,611)	(121,611)	(121,611)	(121,611)	(121,611)
Prior Year Interest	G													3,827,313
Balance (5)	H = B + E + F + G	38,306,074	38,575,507	38,694,300	38,840,576	38,986,119	39,129,323	39,292,054	39,440,117	39,608,353	39,766,186	39,917,141	40,070,520	40,070,520
Interest Rate	I = E / B / # of days X 365	5.07%	5.57%	4.05%	5.15%	4.96%	5.04%	5.54%	5.04%	5.92%	5.38%	5.31%	5.22%	

		2026												Year End Balance
Description	Reference	January	February	March	April	May	June	July	August	September	October	November	December	
Fiona Balance	A	34,573,105	34,573,105	34,573,105	34,573,105	-	-	-	-	-	-	-	-	34,573,105
Estimated Annual Interest Rate	B	5.22%	5.22%	5.22%	5.22%									
Interest related to Fiona (6)	C = B X A X Days/365	153,379	138,536	153,379	148,431									593,725
Prior Year Adjustments	D	(121,611)	(121,611)	(121,611)	(121,611)									(121,611)
Prior Year Interest	E	5,619,026	5,772,405	5,910,941	6,064,320									5,619,026
Balance (5)	F = A + C + D + E	40,223,899	40,362,435	40,515,814	40,664,245	-	-	-	-	-	-	-	-	40,664,245
Interest Rate	I = E / B / # of days X 365	5.22%	5.22%	5.22%	5.22%									

Notes:

- (1) - Interest on Fiona debt was calculated March 31, 2023 for the quarter (90 days), beginning April 2023 interest on Fiona debt was recorded monthly.
- (2) - From January 1, 2023 - August 31, 2023 Fiona debt was financed through short-term debt. Fiona Debt was then refinanced by long-term debt issued in September 2023, where interest was then calculated based on a percentage of total debt that is related to Fiona costs, multiplied by the # of days of interest incurred.
- (3) - Beginning Fiona debt of \$34.6 million agrees to Table 14 of our Hurricane Fiona Post-Mortem Report, refilled with the Commission March 7, 2023.
- (4) - An adjustment of \$121,611.17 occurred in August 2024 related to a reversal of a damage claim which did not materialize and therefore, no longer required.

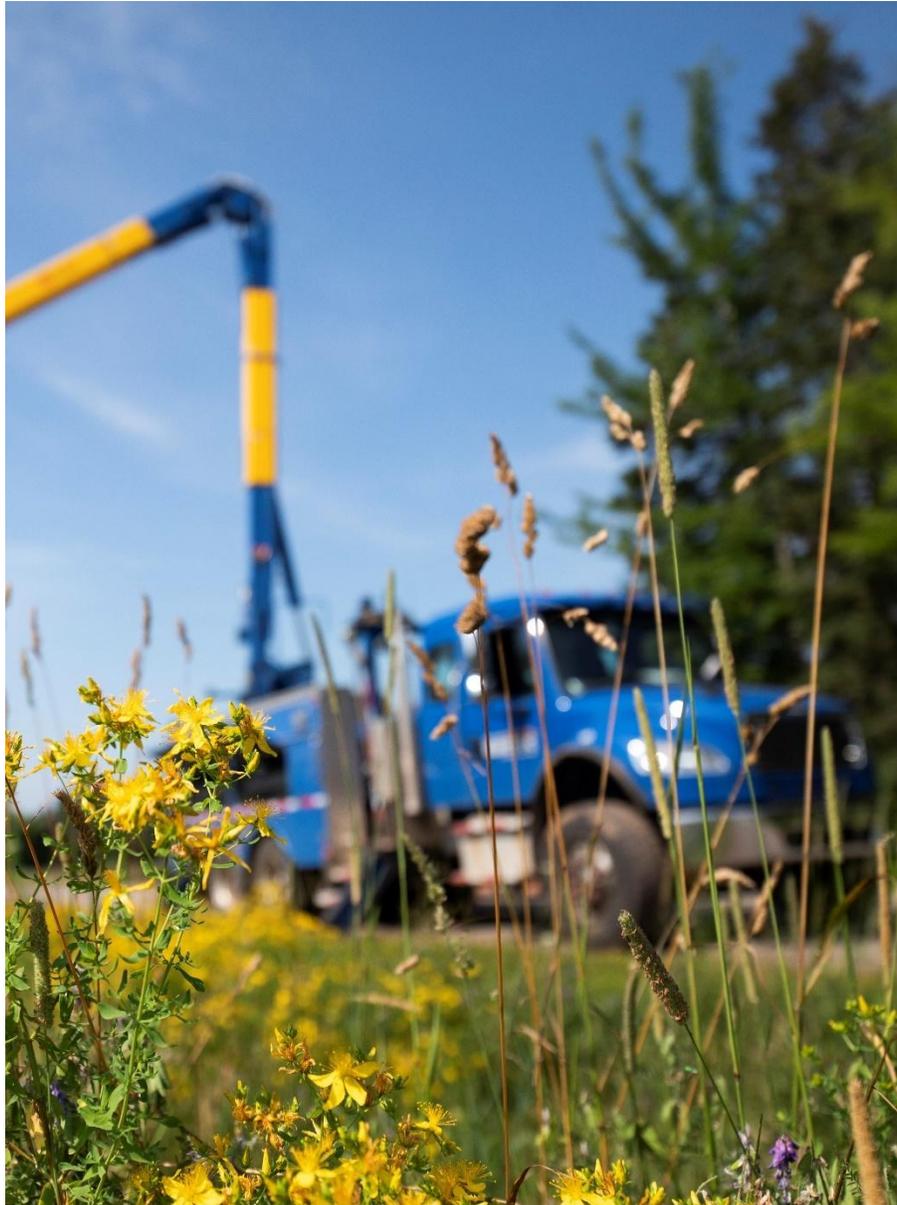


IR-24 - Attachment 1

**All our energy.
All the time.**



2025 Vegetation Management Plan



February 14, 2025

PREFACE

The Vegetation Management Plan (“VMP”) has been developed to comply with all applicable federal and provincial legislation and the requirements of the Maritime Electric Health Safety and Environment Management System (“HSEMS”).

APPROVAL

This document was produced and reviewed by the Superintendent, Operations Support.

Manager,
Operations Support

Mike Hickey

Signature

February 12, 2024

Date

Director,
Customer Service &
T&D Operations

Signature

Date

Vice President,
Sustainability &
Customer Operations

Signature

Date

Revised: February 2025

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GLOSSARY OF TERMS

AAC	All aluminum conductor
AAAC	All aluminum alloy conductor
ACHI	Avoided customer hours of interruption
ACSR	Aluminum conductor steel-reinforced cable
Company	Maritime Electric Company, Limited
Commission	Island Regulatory and Appeals Commission
CSA	Canadian Standards Association
CRTT	Customer requested tree trimming
DBH	Diameter at breast height
DEECA	PEI Department of Environment, Energy and Climate Action
Dorian	Hurricane Dorian arrived on PEI as a Post-Tropical Storm in 2019
DTI	PEI Department of Transportation and Infrastructure
Fiona	Hurricane Fiona, arrived on PEI as a Post-Tropical Storm in 2022
Fortis	Fortis Inc., Maritime Electric's parent company
GIS	Geographic Information System
GRA	General Rate Application
HSE	Health, Safety and Environment
IRAC	Island Regulatory and Appeals Commission
IVM	Integrated Vegetation Management
km(s)	Kilometre(s)
kV	Kilovolt
Maritime Electric	Maritime Electric Company, Limited
MW	Megawatt
PEI	Prince Edward Island
PID	Land parcel identifier
RFQ	Request for Quotation
SAIDI	System Average Interruption Duration Index
T&D	Transmission and Distribution
TGR	Tree-growth regulator
The Company	Maritime Electric Company, Limited
VMP	Vegetation Management Plan
VMS	Vegetation Management System, an operational system used to plan and track vegetation management work
VMU	Vegetation Management Unit
VMWP	Vegetation Management Work Plan
V	Volt
WMS	Work Management System

1 **1.0 OVERVIEW OF MARITIME ELECTRIC**

2

3 **1.1 Company Profile**

4 Maritime Electric owns and operates a fully integrated power system providing for the purchase,
5 generation, transmission, distribution and sale of electricity throughout Prince Edward Island
6 (“PEI”). The Company’s head office is located in Charlottetown with generating facilities in
7 Charlottetown and Borden-Carleton.

8

9 Maritime Electric is the primary provider of electricity on PEI delivering approximately 90 per cent
10 of the energy supplied on PEI. To meet customers’ energy demand and supply requirements, the
11 Company has contractual entitlement to capacity and energy from NB Power’s Point Lepreau
12 Nuclear Generating Station and an agreement for the purchase of capacity and system energy
13 from NB Power delivered via four submarine cables owned by the Province of PEI. Through
14 various contracts with the PEI Energy Corporation, the Company purchases the capacity and
15 energy from 92.5 megawatts (“MW”) of wind generation on PEI. In the event that the contractual
16 agreements fail to provide all the energy required by customers, the Company owns and operates
17 approximately 89 MW of on-Island backup generation.

18

19 Maritime Electric is a public utility subject to the provisions of the *Electric Power Act*. As a public
20 utility, the Company is subject to regulatory oversight and approvals of the Commission. IRAC’s
21 jurisdiction to regulate public utilities is found in the *Electric Power Act* and the *Island Regulatory
22 and Appeals Commission Act*.

23

24 **1.2 Transmission and Distribution System**

25 Table 1 lists the main components of Maritime Electric’s transmission and distribution system.

1

TABLE 1 Electrical System Components	
Transmission	Distribution
Substations/Switching Stations: 30	Distribution Line Length (Mainline): 4,998 km Distribution Line Length (Primary Services): 1,159 km Service Line Length: 264 km Underground Line Length: 92 km
Transmission Line Length: 759 km ¹	Distribution Pole Count (Mainline): 83,230 Distribution Pole Count (Service): 53,586
Transmission Pole Count: 9,185 Transmission Steel Towers: 33	Distribution Feeders: 81
Transmission Lines: 27	Distribution Pole-Top Transformers: 35,227
Transmission Switches: 94	Distribution Padmount Transformers: 1,234
Breakers: 65	Fused Cutouts: 2,917
Power Transformers: 35	Reclosers: 97
Auto Transformers: 7	Distribution Switches: 357

2

3 Maritime Electric’s transmission system was significantly upgraded in the 1970’s with the addition
4 of two government-owned submarine cables connecting to New Brunswick’s energy grid. Two
5 additional larger capacity submarine cables were installed in 2017.

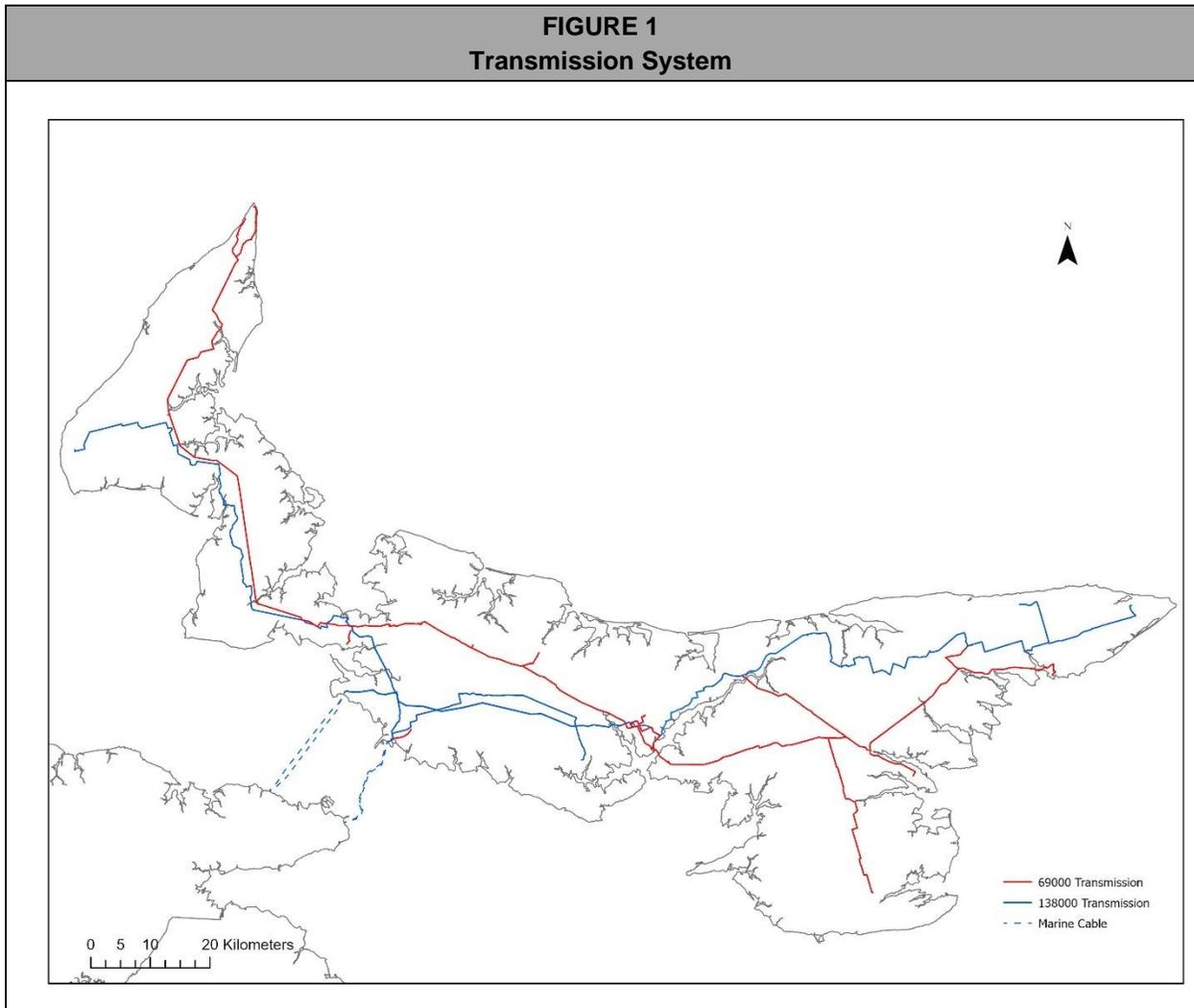
6

7 Fused cutouts, breakers and reclosers are devices installed within the electrical system that
8 operate when an electrical fault, such as a tree or branch contacting a power line, is detected on
9 the system. The devices operate to interrupt the flow of electricity and prevent damage to
10 equipment. The devices are strategically positioned to segment and isolate power supply and
11 reduce the number of customers who experience an outage when a fault occurs on a line.
12 Similarly, air switches can be operated to sectionalize affected power lines, in some cases, to
13 reduce the customer impact. Some equipment including breakers, reclosers, and air switches
14 have the capability to be operated remotely from the Energy Control Centre.

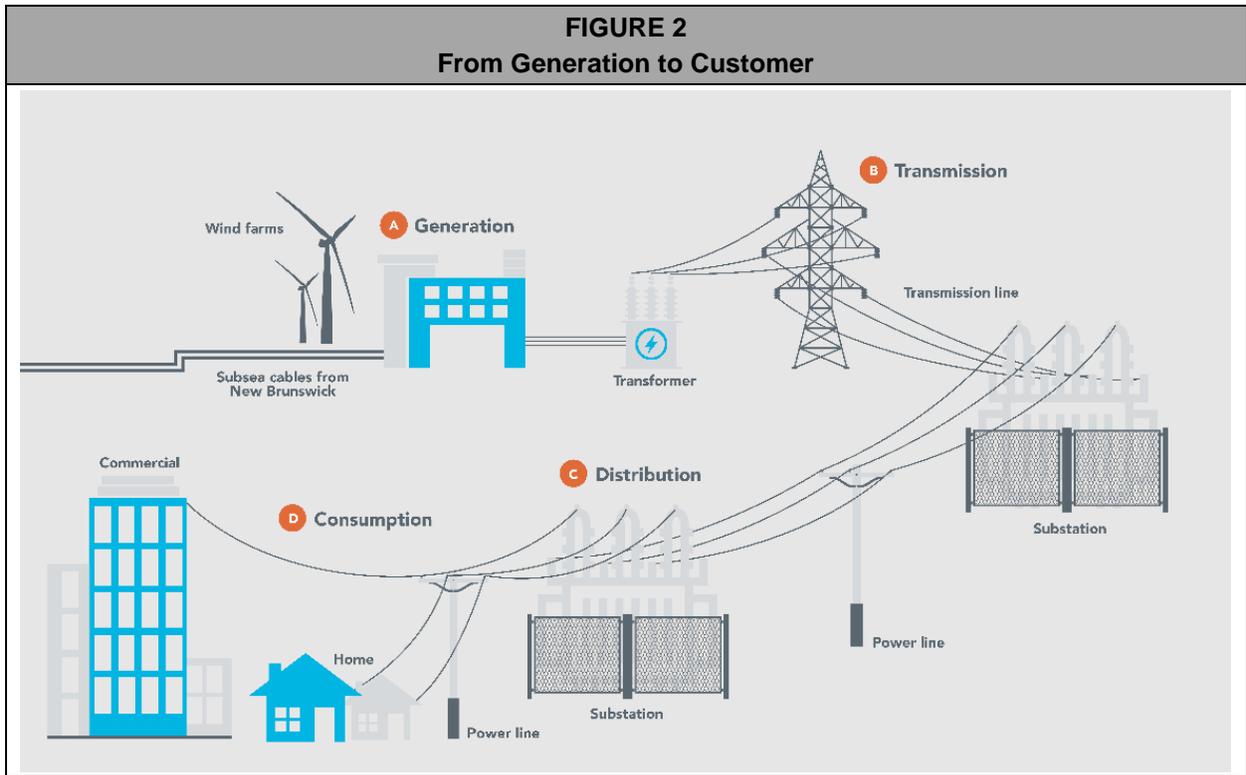
15

16 Figure 1 provides a graphic of Maritime Electric’s transmission system, including transmission
17 lines dedicated to wind farms.

¹ Transmission length excludes the four submarine cables.



- 1
- 2 Electricity is generated and delivered to customers through the integrated electrical system.
- 3 Figure 2 shows how electricity reaches the customer: A) electricity is obtained from various
- 4 sources of generation including on-island wind generation, off-Island energy purchases, and on-
- 5 Island combustion turbines; B) electricity is transmitted at high voltages through the transmission
- 6 system and stepped down at the distribution substations' power transformers; C) electricity is
- 7 distributed to customers at lower voltages through the distribution system; and D) electricity is
- 8 stepped down again at the distribution transformer and delivered to customers' homes and
- 9 businesses through electrical meters.



1

1 **2.0 CAPITAL AND OPERATING INVESTMENTS**

2

3 **2.1 Investment Overview**

4 Annually, Maritime Electric invests in the electrical system with both capital and operating
5 investments, both of which seek to directly or indirectly improve the reliability performance of the
6 electrical system and the service provided to customers.

7

8 The Company’s annual capital investments have progressively increased over the past five years.
9 While much of this increase was directly associated with customer load growth, many of the
10 Company’s capital programs and projects have the added benefit of improving the reliability of
11 the transmission and distribution system. In addition, the Company has identified the need for
12 several targeted capital programs to identify and replace assets that have trends indicating they
13 are at risk of failure and have the potential to impact reliability. These capital programs include:

14

- 15 ▪ Eastern cedar pole replacement;
- 16 ▪ Porcelain cutout replacement;
- 17 ▪ Transformer spill prevention;
- 18 ▪ Distribution line refurbishment;
- 19 ▪ Transmission line refurbishment;
- 20 ▪ 69 kilovolt (“kV”) and 138 kV switch replacements;
- 21 ▪ Deteriorated conductor replacement program; and
- 22 ▪ Backlot feed relocation program.

23

24 The design of the transmission system, with built-in redundancy and looped feeds, provides
25 options to restore power to substations quickly. The transmission system’s robustness reflects
26 the capital investment in the Company’s transmission rebuild program as well as the construction
27 of transmission lines with higher class poles. As a result, the Company’s transmission
28 infrastructure suffered only minimal damage during Hurricane Fiona (“Fiona”), as further
29 discussed in Section 3.3.2. The recent placement of transmission lines along roads allowed for
30 easy access and inspection compared to off-road transmission lines. The strategic installation of
31 transmission air switches also allows the Company to feed substations from multiple directions

1 and isolate line sections to avoid power outages during a weather event for as many customers
2 as possible.

3
4 While capital investments have had the added benefit of improving the reliability of the distribution
5 system as well, the main cause of distribution outages continues to be damage caused by trees
6 during severe weather events, such as Fiona, and not structural failures caused by the storm's
7 weather conditions. Recent distribution projects and new substations to accommodate load
8 growth has improved reliability by reducing feeder lengths and the number of customers on
9 feeders. The timely replacement of aged distribution lines and associated equipment, combined
10 with the capital programs mentioned above, strengthens the distribution system and enhances
11 reliability. The addition of each new substation over the past ten years provides feeder back-up
12 opportunities, which reduces the impact of outages when individual feeder outages occur.

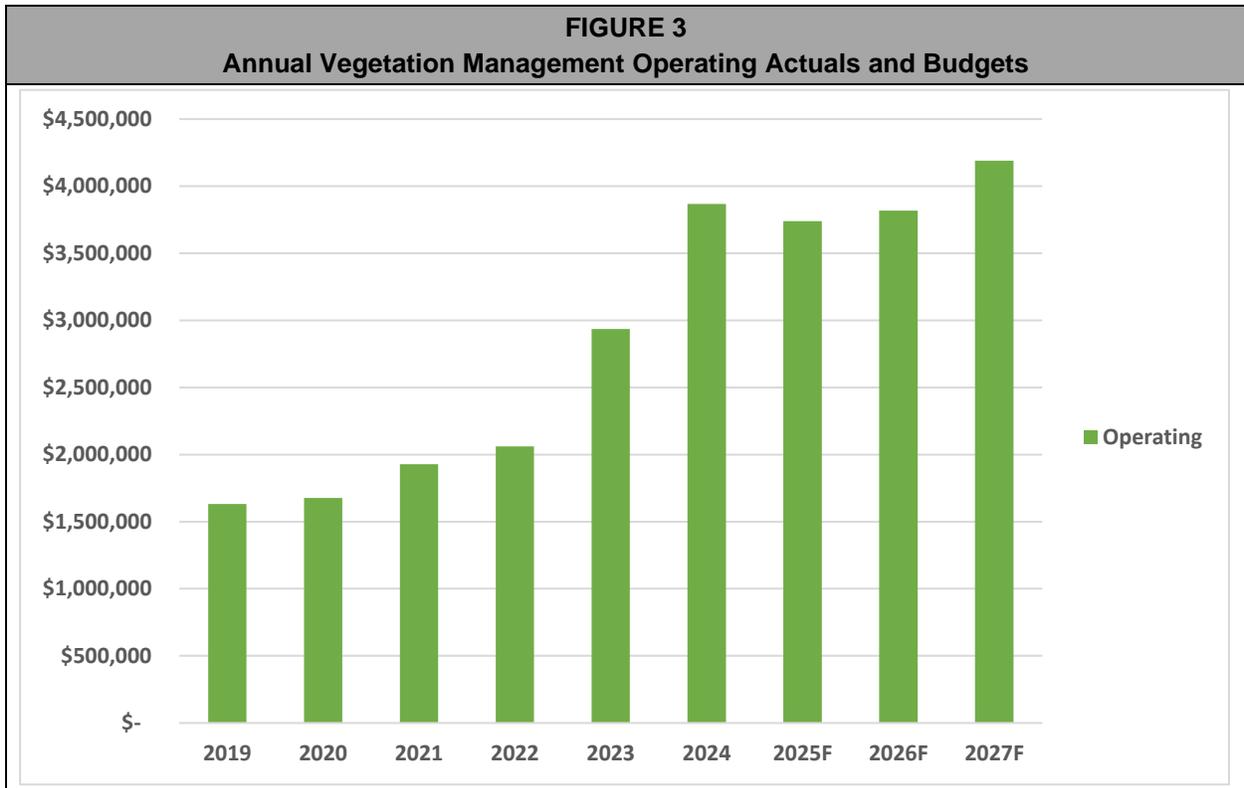
13
14 In addition, two new recurring capital programs were approved in the Company's 2024 Capital
15 Budget Application: Distribution Corridor Widening and Transmission Corridor Widening.² These
16 new programs, which are discussed in Section 4.4, will provide for more secure rights-of-way,
17 reduce the impact of edge and off right-of-way tree contracts, and reduce long-term vegetation
18 management costs.

19
20 **2.2 Vegetation Management Investments**

21 Maritime Electric has progressively increased its operating investment in vegetation management
22 over the last five years, as outlined in Figure 3. Starting at approximately \$1.6 million in 2019, the
23 annual vegetation management budget increased by an average of 8 per cent through to 2022,
24 and by another 18 per cent in 2023 to a total of \$2.4 million. As approved in the 2023 GRA,
25 Maritime Electric will increase its annual budget until it reaches \$4 million in 2025, which is more
26 than double the 2021 budget.³

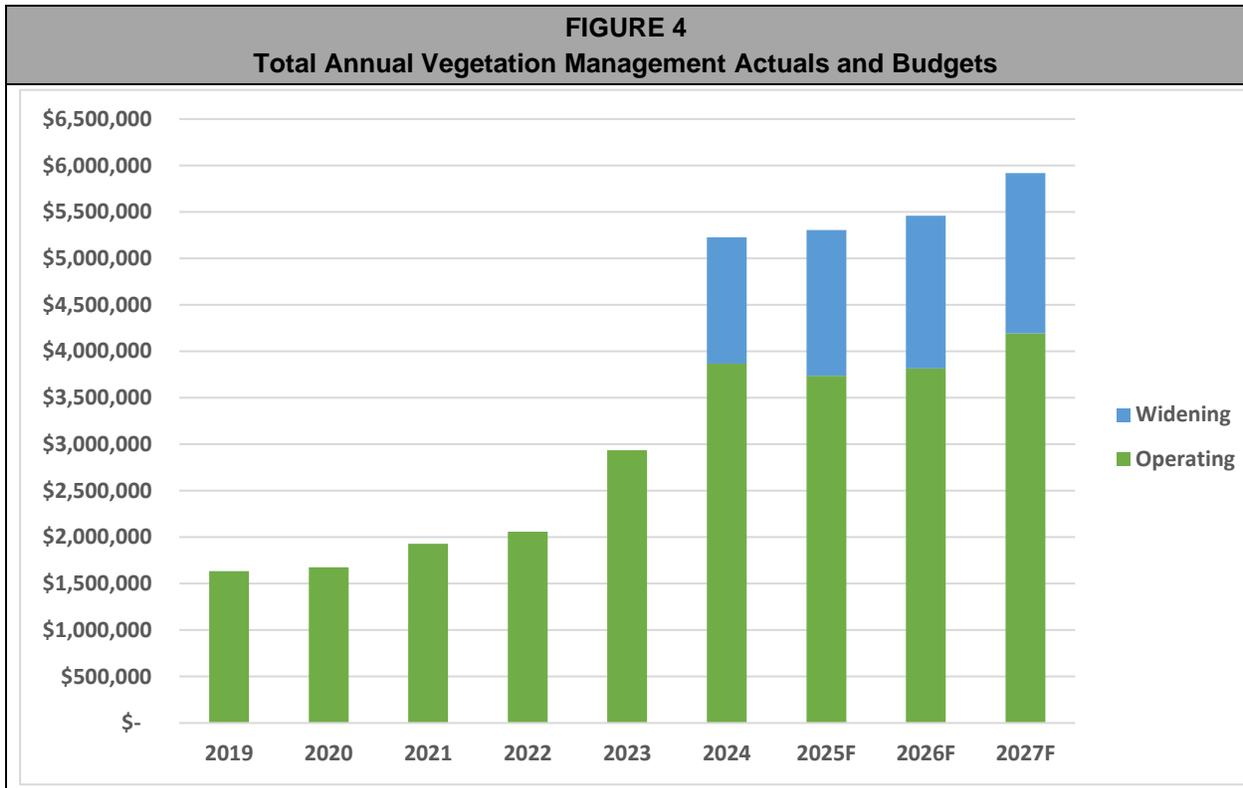
² Distribution Corridor Widening is Section 5.5(d) and Transmission Corridor Widening is Section 6.2(d).

³ The previous GRA-approved vegetation management budget was \$1.8 million for 2021.



1
 2 As previously mentioned, Maritime Electric received approval in the 2024 Capital Budget
 3 Application for two new recurring capital programs for transmission and distribution corridor
 4 widening, which are further discussed in Section 4.4. These capital programs increased the total
 5 investment in vegetation management to over \$5 million in 2024 and 2025, as shown in Figure 4,
 6 which will result in an additional 30 per cent increase.⁴

⁴ The 2025 operating and capital vegetation budget of \$5.2 million is 30 per cent higher than the 2025 operating vegetation budget of \$4.0 million.



1
 2 With the approved operating budget increases, the Company estimates that an additional 430
 3 transmission and distribution spans will be trimmed in 2025. With the approved capital programs,
 4 the Company estimates that up to 600 spans will be widened in 2025.⁵

5
 6 **2.3 Climate Change Adaptation**

7 Maritime Electric completed a Climate Change Risk Assessment in 2022 to assess climate
 8 change risks associated with the Company’s electrical infrastructure.⁶ The assessment indicated
 9 that Fiona was a once in 50-to-150-year storm, based on historical weather records. However,
 10 looking forward, the assessment demonstrated that risks associated with extreme climate events,
 11 such as Fiona, will increase in the future. Maritime Electric has since published a Climate Change
 12 Adaptation Strategy (Spring 2024) that will address the risks identified in the assessment. The
 13 strategy that relates to vegetation management involves adapting vegetation management

⁵ The actual number of spans completed will vary based on the vegetation to be cleared, considering both density and permitted width.

⁶ Climate Change Risk Assessment was filed with the Commission on February 10, 2023.

2.0 CAPITAL AND OPERATING INVESTMENTS

1 practices to increasing tree growth rates (Strategy 8), and includes four action items, including
2 the following:

- 3 1. Implement a new right-of-way widening program (complete)
- 4 2. Increase the vegetation management budget (in progress)
- 5 3. Evaluate the use of satellite technology for vegetation management planning (in progress)
- 6 4. Develop a vegetation education and planting information campaign (complete)

7

3.0 VEGETATION MANAGEMENT PLAN

1 3.0 VEGETATION MANAGEMENT PLAN

2 The following sections provide a detailed overview of Maritime Electric's VMP and its objectives,
3 the vegetation management team, the programs and processes, control methods, operational
4 systems, and environmental management.

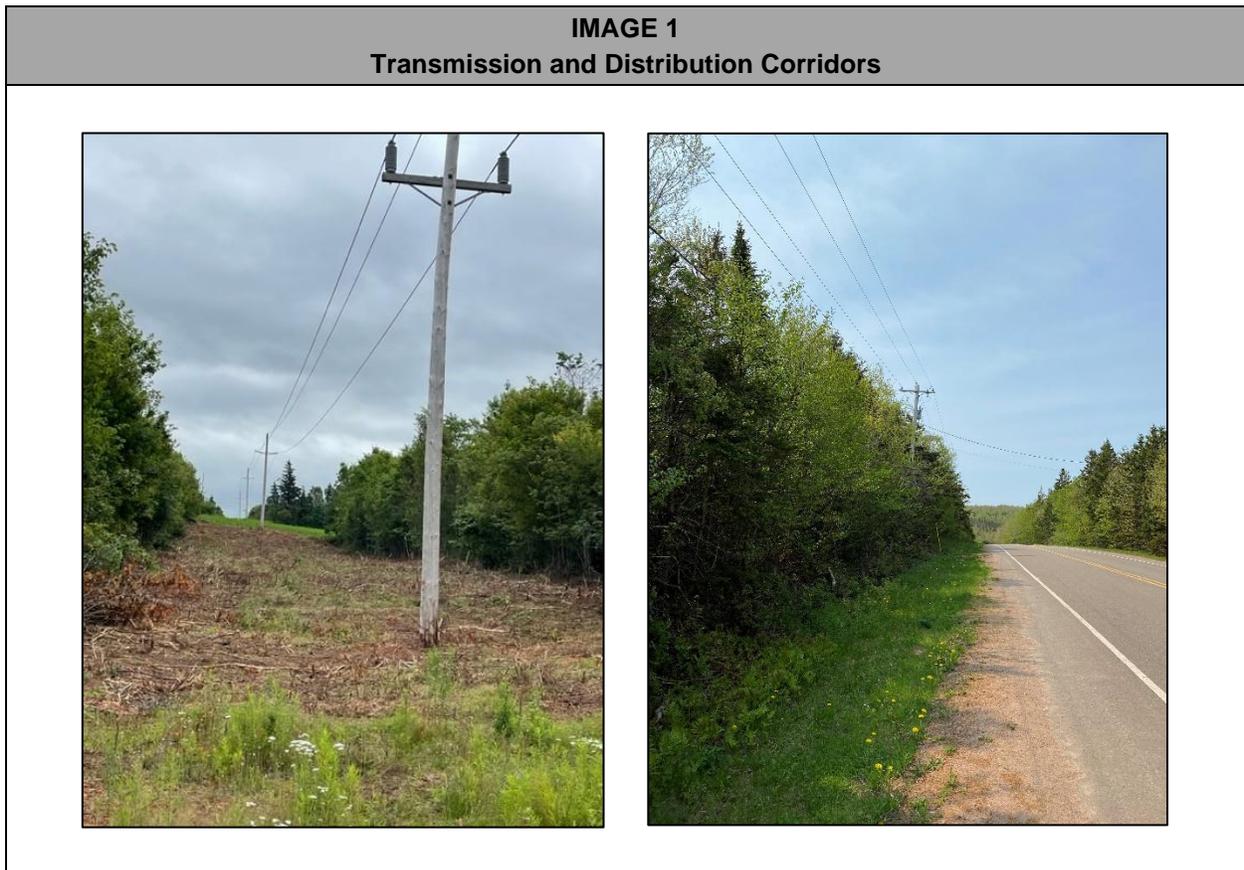
5

6 3.1 Plan Overview

7 Tree contacts are one of the leading causes of interruptions in electrical service, particularly
8 during weather events. In 2019 the Company completed a vegetation inspection of all of its off-
9 road transmission system and almost half of its roadside transmission and distribution system.

10 The Company's overhead electrical system totals 6,900 kilometres ("kms") of power lines,
11 composed of over 6,150 kms of distribution lines and 760 kms of transmission lines. The presence
12 of vegetation varies by type and section of line, but on average approximately 70 per cent of the
13 electrical system is surrounded by trees, on either one or both sides of the lines, as demonstrated
14 below in Image 1.

15



3.0 VEGETATION MANAGEMENT PLAN

1 Vegetation around the electrical system is managed by the VMP, with the overall objective of
2 minimizing the impact of tree contacts due to tree growth into electrical lines in order to maintain
3 acceptable levels of reliability and affordability.

4

5 The VMP also outlines specific goals and requirements, which include, but are not limited to, the
6 following:

7

- 8 ▪ Minimize public and worker safety hazards due to vegetation in proximity to the electrical
9 system;
- 10 ▪ Reduce the number of outages due to tree growth within proximity to the electrical system;
- 11 ▪ Reduce the risk of fires caused by tree contacts;
- 12 ▪ Prevent the establishment of noxious and invasive weeds inside the property boundaries
13 of substations;
- 14 ▪ Ensure adequate access and lines of sight for maintenance and inspections;
- 15 ▪ Prevent negative environmental impacts due to vegetation management activities;
- 16 ▪ Use targeted control methods to encourage compatible vegetation, where practical;⁷
- 17 ▪ Manage and ensure compliance to agreements and regulations with municipal, provincial
18 and federal stakeholders;
- 19 ▪ Manage and ensure compliance to agreements with public, private and other
20 stakeholders; and
- 21 ▪ Ensure compliance to regulatory requirements and corporate policies.

22

23 The VMP for the maintenance of power line rights-of-way and facilities describes:

24

- 25 ▪ The work programs for controlling vegetation along power line rights-of-way and within the
26 property boundaries of facilities, and along transmission and distribution lines;
- 27 ▪ The process for planning, selecting, using and evaluating control methods; and
- 28 ▪ The procedures for mitigating environmental impacts that may result from maintenance
29 activities.

⁷ Compatible vegetation is any species of low growing tree or bush that will not grow past the safe line clearance limits and could hinder the growth of non-compatible vegetation.

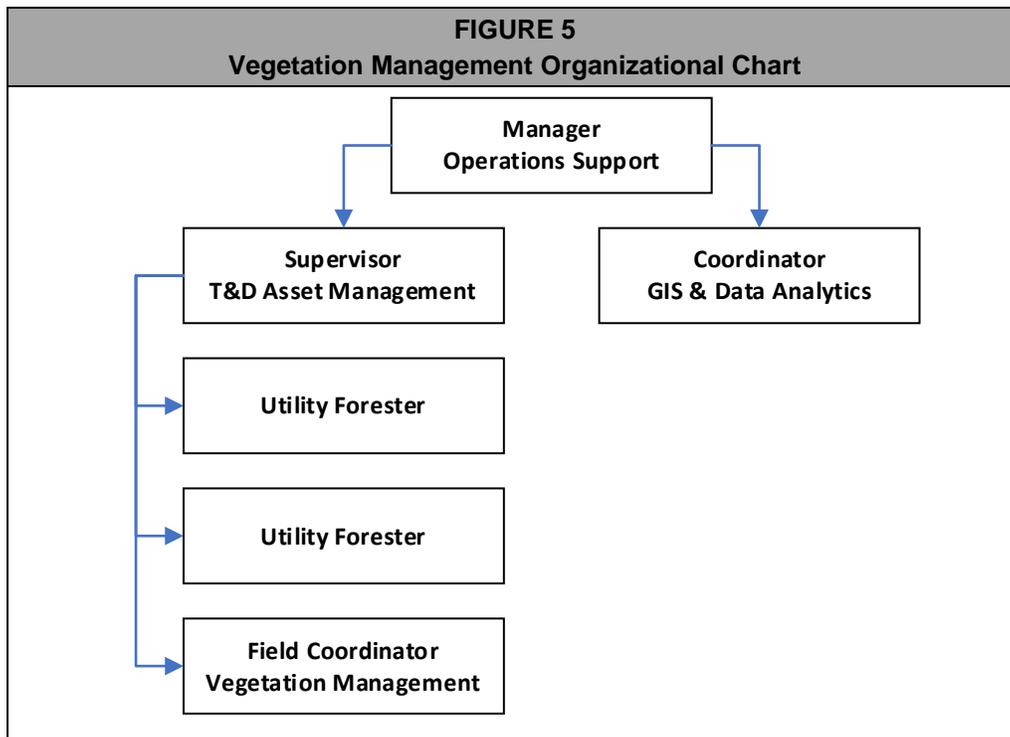
3.0 VEGETATION MANAGEMENT PLAN

1 The VMP is reviewed and updated every three years, or more often if required, to ensure
2 compliance with evolving government and other requirements, and to ensure that it reflects
3 current practices. The VMP is used by both Maritime Electric employees and its contractors to
4 deliver the Company's annual Vegetation Management Work Plan ("VMWP"). Key sections
5 include the following:

- 6
- 7 ▪ Roles and responsibilities;
- 8 ▪ Programs for managing vegetation along power line rights-of-way;
- 9 ▪ Program for managing vegetation within the property boundaries of facilities;
- 10 ▪ Program for managing customer requested tree trimming ("CRTT");
- 11 ▪ Processes for selecting, planning, using and evaluating control methods;
- 12 ▪ Operational guidelines for using the Vegetation Management System ("VMS");
- 13 ▪ Practices for mitigating environmental impacts that may result from maintenance activities;
- 14 and
- 15 ▪ Evaluation and quality control program.

17 **3.2 Roles and Responsibilities**

18 Several employee positions play a key role in managing and administering the VMP and VMWP.
19 These employees have documented roles, responsibilities and accountabilities, to ensure
20 compliance with the VMP. The organizational chart in Figure 5 illustrates the resource structure
21 that supports the VMP.



1
2 The Manager, Operations Support is responsible for managing the VMP, which includes directing,
3 prioritizing and budgeting all activities aimed at minimizing vegetation-related outages and safety
4 hazards created by uncontrolled vegetation. This role is also responsible for stakeholder
5 engagement, and supporting the advancement of vegetation management practices.

6
7 The Supervisor, T&D Asset Management is responsible for the overall supervision of the
8 vegetation management team, and ensuring the VMP is executed within scope, quality, and
9 budget.

10
11 In 2024, the Company expanded the vegetation management team with the addition of two new
12 Utility Forester roles to support the increased investment in vegetation management operating
13 and capital programs. The Utility Foresters, reporting to the Supervisor, T&D Asset Management,
14 will be responsible for estimating and forecasting vegetation management activities, planning
15 operating and capital projects, and administering contracts for vegetation management activities.
16 The position is also responsible for:

17

3.0 VEGETATION MANAGEMENT PLAN

- 1 ▪ Work quality control based on field inspections, and evaluating contractor qualifications
- 2 and performance;
- 3 ▪ Customer engagement for advanced permissions and customer inquiries related to
- 4 vegetation management activities;
- 5 ▪ Stakeholder engagement for advancing vegetation management practices;
- 6 ▪ Documentation control of vegetation management standard, practices, and procedures;
- 7 ▪ Processing vegetation inspection data results, complete field level assessments to verify
- 8 data, and create maintenance plans based on critically and priority system levels to
- 9 mitigate system risk;
- 10 ▪ Administering vegetation management activities on joint use lines with communications
- 11 stakeholders in accordance with Vegetation Management Agreements;
- 12 ▪ Ensuring contractor resources are adequately distributed to meet the workload of capital
- 13 and/or operating projects; and
- 14 ▪ Monitoring contractor resources to ensure compliance with standards and best practices,
- 15 and environmental requirements.

16

17 The Vegetation Management Field Coordinator is responsible for coordinating the various day-
18 to-day requirements for operating and capital projects, customer service orders, and CRTT. The
19 position is also responsible for:

20

- 21 ▪ Collecting information on vegetation condition and vegetation management work required
- 22 in support of operating and capital projects;
- 23 ▪ Serving as a liaison with Maritime Electric Construction Services and Line Operations on
- 24 vegetation management requirements;
- 25 ▪ Serving as the primary liaison between Maritime Electric and vegetation management
- 26 contractors;
- 27 ▪ Serving as the primary liaison between Maritime Electric and customers, with regards to
- 28 vegetation management on private property;
- 29 ▪ Completing contractor orientation;
- 30 ▪ Performing on-site inspections and crew visits; and
- 31 ▪ Assigning work to vegetation management contractors.

32

3.0 VEGETATION MANAGEMENT PLAN

1 The GIS and Data Analytics Coordinator is responsible for data reporting and analysis of various
2 activities for the Operations department, Geographic Information System (“GIS”) applications
3 (including the VMS) for the Operations department and assisting in the planning of the annual
4 transmission and distribution vegetation management programs. This position is also responsible
5 for:

- 6
- 7 ▪ Administering the VMS application;
- 8 ▪ Developing financial and operational reports;
- 9 ▪ Developing maps and geospatial analysis; and
- 10 ▪ Developing methods for data collection, analysis and visualization.

11

12 The Company’s VMWP is executed by both utility arborist contractors and employees that are
13 qualified to work in proximity to the electrical system.⁸ Contractors bid on vegetation management
14 tenders via a request for quotation (“RFQ”) process. The work includes but is not limited to:
15 clearing vegetation around transmission and distribution lines; removal of danger trees; and the
16 execution of tree trimming, topping, pruning, hand-cutting and ground clearing techniques such
17 as mowing and grooming. Contractors are also assigned CRTT work, and support restoration
18 efforts during weather events. In addition to the Vegetation Management Field Coordinator,
19 Maritime Electric’s District Supervision also supports the supervision of the vegetation
20 management work performed by contractors.

⁸ A utility arborist has been formally trained in procedures of vegetation management for work near energized power lines and apparatus, and has successfully completed an Electrical Utility Arborist course or Maritime Electric approved equivalent training, combined with sufficient field experience.

1 **3.3 Vegetation Management Programs**

2 The following sections provide an overview of the Company’s various vegetation management
3 programs, including planned work based on inspection and reliability performance, support for
4 transmission and distribution capital programs and joint-use requirements, managing vegetation
5 at substations, and customer requested work.

6
7 **3.3.1 Transmission and Distribution Inspections**

8 Maritime Electric currently conducts different types of vegetation management inspections, which
9 includes vegetation management inspections of the transmission and distribution system as well
10 as assessing CRTT. When high brush, danger trees or other vegetation issues are noted by
11 inspectors, they are subsequently reported to and recorded by a Vegetation Management Field
12 Coordinator.

13
14 Transmission and distribution inspections are performed by Maritime Electric employees on an
15 annual basis. The primary purpose of these inspections is to identify structural deficiencies such
16 as damaged or end-of-life hardware, damaged structures, and/or damaged conductor. These
17 inspections also identify other hazards such as high brush under power lines, and danger trees.
18 Transmission inspections are conducted every two years, including ground and aerial patrols, and
19 distribution inspections are conducted every six years.

20
21 Elements of the transmission and distribution inspections include:

- 22
- 23 ▪ Scope of work information (i.e., cut, cut and disposal, etc.);
 - 24 ▪ Evidence of vegetation contacting conductors (i.e., burn marks on trees or conductor);
 - 25 ▪ Tree heights and proximity to approach distances;
 - 26 ▪ Out-of-compliance line clearances;
 - 27 ▪ Imminent threats: dead, dying and leaning trees, danger trees;
 - 28 ▪ Narrowing of right-of-way;
 - 29 ▪ Environmental conditions and features of the treatment area, such as buffer zone issues,⁹
 - 30 wildlife issues, and environmental concerns;

⁹ A buffer zone is an area of land bordering a stream or permanent water body, which is intended primarily to protect the waters from the effects of human activities.

3.0 VEGETATION MANAGEMENT PLAN

- 1 ▪ Damage to structures and lines; and
- 2 ▪ Road access conditions, including gates, locks, road surface, culvert conditions, etc. and
- 3 other elements that may be site specific.

4

5 When identified, vegetation management deficiencies are recorded using a transmission and

6 distribution inspections application, where they are categorized, and reviewed for inclusion in the

7 annual VMWP. The work is prioritized and scheduled accordingly. The annual VMWP considers

8 the time required to obtain permissions or permits from landowners or government authorities.

9 When mechanical cutting and hand cutting work is required, a RFQ is issued. Once the work is

10 awarded, a work order is created, contractors are assigned and work is monitored by a Vegetation

11 Management Field Coordinator. Upon completion of the work, inspections are conducted to

12 ensure that the work was performed to specification.

13

14 The transmission and distribution inspection application, shown in Figure 6, is used by inspectors

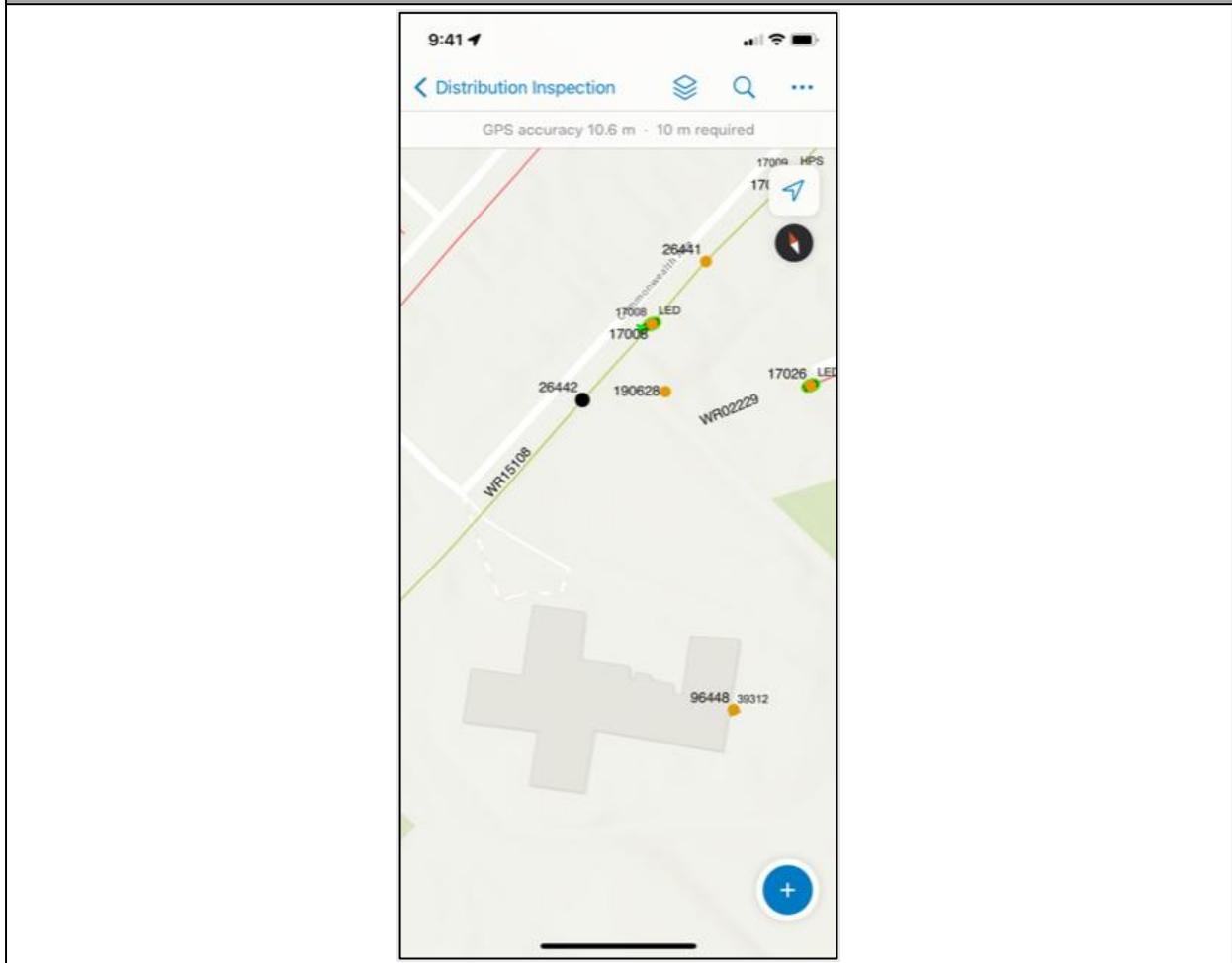
15 to record the vegetation by span.¹⁰ Assets are represented by colored dots that change to black

16 on the map when the asset has been inspected.

17
18
19
20
21
22
23
24
25
26
27
28
29

¹⁰ A span is the distance between two poles.

FIGURE 6
T&D Inspections Application Interface



1
2 The inspector documents the height of the vegetation in relation to the wires on the pole, the
3 grouping of the trees within the span and the density of the vegetation. The inspector then assigns
4 a priority¹¹ to the span, specifies if the tree is located within the right-of-way or on private property,
5 and if the vegetation is accessible from the roadway. Figure 7 shows a sample of the fields that
6 the inspector populates during the inspection.

7
8
9

¹¹ Deficiencies are prioritized as either emergency, potential threat, six month, one year, or review during next inspection.

FIGURE 7
Transmission and Distribution Inspection Application
Vegetation Management Fields

The screenshot displays a mobile application interface for data collection. At the top, the status bar shows the time as 9:37, signal strength, Wi-Fi, and battery icons. Below the status bar, there are three buttons: 'Cancel', 'Collect', and 'Submit'. The main content area is titled 'Poles' with a yellow dot icon and coordinates '46.275450°N 63.169083°W'. A dropdown menu labeled 'VEGETATION MANAGEMENT' is expanded, showing several fields with their current values and a close button (X) for each:

- VMZone: Primary Space
- VMGrouping: Single Tree
- VMDensity: Light
- VMPriority: 6 Month
- VMTreeType: Hardwood
- VMLocation: Private
- VMAccessable: Yes
- VMComments: (empty text field)

1

1 Figure 8 shows the format of the recorded inspection results. These results are used to address
 2 immediate threats to the system and plan upcoming vegetation management maintenance.
 3

FIGURE 8 Distribution Inspection Vegetation Management Report											
Seq	Row ID	Facility ID	Line ID	VMZone	VMGrouping	VMDensity	VMPriority	VMTreeType	VMLocation	VMAccessible	Comment
1	6694	26442	WR15108	Primary Space	Single Tree	4 : Light	6 Month	Hardwood	Private	Yes	

4

5 **3.3.2 Reliability Performance Review**

6 Maritime Electric review's reliability data to plan maintenance work on the distribution and
 7 transmission system. The System Average Interruption Duration Index (“SAIDI”), the average
 8 duration customers experience a loss of service, is calculated for each feeder to help identify the
 9 worst performing feeders. This data helps to prioritize capital projects such as rebuilds and line
 10 extensions. Outage information is tracked in detail, which is used to identify areas for potential
 11 investment to improve reliability. For example, outages caused by trees may indicate that
 12 additional vegetation management is required, while outages caused by deteriorated equipment
 13 may require asset replacement.

14

15 When analyzing worst performing feeders due to tree contacts on the line, the location of those
 16 trees is important. In many cases, trees that caused outages are remaining danger trees that are
 17 located on private land, outside the right-of-way, and require permissions for removal. Based on
 18 the data collected from outages and inspections, the Vegetation Management Field Coordinator
 19 completes a field level review of the feeder to plan vegetation maintenance work.

20

21 The most common reason why trees and branches fall into power lines is adverse weather (i.e.,
 22 high winds, heavy wet-snow or ice). Outage data summarized in Tables 2 and 3 demonstrates
 23 the significant impact that adverse weather and tree contacts have on customer reliability, relative
 24 to other outage causes.

3.0 VEGETATION MANAGEMENT PLAN

TABLE 2 Maritime Electric Outage by Cause – All-in Data						
Cause	Customer Hours of Interruption					
	2019	2020	2021	2022	2023	2024
Adverse Weather	31,091	28,146	35,219	419,978	164,376	87,669
Tree Contacts	51,961	73,812	31,200	78,023	103,720	36,359
Loss of Supply	5,595	31,280	29,357	5,046	-	-
Deteriorated Equipment	152,109	67,274	97,427	150,831	56,859	33,884
Foreign Interference	25,824	89,372	38,822	140,403	83,906	34,673
Scheduled Outage	44,836	17,932	68,519	80,336	186,968	83,225
Unknown/Other	15,043	6,627	36,122	39,210	31,150	15,961
Lightning	428	81,816	536	-	6,885	1,542
Adverse Environment	12,459	190	93	-	215	135
Human Element	458	569	3,862	554	264	10,776
Subtotal	339,804	397,018	341,157	914,381	643,343	304,224
Dorian	2,795,516	-	-	-	-	-
Fiona	-	-	-	13,029,178	-	-
Total	3,135,320	397,018	341,157	13,943,559	634,343	304,224

1

TABLE 3 Maritime Electric Outage by Cause - Storms Removed¹²						
Cause	Customer Hours of Interruption					
	2019	2020	2021	2022	2023	2024
Adverse Weather	31,091	27,900	35,219	60,180	88,532	56,855
Tree Contacts	51,961	41,933	31,200	38,408	57,440	23,760
Loss of Supply	5,593	17,501	29,357	5,046	-	-
Deteriorated Equipment	44,212	47,047	47,511	100,652	39,200	32,545
Foreign Interference	25,802	32,515	38,223	59,613	83,606	33,039
Scheduled Outage	44,835	17,738	24,374	33,165	65,015	30,033
Unknown Other	15,041	6,609	36,020	37,246	17,722	14,969
Lightning	428	13,575	536	-	6,885	1,505
Adverse Environment	12,459	188	93	-	215	132
Human Element	458	569	3,858	549	258	10,525
Total	231,880	205,575	246,391	334,859	358,873	203,363

1
 2 Notably, the all-in outage impacts for 2022 in Table 2 are significantly higher as a direct result of
 3 Fiona, whose outage impact alone is comparable to ten years' worth of outages. An assessment
 4 of the Fiona damage determined that broken poles, transformers and conductor were primarily
 5 the result of over 40,000 fallen trees and large branches. In addition, many customers sustained
 6 damage to their individual electrical services due to trees, including over 2,000 damaged masts.

7
 8 In the weeks following restoration after Fiona, a comprehensive inspection was performed across
 9 the entire transmission system to identify vegetation risks both in and off rights-of-way, which
 10 were prioritized for corrective action through 2023 and 2024. Planned distribution inspections
 11 continue to identify similar vegetation risks that are being prioritized in the VMWP. Given the
 12 impact of Fiona, the Company continues to monitor tree contacts and reliability trends to identify
 13 areas where vegetation may have been weakened from the storm, and pose a heightened
 14 reliability risk.

15
 16 **3.3.3 Capital Project Support**
 17 The vegetation management team supports the initial stages of certain capital projects, such as
 18 rebuilds, line extensions, new services, and substation builds, because the designated area

¹² Classified as per the IEEE standard 1366-2012.

1 needs to be cleared of vegetation before the assets can be installed. Vegetation Management
2 Field Coordinators review the scope of work and define the vegetation clearing required for a job
3 to meet line clearance standards. Utility arborists are allocated accordingly to assist with
4 vegetation clearing on capital projects to avoid delays to customer services and project timelines.
5

6 **3.3.4 Joint-Use and Make-Ready Projects**

7 Maritime Electric is responsible for any vegetation management required in joint-use and make-
8 ready projects. These projects require tree trimming to be completed to Maritime Electric's
9 standard for a joint-use partner, such as Bell Canada, or other third-party communication
10 companies to attach to joint-use poles. The joint-use partner and third parties are required to
11 contribute to the vegetation management costs based on the quantity of pole attachments or
12 number of poles owned.
13

14 If the project is not specifically a joint-use project, vegetation management is still required to
15 support make-ready work for communication attachments to utility poles. Large scale make-ready
16 work, such as was required for the PEI Broadband Project, requires a significant amount of
17 vegetation clearing for communication companies to safely attach to joint-use poles.
18

19 **3.3.5 Maritime Electric Facilities**

20 Substations are critical sites for vegetation management for safety reasons. If an electrical fault
21 or lightning strike occurs, current can flow through the substation structure into the ground,
22 creating step and touch potentials that may cause injury to workers.¹³ Beneath each substation is
23 a grounding system of a bare wire grid, which serves to provide a common grounding for electrical
24 surfaces and thus provides a low impedance path for fault currents. This grounding system is
25 there to ensure that workers and the public are protected from electrocution if there is a system
26 fault, lightning strike or equipment failure. Vegetation growing over or into this bare wire grid can
27 reduce its safety functions and increase risk of injury.
28

29 The proper selection and installation of surfacing materials at substations is important in
30 minimizing growth of unwanted vegetation. The presence of organic material, such as soil fines,

¹³ Step and touch potential refers to the possibility of electrical shock due to potential difference between two points on the ground, or two points on a person's body.

1 at facilities provides a growth medium for unwanted vegetation. Suitable surfacing material of a
2 correct thickness and free of organic material can reduce the establishment of unwanted
3 vegetation. Maritime Electric utilizes crushed rock or crushed rock with landscape fabric for
4 surfacing materials for new construction and upgrading of existing facilities. Maritime Electric uses
5 herbicides in substations to manage vegetation growth within the surfacing material to prevent
6 any impacts to the grounding system.

7

8 Maritime Electric has an established process for conducting maintenance at the substations and
9 other sites on a cyclical schedule. A “cycle” refers to the amount of time between treatments
10 required to maintain the site free of plant species. If the period between maintenance is too long,
11 weeds may grow in such a manner that it will affect the grounding potential of the equipment, and
12 become a safety hazard to those working or living nearby. The majority of substations are
13 currently on an annual cycle.

14

15 The types of species to be controlled in substations and other sites are herbaceous broadleaf and
16 grass species, woody tree and shrub species, and noxious weeds. Although both physical and or
17 chemical treatment methods may be used to control noxious and invasive weeds, herbicide use
18 is the preferred method within substations.

19

20 Maritime Electric monitors the state of the vegetation at each of its sites, in part to assess the
21 effectiveness of its vegetation management. The treatment method used is deemed effective if it
22 results in preventing the establishment of noxious and invasive plant species. Information related
23 to vegetation management in substations and other sites is maintained, including treatment
24 history, ground patrol information, environmental issues, landowner agreements and conditions.
25 Monitoring consists of an annual site inspection to determine whether treatment is required at the
26 site. Sites requiring treatment will be treated immediately or as soon as work conditions permit.

27

28 **3.3.6 Customer Requested Tree Trimming**

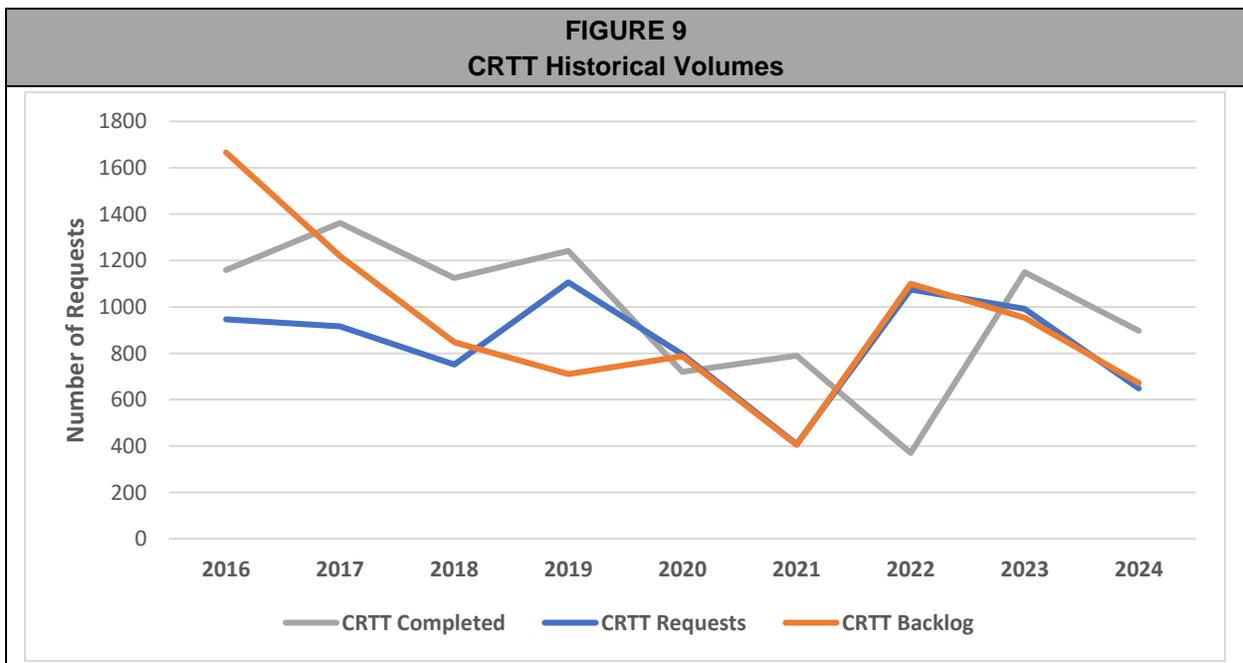
29 When a Maritime Electric customer requests tree trimming, a Vegetation Management Field
30 Coordinator will visit the site to determine if the vegetation poses an electrical safety hazard and
31 the scope of any required tree trimming. If an electrical safety hazard is present, Maritime Electric
32 will clear the vegetation near the customer’s service line, secondary lines, or primary lines.

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1 Otherwise, customers are advised to hire professional tree trimmers to manage the vegetation if
2 an electrical hazard is not present. If necessary, Maritime Electric will temporarily disconnect the
3 service line to the home to allow for tree removal. When Maritime Electric approved utility arborists
4 work on private property at the customer's request, debris removal and cleanup is the
5 responsibility of the customer.

6
7 To mitigate the electrical hazard, the Company's contracted utility arborists will remove vegetation
8 within the standard line clearance from the conductor. Where possible, pruning techniques to
9 redirect tree growth are used to direct vegetation away from the power line while maintaining the
10 health of the tree. However, if the tree poses an ongoing threat to the system, the Vegetation
11 Management Field Coordinator will decide to remove the tree, with the customer's permission.

12
13 Figure 9 summarizes the volume of CRTT requests and the backlog since 2016.



15
16 As demonstrated in Figure 9, CRTT requests peaked in 2019 and 2022 and were attributable to
17 Post-Tropical Storm Dorian ("Dorian") and Fiona. In 2023, the Company completed 1150
18 requests, which is over 300 more than the previous average, in order to address the increased
19 backlog of requests due to storm impacts. Customer awareness of the risk of severe weather

1 triggers an increase in these requests. For example, in 2023 there were sharp increases in call
2 volumes noted when the Atlantic hurricane season prediction was increased to above normal in
3 August, and then again in September in advance of Post-Tropical Storm Lee impacting Atlantic
4 Canada. In 2024, the Company completed 900 CRTT requests, bringing the backlog in line with
5 previous levels. CRTT requests will continue to be evaluated and prioritized as part of the VMWP.
6

7 **3.4 Selection, Planning, Execution and Evaluation of Treatments**

8 Maritime Electric considers several factors when planning vegetation management activities.
9 These include, but are not limited to, the species of vegetation, line clearance requirements, and
10 treatment methods. Beyond the vegetation itself, there are other considerations, such as time of
11 year, accessibility and terrain type during each season, capital project schedules and migratory
12 bird-nesting season.
13

14 **3.4.1 Identification of Species**

15 The primary non-compatible species to be controlled in rights-of-way are deciduous and
16 coniferous trees that have the potential to encroach on approach distances to the power lines.¹⁴
17 Most other vegetation can remain to improve rights-of-way biodiversity and to out-compete non-
18 compatible species.
19

20 Table 4 lists typical tree species that grow in and around the Maritime Electric rights-of-way.

¹⁴ Non-compatible vegetation is any species of tall growing trees that could grow past the safe line clearance limits or a danger tree that could fall onto the power line from outside the right-of-way.

TABLE 4 Non-Compatible Species along Power Lines		
Species	Common Name	Scientific Name
Coniferous	Austrian Pine	Pinus nigra
	Colorado Spruce	Picea pungens cultivars
	Douglas-fir	Pseudotsuga menziesii
	Eastern White Pine	Pinos strobus
	European Larch	Larix decidua
	Norway Spruce	Picea abies
	Scotch Pine	Pinus sylvestris
	Serbian Pine	Picea omorika
	White Fir	Abies concolor
	White Spruce	Picea glauca
Deciduous	Elm	Ulmus cultivars
	English Oak	Quercus robur
	European Beech	Fagus sylvatica cultivars
	Horse Chestnut	Aesculus hippocastanum
	Littleleaf Linden	Tilia cordata cultivars
	Mountain-ash, Dogberry	Sorbus aucuparia
	Norway Maple	Acer platanoides
	Paper Birch	Betula papyrifera
	Pin Oak	Quercus palustris
	Quaking Aspen	Populus tremuloides
	Red Ash	Fraxinus pennsylvanica
	Red Maple	Acer rubrum
	Red Oak	Quercus rubra
	Silver Birch	Betula pendula
	Sycamore Maple	Acer pseudoplatanus
Weeping Willow	Salix babylonica	

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3.4.2 Line Clearances

Tall trees that have the potential to encroach upon safe distances to power lines are prioritized for treatment. When determining vegetation to be controlled at a particular site, the following clearance factors are evaluated:

- Limits of approach;
- Line voltage;
- Maximum conductor sag; and
- Species and growth rate of vegetation.

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1 For vegetation management, the limits of approach to energized conductor are the primary
2 determinant in assessing risk. This refers to the distance a tree can be in relation to the energized
3 conductor based on the conductor's voltage rating, flashover distance and other attributes, such
4 as conductor sag, which takes into consideration the effects of ambient temperature and
5 maximum design loading. Table 5 outlines the flashover distances, as per the Canadian
6 Standards Association ("CSA") standard C22.3 No. 1:20 Overhead Systems.

7

TABLE 5		
Flashover distance for ac conductors for vegetation management		
Maximum line-to-ground voltage (kV)	Power frequency voltage flashover-to-ground distance (millimetre)	Switching surge overvoltage flashover-to-ground distance (millimetre)
0.75	2	8
5	18	72
10	36	145
15	54	218
22	79	316
50	180	722
90	321	964
120	431	1186
150	539	1589
190	682	2128
220	788	2557
250	898	3002
318	1141	3642
442	1745	4601

8

9 In addition, Table 6 outlines the minimum approach distances for personnel, which are used to
10 determine the qualification level required to work within a given proximity to energized conductor.

TABLE 6 Minimum Approach Distances for Personnel			
Operating Voltage (Phase to Phase)	Qualified Workers	Utility Arborist	Unqualified Workers
0-300 Volt ("V")	No direct contact	No direct contact	36 inches
301 V to 750 V	No direct contact	No direct contact	36 inches
751 V to 15 kV	30 inches	48 inches	12 feet
25 kV	36 inches	48 inches	12 feet
34.5 kV to 69 kV	40 inches	60 inches	12 feet
138 kV	48 inches	72 inches	17 feet

1
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7

3.4.3 Method Selection

Maritime Electric’s process for choosing treatment methods ensures the most suitable, effective, and cost-effective method, or combination of methods, is selected for an area to be treated. Using the assessment criteria outlined in Table 7, the vegetation management team will evaluate, select, and combine the methods that best suit the vegetation management site, including whether manual or mechanical, or a combination thereof.

TABLE 7 Assessment Criteria	
Criteria	Description
Effectiveness and timing	<ul style="list-style-type: none"> ▪ Consequences of not treating or delaying treatment ▪ Benefits versus limitations of each method ▪ Efficacy ▪ Short- versus long-term impacts ▪ Urgency ▪ Limits of approach, line security rating, and conductor sag ▪ Time of year ▪ Potential fuel loading on ground (i.e., fire risk)
Suitability for site	<ul style="list-style-type: none"> ▪ Site objective ▪ Density of non-compatible stems ▪ Stem height and diameter breast height ▪ Species (i.e., coniferous or deciduous) ▪ Terrain (i.e., slope, aspect, access) ▪ Compatible and other land use ▪ Condition of the target area and non-compatible vegetation
Other	<ul style="list-style-type: none"> ▪ Public considerations ▪ Safety and environmental considerations ▪ Availability of tools and contractors ▪ Scope of the work ▪ Aesthetics ▪ Cost

1

2 **3.4.4 Manual and Mechanical Methods**

3 Maritime Electric uses the following manual and mechanical methods, which are described in
4 detail:

5

- 6 ▪ Hand-cutting;
- 7 ▪ Mowing;
- 8 ▪ Grooming;
- 9 ▪ Pruning; and
- 10 ▪ Removal of danger trees.

11

12 **3.4.4.1 Hand-Cutting**

13 Hand-cutting is the use of hand tools, such as chain saws and hand saws, to remove vegetation
14 that will eventually grow into power lines. Where permissible, tall-growing tree species are ground
15 cut to within a few inches of the ground. Hand-cutting is the most commonly used manual

1 vegetation management technique. Tools used include chainsaws or circular brush saws. Hand-
2 cutting is usually directed only to non-compatible species, thereby preserving the maximum
3 amount of low-growing species.

4

5 Selection Criteria

6 Hand-cutting is the preferred method in the following situations:

7

- 8 ▪ In areas with a well-established low-growing plant community;
- 9 ▪ In combination with mowing, which is described below; or
- 10 ▪ In difficult terrain with limited machine access (e.g., around guy wires, steep slopes, and
11 buffer zone areas).

12

13 Although generally confined to rights-of-way, hand-cutting may be extended beyond the right-of-
14 way edge to improve long-term power line security by removing trees that could fall onto the line
15 from the edge, when permitted.

16

17 Hand-cutting is not preferred in the following circumstances:

18

- 19 ▪ For densities over 10,000 coniferous stems and 20,000 deciduous stems per hectare;
- 20 ▪ Stands of non-compatible trees over 5 metres in height due to the levels of debris;
- 21 ▪ Areas where mowing is a suitable alternative;
- 22 ▪ Areas with high aesthetic concerns; and
- 23 ▪ Areas with a high fire risk.

24

25 Benefits

26 Hand-cutting offers the following benefits:

27

- 28 ▪ Allows the immediate removal of non-compatible vegetation, while maintaining low-
29 growing compatible species;
- 30 ▪ Protects areas close to fish-bearing streams and other environmentally sensitive areas,
31 since it can be done without causing excessive erosion or damage to the streambed; and
- 32 ▪ Is preferred in areas where non-compatible vegetation is widely scattered.

1 Limitations

2 Hand-cutting is associated with the following limitations:

3

- 4 ▪ Can be labour intensive;
- 5 ▪ More difficult in dense vegetation;
- 6 ▪ Can increase the fire risk if there is a build-up of debris; and
- 7 ▪ In the absence of follow-up herbicide treatment, stumps can re-sprout repeatedly each
- 8 time they are cut, resulting in increased stem densities, growth rates, clearing costs, and
- 9 shortened treatment cycles in subsequent years.

10

11 **3.4.4.2 Mowing**

12 Mowing, also referred to as ground clearing, is the cutting of vegetation with wheel or track-

13 mounted, heavy-duty rotary or flail cutters. A heavy-duty tractor or excavator is equipped with a

14 cutting head and driven over the right-of-way to clear vegetation. This method is primarily used

15 for transmission lines in coniferous-prone areas and to reduce high-density deciduous areas.

16

17 Selection Criteria

18 Mowing is the preferred method where the terrain allows, and is used in areas as per the following:

19

- 20 ▪ With a density over 20,000 deciduous stems per hectare;
- 21 ▪ With a density over 10,000 coniferous stems per hectare;
- 22 ▪ With non-compatible trees over 5 metres in height to reduce hand-cutting debris; or
- 23 ▪ Where other techniques would leave debris levels that could increase risk of forest fire.

24

25 In general, mowing should not be used:

26

- 27 ▪ On non-compatible trees with a diameter breast height over 20 centimetres as mowing
- 28 larger stems is impractical;
- 29 ▪ Where low-growing compatible species are well-established and there are low-stem
- 30 densities of non-compatible vegetation;
- 31 ▪ In areas with a dense under-story of low-growing compatible species and high-stem
- 32 densities of non-compatible vegetation (i.e., an excavator machine should be used);

3.0 VEGETATION MANAGEMENT PLAN

- 1 ▪ In areas with rocks that can cause excessive damage to cutting heads, unless an
- 2 excavator with an articulating mower is used;
- 3 ▪ In areas with stumps that create accessibility problems;
- 4 ▪ In boggy areas where the machine will not operate properly; or
- 5 ▪ On slopes that create a worker hazard.

7 Benefits

8 Mowing offers the following benefits:

- 10 ▪ The vegetation is mulched into smaller pieces that readily biodegrade, which reduces fuel
- 11 loading fire hazards;
- 12 ▪ Seasonally effective, inhibiting growth from spring through late summer;
- 13 ▪ In areas where fast-regenerating ground covers are plentiful, re-sprouting of unwanted
- 14 vegetation is suppressed;
- 15 ▪ In non-selective mowing, all vegetation is cut to the ground, leaving a level right-of-way;
- 16 ▪ In mowing directed only towards non-compatible vegetation (e.g., hydraulic excavator,
- 17 rotary disc, or flail), the right-of-way retains biodiversity and existing low ground cover;
- 18 ▪ Non-compatible vegetation can be removed faster and more economically than other
- 19 methods;
- 20 ▪ Work progress and workmanship are clearly visible; and
- 21 ▪ Using heavy equipment is generally less hazardous to the operator than using hand-held
- 22 equipment.

24 Limitations

25 Mowing is associated with the following limitations:

- 27 ▪ Generally not suitable in certain buffer zone areas unless a site-specific protection plan
- 28 has been produced and approved;
- 29 ▪ Can promote heavier re-growth of deciduous vegetation;
- 30 ▪ Often limited by terrain, such as steep slopes, large rocks, stumps, bodies of water and
- 31 wetlands;
- 32 ▪ In wet terrain, machines cannot operate effectively;

- 1 ▪ Can leave the rights-of-way hazardous, unsightly and subject to public complaints when
- 2 a high-speed brush is used;
- 3 ▪ May result in rutting, track marks, or degradation of the right-of-way surface; and
- 4 ▪ Should not be used on slopes greater than 30 per cent because most machines are unsafe
- 5 to operate in such conditions.

6

7 **3.4.4.3 Grooming**

8 Grooming is the mechanical grubbing and grading of the right-of-way using excavators or

9 bulldozers to remove all existing vegetation. The exposed soils are then seeded with grass or

10 other low-growing species to prevent the growth of unwanted tall-growing species. Grooming is

11 generally confined to areas with a high density of non-compatible vegetation and is used to

12 convert the site to one requiring little or no maintenance. Grooming may also be used to convert

13 rough, rocky terrain to a level mowing-compatible site.

14

15 Grooming uses a combination of a variety of techniques including mowing, root-raking, ploughing,

16 rough grading or harrowing, seeding and fertilizing.

17

18 Selection Criteria

19 Grooming is an acceptable method in the following situations:

- 20
- 21 ▪ To clear land for economically viable and sustainable grazing or agriculture;
- 22 ▪ To re-contour rights-of-way to increase the clearance to the conductor;
- 23 ▪ To create level, rock-free zones for future mowing treatment;
- 24 ▪ To create a shift to low-growing vegetation species in areas with a high density of non-
- 25 compatible vegetation;
- 26 ▪ In response to requests of municipal government agencies or private property owners;
- 27 and
- 28 ▪ To maintain transmission and distribution line access.

29

30 Benefits

31 Grooming offers the following benefits:

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- 1 ▪ Completely clears the site of vegetation, leaving it properly prepared for reseeding with
2 desirable vegetation (i.e., to create new and enhanced habitat) or conversion to
3 compatible use;
- 4 ▪ Provides a better use of the land base, such as for pastureland, when reseeded;
- 5 ▪ Reduces required ongoing maintenance under transmission lines; and
- 6 ▪ Is less hazardous compared to the use of hand-held equipment.

7

8 Limitations

9 Grooming is associated with the following limitations:

10

- 11 ▪ Topography and soil conditions must be suitable for grazing or agricultural use, which is
12 generally the intended use after grooming;
- 13 ▪ It is only a temporary measure since it exposes bare soil, thereby opening the area for
14 infiltration by unwanted species, including noxious or invasive weed species (i.e., seeding
15 afterwards is generally recommended);
- 16 ▪ Root-suckering species and re-sprouting species are not totally removed, thereby
17 increasing multi-stemmed regeneration of unwanted species; and
- 18 ▪ Grooming leaves the area temporarily exposed to the elements, resulting in possible
19 erosion.

20

21 **3.4.4.4 Pruning**

22 Pruning is the removal of branches or limbs to direct and control tree growth away from power
23 lines. It is primarily used for managing ornamental trees and is rarely used for vegetation in
24 proximity to transmission lines. The term pruning generally implies the use of proper arboriculture
25 practices. Pruning is different than trimming, which refers to the cutting back of vegetation to a
26 uniform distance, and topping, which refers to cutting tree limbs back to a stub, bud, or a lateral
27 branch.

28

29 Pruning is an approved vegetation management method for areas where tree removal is not a
30 readily acceptable option.

1 Selection Criteria

2 Maritime Electric does not support pruning trees around transmission lines, in which case the
3 trees should be removed at ground level. However, pruning may be the best management
4 technique in the following circumstances:

- 5
- 6 ▪ Where it is cost-effective compared to tree removal;
 - 7 ▪ Where there is significant public opposition to tree removal, no legal easement agreement,
8 and bylaws prevent tree removal;
 - 9 ▪ Where the main stem is not on the right-of-way, but branches encroach on the right-of-
10 way;
 - 11 ▪ Where trees are required for wildlife habitat or to protect buffer zone areas;
 - 12 ▪ Where written agreements exist that require pruning on private land; and
 - 13 ▪ As a temporary measure until a written long-term agreement is in place that would allow
14 tree removal.

15

16 Tree removal may be carried out if pruning operations cannot provide both adequate clearance
17 and healthy, aesthetically acceptable trees.

18

19 Benefits

20 Pruning offers the following benefits:

- 21
- 22 ▪ Lengthens the control cycle and optimizes desirable tree form;
 - 23 ▪ Influences the direction of branch growth so that trees can be directed away from
24 conductors;
 - 25 ▪ Can minimize adverse effects on tree health and, over time, reduce line clearing workload
26 and risk from unhealthy trees; and
 - 27 ▪ A pruned tree provides wildlife habitat and retains aesthetics, as opposed to a removed
28 tree.

29

30 Limitations

31 Pruning is associated with the following limitations:

- 1 ▪ Usually more expensive than tree removal as the trees may need to be pruned repeatedly;
- 2 ▪ Requires a skilled, experienced arborist, as improper pruning techniques can seriously
- 3 damage trees and result in unhealthy, unsightly, or hazardous trees that may require off-
- 4 cycle remedial work; and
- 5 ▪ Pruned trees remain in proximity to distribution lines and have hazard potential, while
- 6 removed trees do not.

7

8 **3.4.4.5 Removal of Danger Trees**

9 A danger tree is any tree, either within or outside the right-of-way, that can contact electrical
10 infrastructure by growing into, falling onto, swaying into, or sagging onto the electrical
11 infrastructure. While danger trees appear to be healthy and structurally sound, they pose an
12 inherent risk to the electrical system due to their size and proximity to power lines and structures.
13 Although the specific likelihood of failure is unknown, all trees can fail when subject to enough
14 stress and are therefore a risk to the electrical system. This liability is particularly relevant during
15 major weather events, where stresses like high winds, ice, and wet snow, increase the risk of
16 danger tree contacting power lines.

17

18 Hazard trees are a subset of danger trees that pose a higher risk to power lines because they are
19 defective in some way (i.e., leaning, dead, damaged), have imminent potential to fail, and are
20 likely to hit or damage a power line or structure when they fall. Both danger tree and hazard tree
21 removal must be conducted by qualified personnel.

22

23 Selection Criteria

24 Trees with the following criteria are considered for tree removal:

25

- 26 ▪ Whose height and proximity to power lines is such that it could contact the power line by
- 27 growing, falling, swaying, or sagging;
- 28 ▪ Whose size or weight is such that it could cause damage to power lines or structures; or
- 29 ▪ Whose health has caused its root system to weaken and its can cause damage to
- 30 electrical infrastructure.

1 Benefits

2 Removing danger trees offers the following benefits:

3

- 4 ▪ Can reduce the risk of tree contact outages and physical damage to electrical conductors
- 5 and structures; and
- 6 ▪ When planned danger tree removal is more cost-effective than a reactive response to an
- 7 outage and electrical system damage.

8

9 Limitations

10 Removing danger trees is associated with the following limitations:

11

- 12 ▪ Can be labour intensive;
- 13 ▪ Can be difficult in dense vegetation; and
- 14 ▪ Often requires land owner or government permission.

15

16 **3.5 Vegetation Management System**

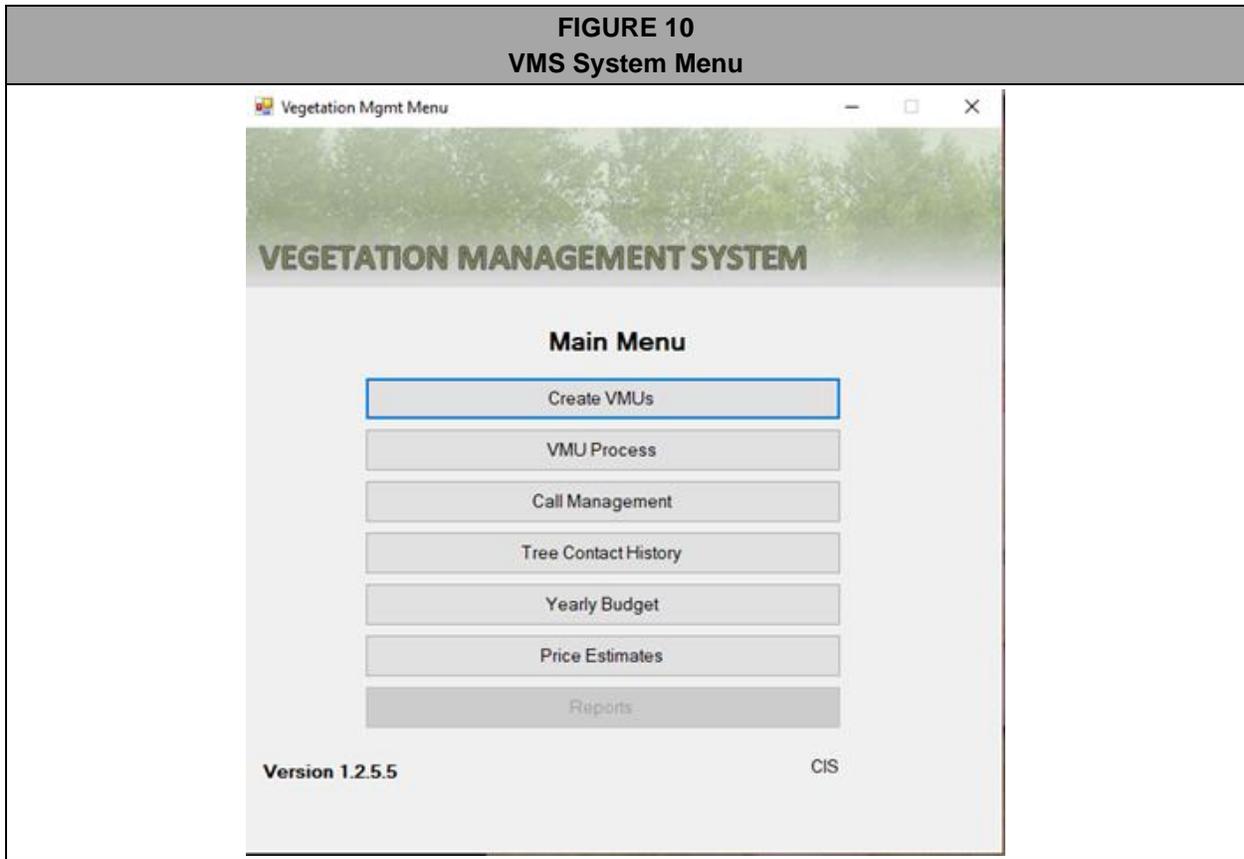
17 Maritime Electric continues to advance its use of GIS to support the VMP. A GIS-based VMS is
18 used to plan, track, and record vegetation management projects. The main functions of the VMS
19 include vegetation management project creation, customer contacts and permissions, RFQ
20 creation process, and providing work to utility arborists.

21

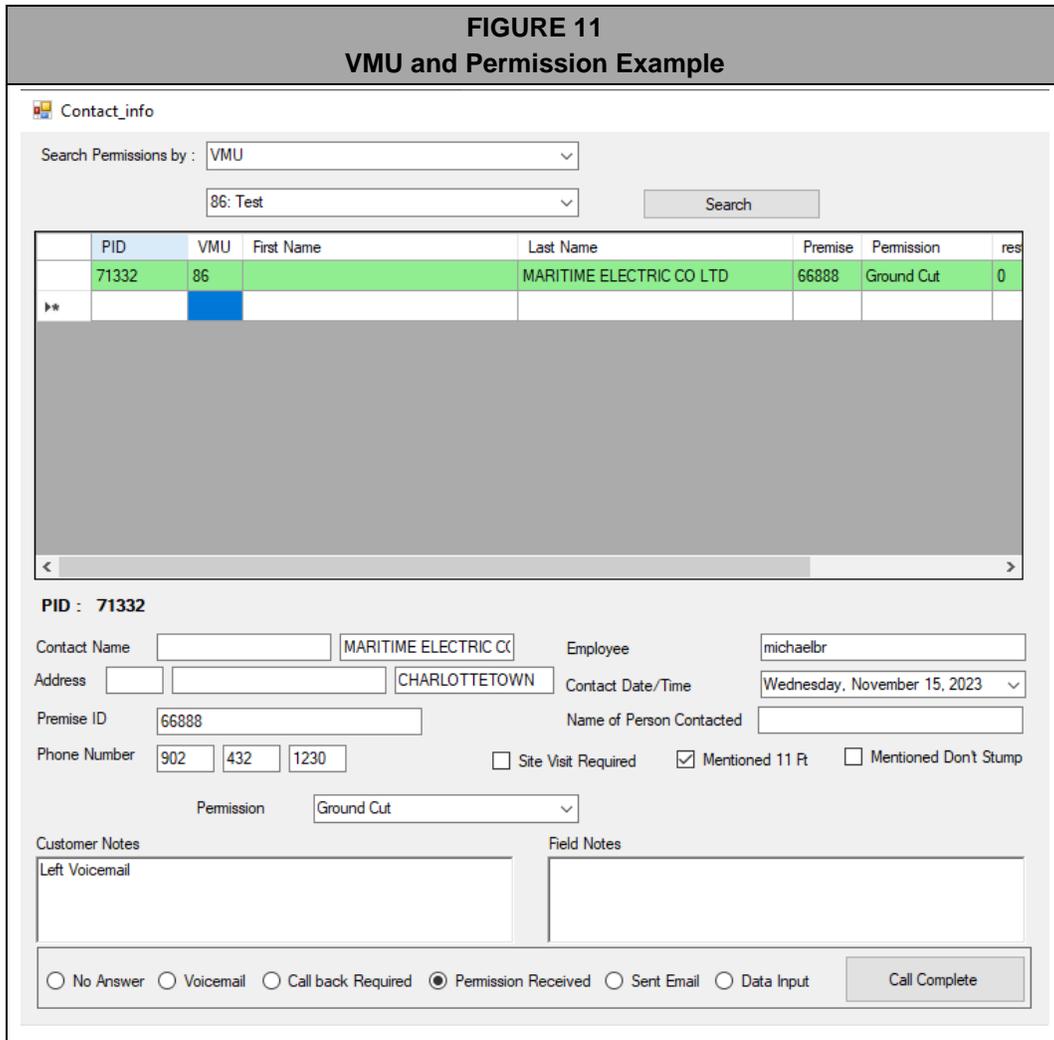
22 Once an area that requires vegetation work is identified, a vegetation management project or
23 Vegetation Management Unit (“VMU”) is created. Each VMU is comprised of multiple spans. Span
24 density is identified as either light, medium, heavy or no vegetation. Any environmentally sensitive
25 areas such as waterways or hedgerows are also identified.

26

27 Figure 10 is a screenshot of the VMS menu showing the option to create a VMU.



1
2 Quite often, the vegetation that needs to be managed is located on private property.
3
4 The VMS is used to generate a list of applicable land owners and customer(s) where there is a
5 Company meter present on the parcel identifier ("PID"). Property owners and/or customers are
6 informed of any planned vegetation work, and permission to cut outside the right-of-way is
7 requested. Within the VMS, the customer's contact information, the level of permission granted,
8 along with any notes associated with this customer are recorded for the current job or VMU. Each
9 time an attempt is made to contact a customer, an entry is logged in the VMS. Figure 11 is an
10 example of the information captured with regards to an individual VMU and the customer's
11 permission.



1

2 Before work on a VMU begins, a RFQ is provided to those vegetation management contractors

3 who meet the Company’s qualifications. The RFQ includes the location of the work, span count

4 that will be ground cut, and span count that requires aerial trimming. The provided quotes include

5 a breakdown of the cost for ground cutting and aerial trimming.

6

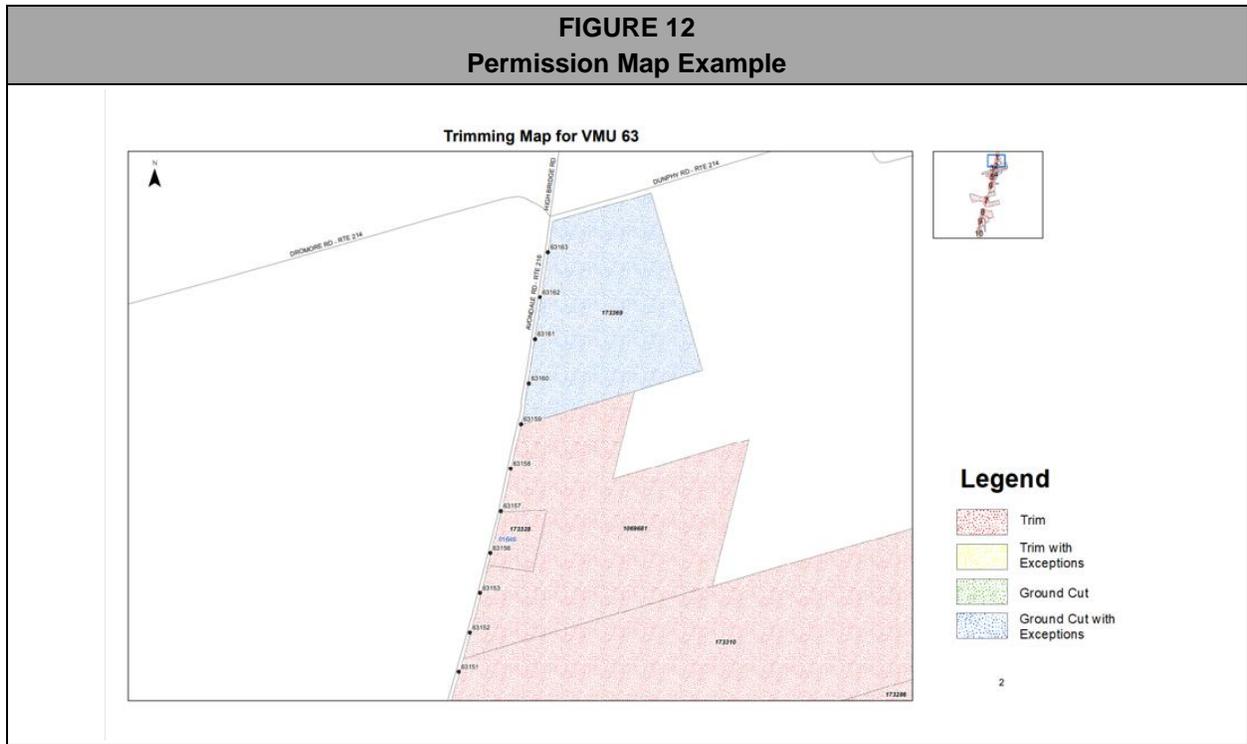
7 Once a VMU is awarded, the customer list and map are provided to the successful contractor.

8 Both the customer list and map are generated from the VMS. The customer list provides contact

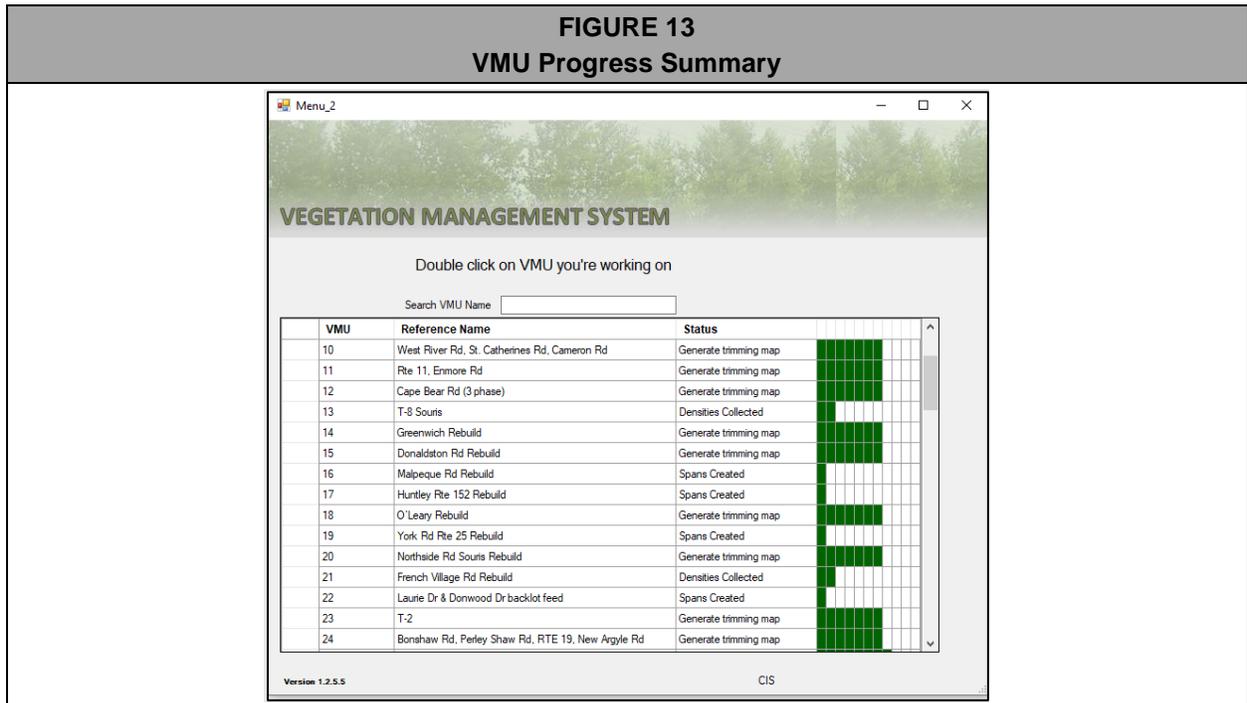
9 information, permissions received to date, and any notes associated with the property. The map

10 highlights each PID with a colour to reflect the customer’s permissions. Figure 12 is an example

11 of the map that is provided to the contractor to execute the VMU.



- 1
- 2 Progress is tracked in the VMS as work is started through to completion, at which point the VMU
- 3 is closed out. Figure 13 is an example of VMU progress monitoring.
- 4



1 **3.5.1 New VMS**

2 The Company began designing and developing a new VMS in 2024, which is planned to continue
3 and to be launched in 2025. The new VMS is primarily GIS-based, and is being designed to
4 include all aspects of vegetation management planning and execution, from end-to-end, including:

- 5
- 6 ▪ inventory collection
- 7 ▪ danger tree and exceptions collection
- 8 ▪ permissions tracking
- 9 ▪ work bundling by project and program
- 10 ▪ cost estimating
- 11 ▪ work assignments
- 12 ▪ field progress and completion updates
- 13 ▪ project and program reporting
- 14 ▪ quality control and auditing
- 15 ▪ geospatial analysis and mapping

16

17

18 **3.6 Environmental Protection**

19 All vegetation management activities approved for use within the VMP will incorporate measures
20 designed to protect environmentally sensitive sites. The following sections discuss the various
21 environmental protections that the Company must consider.

22

23 **3.6.1 Watercourse and Wetland**

24 A watercourse is any stream, creek, pond, river, bay or coastal water body whether it contains
25 water or not, which is important to fish and wildlife habitat, as water supplies for domestic and
26 industrial uses, and for recreation. The PEI Department of Environment, Energy and Climate
27 Action (“DEECA”) also recognizes all wetlands as a type of watercourse. Wetland resources serve
28 a variety of important ecological and socio-economic functions. Wetlands function in the
29 maintenance of surface and groundwater resources and quality, as well as providing fish and
30 wildlife habitat. All species of wildlife on PEI rely on wetland habitat at some point in their life cycle.
31 The value of wetlands to society and their ecological value are derived from their biological
32 productivity and biodiversity.

33

1 **3.6.2 Wetlands**

2 Wetlands are shallow wet areas that support aquatic plants, like bulrushes and cattails, as well
3 as shrubs and trees. They provide habitat for waterfowl, fish, amphibians and hundreds of
4 invertebrates.

5
6 Wetlands cover 5 per cent of the surface area of PEI. Approximately 20 per cent of PEI wetlands
7 are salt or tidal marshes and are among the most productive ecosystems. Tidal marshes are
8 common along the edges of bays and estuaries. The remaining 80 per cent of PEI wetlands are
9 freshwater. These include open water ponds, marshes, small wet meadows, wooded swamps
10 and bogs. The construction of livestock watering ponds and borrow pits in areas with a high-water
11 table has resulted in the recent formation of more wetlands.

12
13 **3.6.3 Watersheds**

14 A watershed is the area of land that drains both surface water and groundwater into a particular
15 river or stream. Watershed boundaries are based on topographical or physical boundaries rather
16 than community or political boundaries. Watersheds include not only watercourses, but the entire
17 land base draining into the watercourse. PEI watersheds are relatively small when compared to
18 many other areas; complete river systems can be considered as one watershed when evaluating
19 vegetation management requirements.

20
21 **3.6.4 Environmental Permits**

22 Since 1999, environmental buffer zones have been an important way to protect watercourses and
23 wetlands across PEI. The PEI Department of Transportation and Infrastructure (“DTI”) and
24 DEECA restrict activities, including vegetation management activities, within protected areas by
25 requiring permits.¹⁵

26
27 For watercourses and wetlands, a permit is required to:

- 28
29
 - Alter any features or disturb the ground;
 - Dump or remove any material or objects of any kind;
- 30

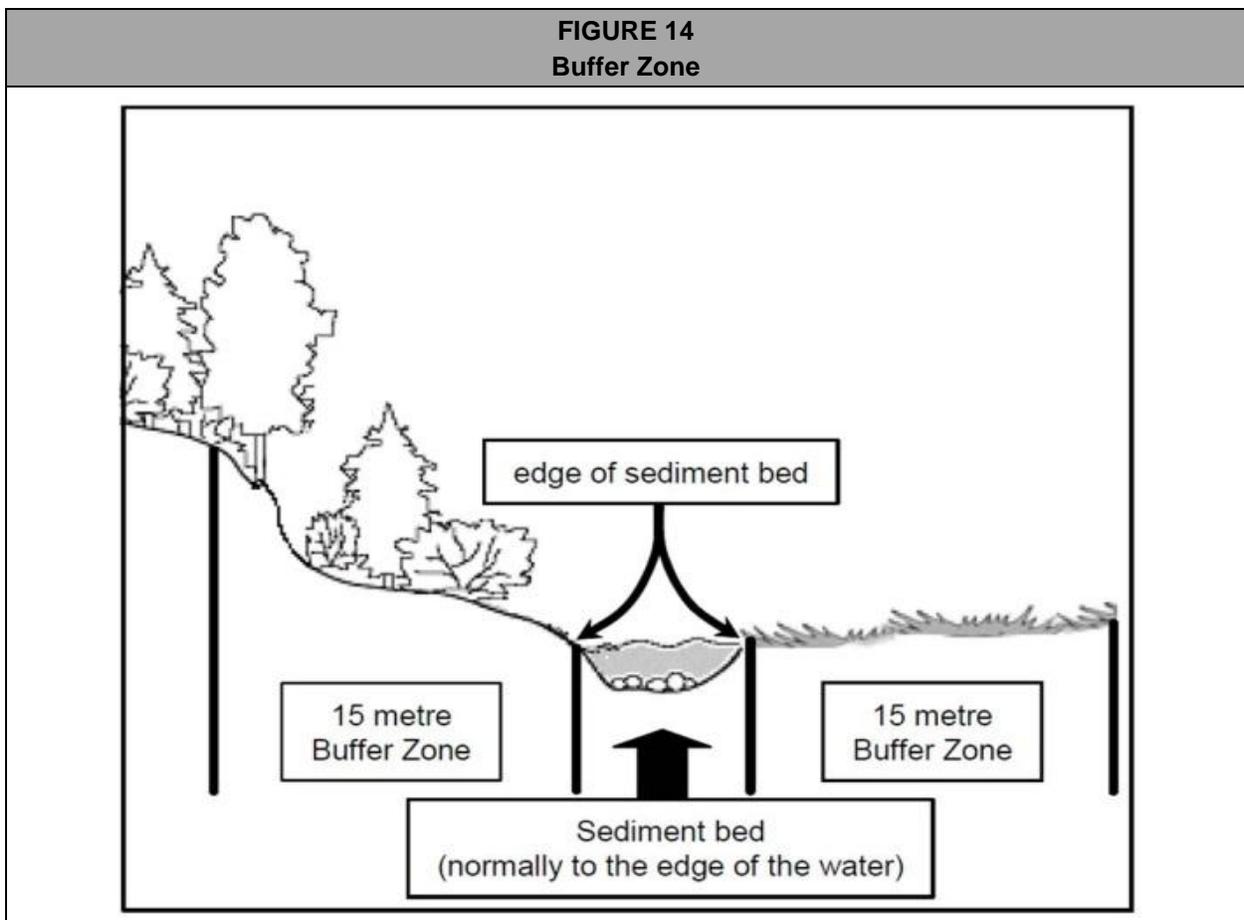
¹⁵ A protected area is an area of land or water where standards or restrictions limit the types of activities that are allowed within that area.

3.0 VEGETATION MANAGEMENT PLAN

- 1 ▪ Build, repair or remove structures or obstructions of any kind;
- 2 ▪ Operate vehicles or equipment, except for launching a boat or the legal harvesting of a
- 3 fishery resource;
- 4 ▪ Alter or destroy vegetation, including cutting live trees and shrubs, except in a wooded
- 5 swamp; and
- 6 ▪ Carry out stream enhancement activities.

7
8
9
10
11
12
13

Buffer zones surround all watercourses and wetlands. As illustrated in Figure 14, a buffer zone is 15 meters wide, and for freshwater streams they are measured from the edge of the sediment bed. For all tidal areas, buffer zones are measured from the top of the bank. Tidal areas include the saltwater part of rivers, bays and the outer coastline. For wetlands, buffer zones are measured from the edge of the wetland vegetation.



14

1 In a buffer zone a permit is required to:

2

- 3 ▪ Alter or disturb the ground or soil;
- 4 ▪ Dump any material or objects of any kind;
- 5 ▪ Remove soil or rocks;
- 6 ▪ Build, repair or remove structures or obstructions of any kind;
- 7 ▪ Operate vehicles or non-agricultural equipment; and
- 8 ▪ Cut down live trees and shrubs.

9

10 For additional information, refer to Appendix B, DTI and DEECA Permits for the Environmental
11 Management Section (“EMS”) Blanket Approval-to-Proceed for Prince County, Queens County,
12 and Kings County, and the PEI Watercourse-Wetland and Buffer Zone Activity Permit Island
13 Wide.

14

15 **3.6.5 Migratory Birds Convention Act**

16 The *Migratory Birds Convention Act*, 1994, deemed mid-April to late-August as the nesting period
17 for PEI.¹⁶ During the nesting period, migratory birds and their nests or eggs can be harmed as a
18 result of clearing trees or other vegetation.¹⁷ During the nesting period, tree trimming is allowed
19 for existing power lines. For new construction, an environmental assessment and report
20 completed by a qualified consultant is required to determine if the trees are safe to be removed
21 or trimmed. Otherwise, the tree trimming must be delayed until after the nesting period. Maritime
22 Electric collaborates with public, government, and industry stakeholders to:

23

- 24 ▪ Reduce the risk of harm to migratory birds;
- 25 ▪ Ensure the laws and regulations are followed; and
- 26 ▪ Maintain healthy bird populations.

27

¹⁶ A nesting period begins with the first egg-laying and ends when the young have naturally left the vicinity of the nest.

¹⁷ Harm includes killing, disturbing or destroying migratory birds, nests or eggs and can have long-term negative effects on bird populations.

1 **3.6.6 City of Charlottetown Bylaws**

2 In 2019 the City of Charlottetown introduced a bylaw known as the “Tree Protection Bylaw”. The
3 purpose of this bylaw is to protect trees on City owned properties and to protect privately-owned
4 and city-owned heritage trees within the City of Charlottetown.¹⁸ The bylaw prohibits the removal
5 or damage of protected trees and has established requirements for preservation, protection,
6 maintenance, removal and replacement of the protected trees.

7
8 The City of Charlottetown prohibits any type of damage to a protected tree or the removal any
9 heritage tree without a full tree risk assessment and written permission from the City. Maritime
10 Electric and its contractors cooperate with the City of Charlottetown to identify and avoid the
11 harming or removal of heritage trees when and where possible, except for emergency situations.
12 The objective is to avoid damaging or removing heritage trees while maintaining vegetation
13 around power lines.

14
15 In addition, the City of Charlottetown has committed to the management of Dutch elm disease, to
16 save the elms in the city. Dutch elm disease is caused by the elm bark beetle, which is attracted
17 to a volatile organic compound that is excreted from a wound from pruning the elm. For that
18 reason, elm tree pruning should be done after the elm bark beetles are hibernating, which is
19 typically after September 30. Trees that are pruned while the elm bark beetles are active have a
20 much higher chance of being infected with Dutch elm disease. Maritime Electric and its
21 contractors do not prune or remove elm trees between April 1 to September 30.¹⁹

22
23 **3.7 Evaluation and Quality Control**

24 Evaluation of vegetation management work is performed during and/or after it has been
25 completed. The purpose of evaluating vegetation management work is to:

- 26
- 27 ▪ Ensure site objectives were achieved;
 - 28 ▪ Evaluate and adjust work plans or work methods, as needed;
 - 29 ▪ Ensure no negative environmental impacts occurred; and
 - 30 ▪ Document corrective actions where necessary and ensure remediation.

¹⁸ A heritage tree is a protected tree that has historical or cultural value to the City of Charlottetown and/or has a diameter at breast height of 100 centimetres.

¹⁹ Pruning elm trees is allowed during the restricted period for emergency or safety-related situations only.

3.0 VEGETATION MANAGEMENT PLAN

1 Evaluations are generally performed within a month of the work being completed and include
2 documentation of work completed compared to the planned work, effectiveness of the planned
3 treatments, conformance to work procedure, and conformance to environmental requirements,
4 where applicable. Data collected during evaluations consists of qualitative and quantitative
5 observations, and photographs, as needed.

6

7 In the event of a non-conformance, or if corrective actions are required, the Vegetation
8 Management Field Coordinator and the contractor are responsible to ensure immediate action is
9 taken to remedy any outstanding issues. When a violation occurs, corrective actions are
10 developed and documented to ensure that the issue is appropriately investigated and actions to
11 correct and/or prevent the situation from reoccurring are taken.

1 **4.0 VEGETATION MANAGEMENT PROGRAM IMPROVEMENTS**

2 In addition to the planned increases in expenditures on vegetation management, the Company
3 continuously seeks to make improvements to processes and practices in support of the vegetation
4 management plan. The following sections discuss improvements that have been implemented
5 since Fiona, and improvements that are in the process of being implemented or investigated.

6
7 **4.1 Environmental Permits**

8 As discussed in Section 3.6, Maritime Electric’s vegetation management activities fall under
9 various environmental regulations. Applicable permits are provided annually from the DTI and
10 DEECA, and examples of such permits are included in Appendix B. The Company collaborates
11 with these provincial departments to ensure the regulations are appropriate and efficient. In 2023,
12 the Company consulted with these provincial departments and collaborated on updates to their
13 respective permits to reflect the Company’s experiences during the Fiona restoration.

14
15 The EMS approval-to-proceed permits, as granted by DTI for each county, were updated in May
16 2023 to allow for increased vegetation management within the provincial rights-of-way.
17 Previously, ground cutting of trees under existing power lines within the provincial rights-of-way
18 was only permitted when the surrounding landscape was primarily forested (i.e., 65 per cent or
19 more). Where the surrounding landscape was primarily agriculture or with limited vegetation, such
20 as hedgerows, only minor tree trimming was previously permitted.

21
22 The recent update now allows for consultation with DTI’s Environmental Management Section for
23 permission to fully ground cut trees where the surrounding landscape is primarily agriculture or
24 forested less than 65 per cent. The Company has leveraged this consultation process multiple
25 times in 2023, which allowed for increased ground cutting within the provincial rights-of-way.
26 While ground-cutting can increase the one-time, up-front cost of vegetation management, it does
27 reduce the long-term cost by extending the cycle for the next treatment, and by reducing the
28 amount of vegetation that requires future trimming. Figures 15 and 16 highlight the benefits of full
29 tree removal within the provincial right-of-way.

FIGURE 15
Right-of-Way Before Tree Removal



1

FIGURE 16
Right-of-Way After Tree Removal



1
2 The watercourse/wetland and buffer zone activity permit, granted by the DEECA, governs
3 vegetation management activities in proximity to these protected areas. As outlined in 3.6.4, most
4 vegetation management activities are restricted within these areas, and require an approved
5 permit to proceed. Maritime Electric discussed with DEECA the impacts of large, off right-of-way
6 trees from Fiona, and the increased presence of hazard trees as a result of the storm. The

1 resulting outcome was an update to the activity permit, specifically section G, which now allows
2 for the trimming or removal of danger trees within a watercourse/wetland and/or buffer zone. This
3 additional clause to the activity permit will support Maritime Electric’s danger tree program, as
4 danger trees are commonly situated outside the provincial right-of-way and within or in proximity
5 to watercourses, wetlands or buffer zones.

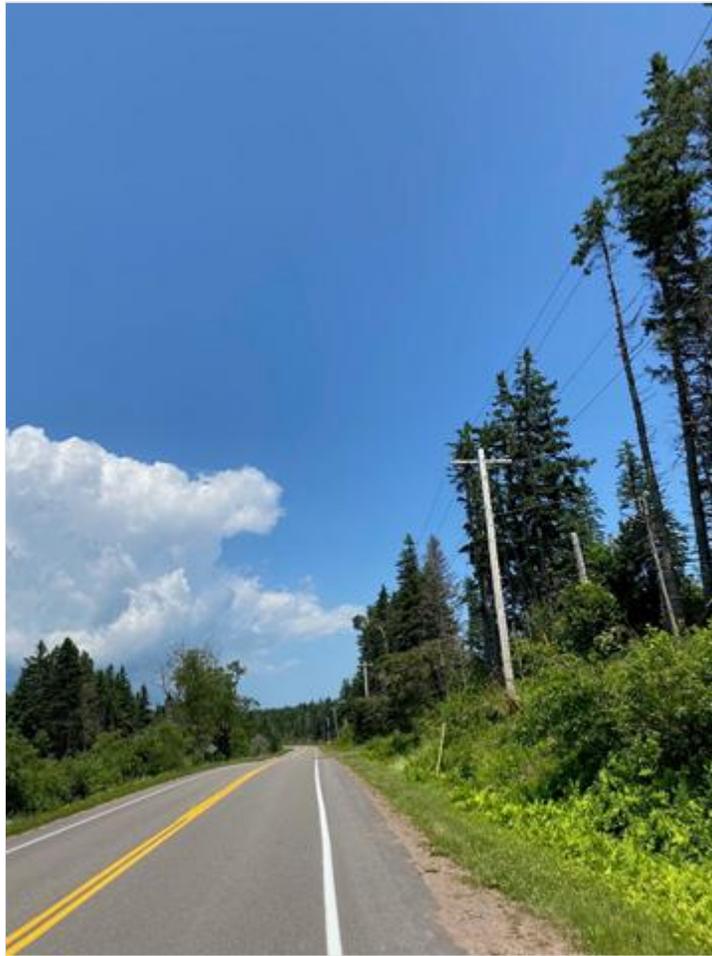
6
7 **4.2 Increased Targeting of Danger Trees**

8 As outlined in Section 3.4.4.5, danger trees pose an inherent risk due to their size and proximity
9 to power lines and structures, as shown in Figure 17. Also, as summarized in Section 3.3.2, most
10 of the impacts from Fiona were due to large trees from outside of the road right-of-way. The
11 transmission system inspection following Fiona identified over 320 danger trees, which have been
12 prioritized and continue to be addressed through the VMWP.

13
14 In addition to the transmission system inspection, a significant quantity of danger trees have been
15 identified across the distribution system, presumably due to the impacts of Fiona, and these
16 danger trees now have an increased prioritization. In 2023 a collection form was developed for
17 the vegetation management contractors to identify danger trees through other planned work.²⁰ As
18 a result, Maritime Electric’s vegetation management contractors have identified and removed over
19 250 danger trees. The Company will continue to collect information on danger trees through
20 inspections and planning of maintenance work, as well as through the new corridor widening
21 capital programs, which will be discussed further in Section 4.4.

²⁰ When permissible, the vegetation management contractor will remove or trim the danger tree, which must be noted on the new collection form.

FIGURE 17
Danger Tree Example



1

2 **4.3 Customer Awareness Communications**

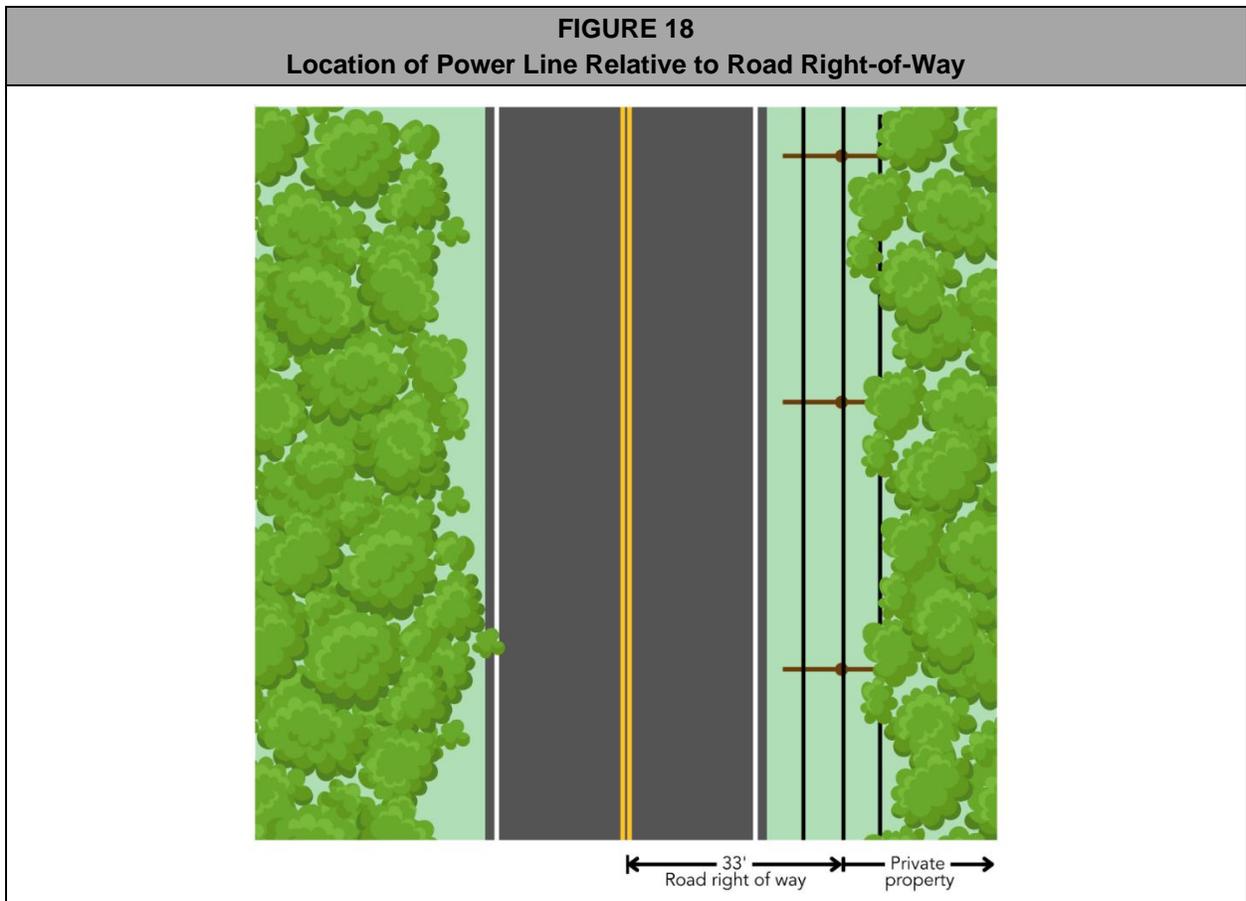
3 The Company recently delivered a series of customer awareness campaigns to educate
4 customers on tree planting, examples of which are provided in Appendix C.²¹ Given the extensive
5 outages caused by trees on private property during Fiona and the amount of replacement trees
6 planted in 2023, the campaign focused on the implications of tree planting in proximity to power
7 lines, and included a revised Tree Planting Guide, information on tree trimming in proximity to
8 power lines, and the Right Tree Right Place model. In addition, the campaign also targeted
9 municipal stakeholders to ensure their beautification and tree planting initiatives are aligned with
10 Maritime Electric's Tree Planting Guide.

²¹ The campaign used social media, bill inserts and the Company website to deliver the information to the public.

1 **4.4 Corridor Widening**

2 One of the greatest opportunities to improve vegetation management effectiveness is by widening
3 the power line corridors or rights-of-way. As discussed in Section 2.2, two new recurring capital
4 programs to widen transmission and distribution corridors were approved by the Commission in
5 2024. Refer to Appendix E for the project justifications from the Application.

6
7 As depicted in Figure 18, most of the Company's power lines are constructed within the provincial
8 rights-of-way. Most rights-of-way are 66 feet wide and utility poles are typically located at the edge
9 of the right-of-way, which is 33 feet from the center of the road.
10



11
12 The objective of the corridor widening programs is to secure a wider corridor that will allow the
13 removal of vegetation that is currently outside or adjacent to the public road right-of-way. Removal
14 of vegetation adjacent to the power line provides multiple benefits including reduced risk of tree
15 contacts from new growth from the outer edge, extension of the time before the next vegetation

4.0 VEGETATION MANAGEMENT PROGRAM IMPROVEMENTS

1 management treatment is required, and reduction of the overall amount of vegetation to be
2 managed in the future because the majority on non-compatible vegetation will have been
3 removed. Appendix F includes a series of graphics that depict the before and after views of
4 various scenarios in which vegetation management is performed, including public road
5 maintenance, rural/private road maintenance, urban/ornamental maintenance, transmission
6 maintenance, distribution corridor widening and roadside transmission corridor widening.

7

8 The public road maintenance and rural/private road maintenance graphics, which are graphics
9 1.1 through 2.2 in Appendix E, demonstrate that the majority of tree trimming maintenance needs
10 to occur along the edge of the public road right-of-way and beyond, which is typically on private
11 property. When utility easements exist or the power line construction is new, the Company
12 performs vegetation management as per its standard line clearances, as shown in Appendix F.
13 However, in most cases there are no utility easements for existing distribution lines.²² Therefore,
14 Maritime Electric cannot manage vegetation without gaining permission.²³ Similarly, in urban
15 areas with private or protected municipal ornamental trees, standard line clearances are not
16 permitted, as depicted in graphics 3.1 and 3.2 in Appendix E.

17

18 The Company identifies locations where there is opportunity to widen off the public right-of-way
19 on private property in targeted areas where sufficient permissions can be acquired. As depicted
20 in graphics 5.1, 5.2, 6.1 and 6.2 in Appendix E, the objective of the corridor widening program is
21 to remove non-compatible vegetation and establish a new right-of-way that is up to 10 feet wider.
22 Compatible vegetation will remain, which will support sustainability of the corridor and reduce
23 future vegetation management. Once the wider corridors are established under these capital
24 programs, they will be maintained under the vegetation management program, which is an
25 operating expenditure.

26

27 Even if the Company is successful in widening some existing rights-of-way by 10 feet, danger
28 trees will still exist beyond this area in some locations. In which case, the Company will continue
29 to target their removal by seeking permission to do so.

²² Utility easements are now acquired for all new power line construction on private property.

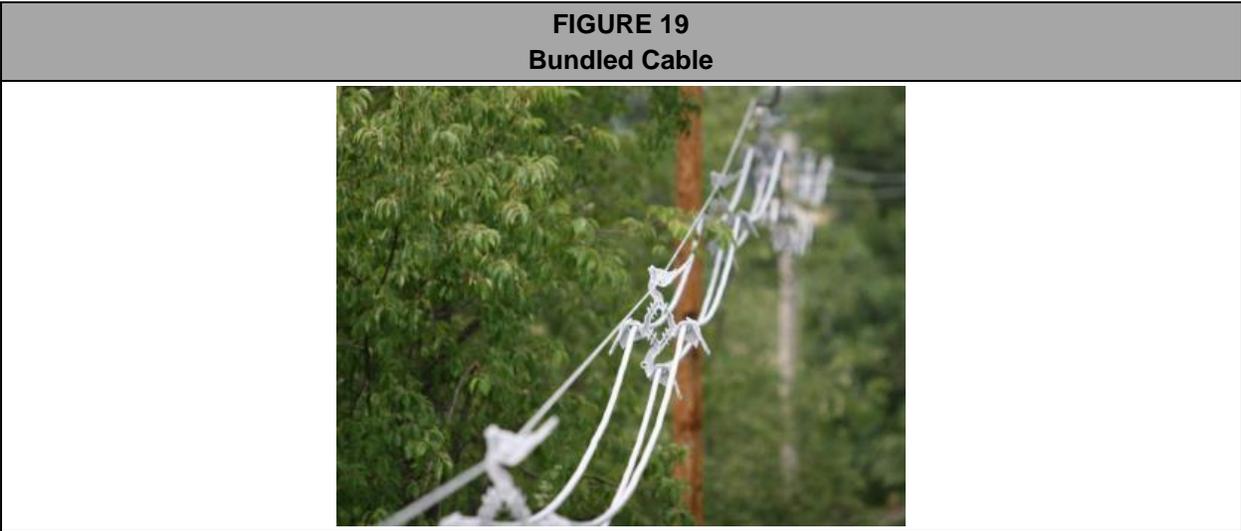
²³ Except as outlined in section 4.1.7 of the CSA standard C22.3 No. 1:20 Overhead Systems, which specifies flashover distance for AC conductors for vegetation management. Similarly, in urban areas with private or protected municipal ornamental trees, standard clearances cannot be achieved, as depicted in graphics 3.1 and 3.2

1 **4.5 Covered Conductor**

2 Maritime Electric’s current standard for transmission and distribution overhead infrastructure is
3 bare overhead, with either aluminum conductor steel-reinforced cable (“ACSR”) or all aluminum
4 conductor (“AAC”). Given the exposure to tree contacts caused by severe weather, the Company
5 is exploring the potential application of covered conductor in targeted areas most of which are
6 either a bundled cable or simply a covered version of standard conductor type (i.e., tree wire).
7 The outer layers of the covered conductor provide increased resistance to incidental tree contact.

8
9 Bundled cables are typically AAC encased in layers of polyethylene. The covered AAC cannot be
10 tensioned the same as bare conductor and requires a messenger wire to support the cables. The
11 construction is a compact design, where the cables are held in brackets every 30 feet and hung
12 from the tensioned messenger wire, as shown in Figure 19. The bundled cable reduces the risk
13 of incidental tree contacts through its protective covering; however, standard line clearances and
14 vegetation management is still required.²⁴

15



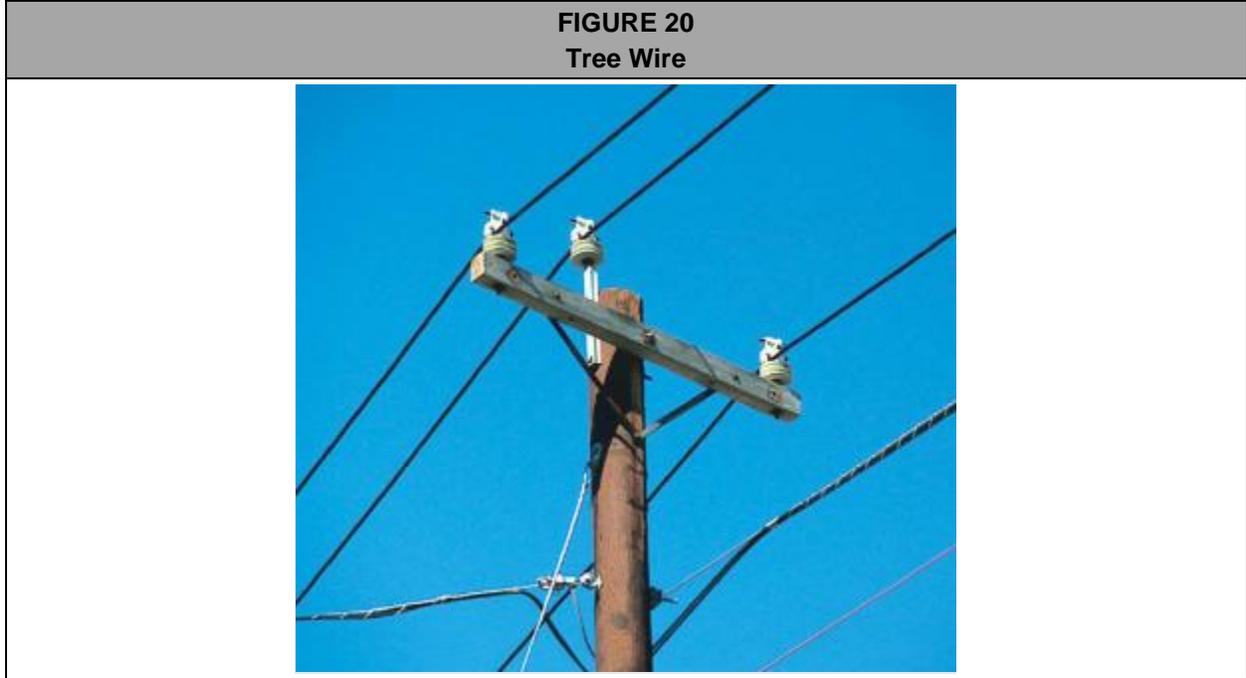
16

17 Tree wire is ACSR or all aluminium alloy conductors (“AAAC”) encased in layers of polyethylene.
18 Unlike a bundled cable, tree wire can be installed with similar methods as bare conductor, as
19 shown below in Figure 20. Tree wire utilizes the same insulators and framing as bare conductor,

²⁴ Covered conductor cannot technically be considered an insulated conductor, as per CSA C22.3 No. 1:20

1 but is larger in diameter and heavier in weight, which reduces the allowable span length between
2 poles to support the heavier conductor.

3



4

5 There are a variety of other considerations for the application of either bundled cables or tree
6 wire, including the following:

7

- 8 ▪ Both products have a lower ampacity compared to the same size of bare conductor, which
9 may require increasing the size of the conductor;²⁵
- 10 ▪ Tree wire has a higher risk of ice loading, higher risk of strain or galloping in high winds,
11 and often requires shorter spans and additional poles, due to its increased size and
12 weight;
- 13 ▪ The high-tension of the messenger system for bundled cables often requires an increase
14 in pole strength class;
- 15 ▪ Due to the protective coverings on both products, it is possible for small trees or branches
16 to lie atop energized conductors and produce little to no fault current, which prevents

²⁵ Ampacity is the maximum current that a conductor can carry continuously under the conditions of use without exceeding its temperature rating. Current is measured in amperes (“amps”).

1 protection devices, like fuses or reclosers, from operating. As a result, increased
2 inspections and patrolling are required following weather events;

- 3 ▪ Due to its strength, both products can have large limbs across phases without causing an
4 outage, but over prolonged periods trees can cause abrasion and damage to the
5 insulation; and
- 6 ▪ A preliminary cost analysis indicates that tree wire and bundled conductor are
7 approximately 24 per cent and 72 per cent higher cost, respectively, over bare conductor
8 installation.

9
10 Given the above considerations, the application of either bundled cables or tree wire should be
11 targeted to specific scenarios, such as the following:

- 12
- 13 ▪ Areas with high vegetation density;
- 14 ▪ Areas with limited permission to perform full vegetation management and only minimum
15 clearances are permissible;
- 16 ▪ Areas with low customer density, due to the requirement to remove the protective
17 coverings for all connection types, which reduces the overall insulation; and
- 18 ▪ Long lateral lines located on private roads or DTI public roads with heavy vegetation.

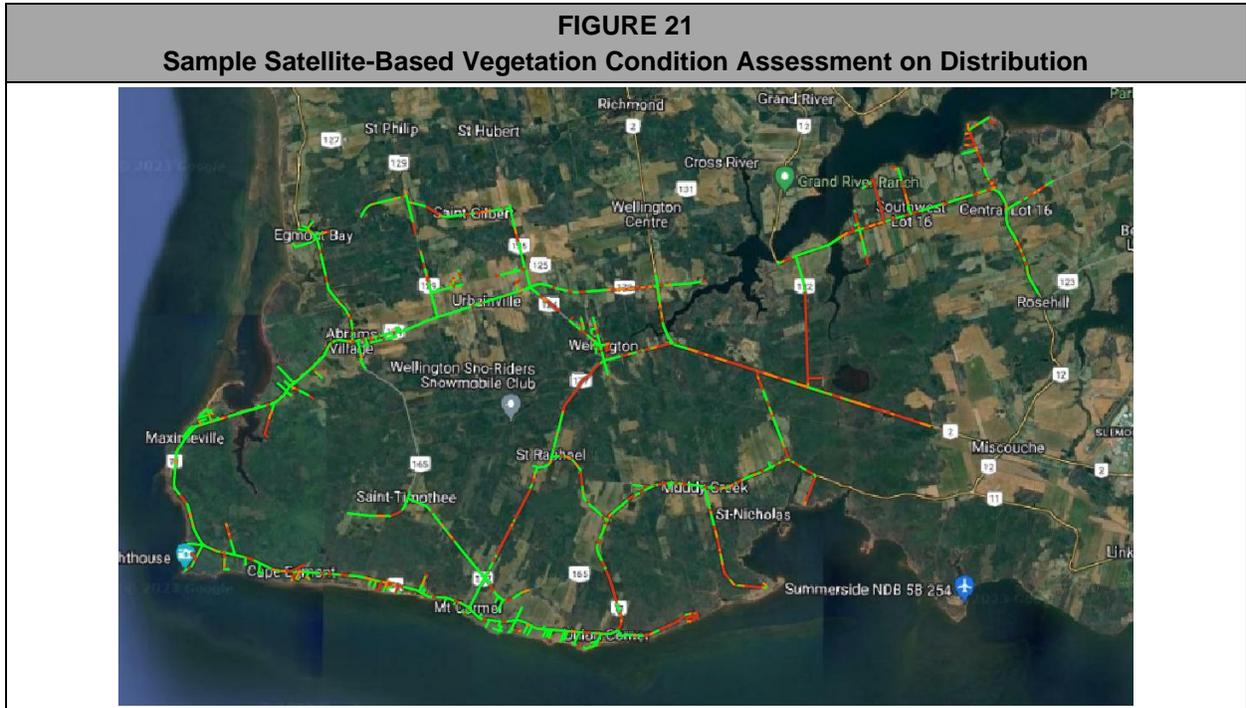
19
20 The Company will continue to assess the suitability of covered conductor usage, on a case-by-
21 case basis, through its planned rebuild, upgrade, and line extension programs, as well as any
22 suitable customer-initiated line extensions.

23
24 **4.6 Satellite Vegetation Risk Analysis**

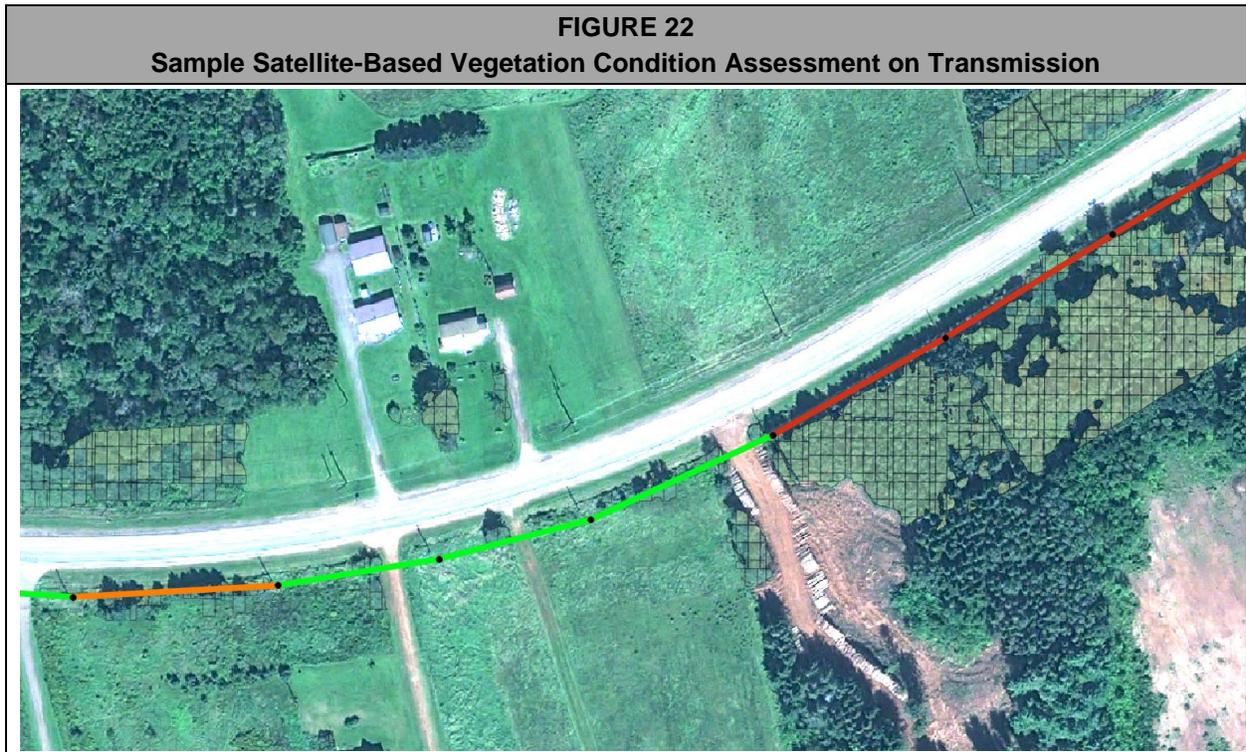
25 In 2024, Maritime Electric completed a pilot project on the use of satellite-based technologies for
26 evaluating vegetation condition and performing risk analysis. These technologies use high-
27 resolution, multispectral, and synthetic aperture radar data from satellite constellations, and can
28 also incorporate aerial imagery from drones, helicopters, fixed-wing planes, and light detection
29 and ranging data. In conjunction with a utility’s electrical model information, the technology uses
30 the data to inform proprietary models that analyze vegetation condition, growth, and risk. This
31 information can then be used to predict the priority of vegetation management maintenance
32 activities. These technologies also offer planning, cost estimating, execution and audit modules.

1 The pilot project included approximately 275 kms of distribution line across three distribution
2 circuits and 27 kms of transmission line. The three distribution circuits were selected based on
3 their reliability performance, differing types of vegetation condition, and for a mixture of suburban
4 and rural densities. The 27 kms of transmission line coincide with the satellite imagery coverage
5 of the selected distribution lines.

6
7 The first phase of the pilot project involved capturing satellite imagery of the selected areas. The
8 second phase incorporated the GIS data of the electrical model (i.e., poles, wires, and protection
9 devices) with the satellite imagery, which together is used to perform spatial corrections. In this
10 process, high-resolution imagery was used to identify pole locations with high precision and
11 compare the location to the GIS model. The pole locations were “corrected” in the VMS to improve
12 the accuracy of the risk analysis. In addition, the technology utilized Maritime Electric’s
13 construction and clearance standards to support the criticality and risk estimations. With all this
14 information, the third phase used the satellite imagery to identify and classify vegetation, perform
15 growth estimates, calculate proximity and coverage relative to the electrical system, and provided
16 a vegetation risk analysis. Finally, the initial results of the risk analysis were reviewed to identify
17 any parameter adjustments. Examples of the initial condition assessments are provided in Figures
18 21 and 22.



1



2

1 The risk analysis involved a field validation of all initial conditions and risk assessments to identify
2 any parameter adjustments. The assessments were performed again with adjusted parameters,
3 followed by an additional field validation of the new results.

4
5 Field validation identified that additional calibration was required for vegetation density, to ensure
6 the system's assessment aligned with the Company's density factors and evaluation. Proximity
7 and priority assessments, however, were highly aligned with the Company's assessments in the
8 field, and any discrepancies were primarily related to imagery issues, such as cloud cover.

9
10 Following the successful pilot project, a cost-benefit analysis was performed and a business case
11 approved for a full deployment of satellite-based vegetation risk analysis. The deployment is
12 currently planned with a full-system scan (including both transmission and distribution) in year 1,
13 followed by 20% of the system in subsequent years. In early 2025, the Company received
14 approval for the deployment in the 2025 Capital Budget Application. The full system scan is
15 planned for summer/fall of 2025, and the risk analysis is planned to be completed before year-
16 end.

17
18 **4.7 Use of Selective Herbicides**

19 Many utilities utilize selective herbicides in transmission and distribution corridors. These
20 chemical control methods involve managing vegetation with herbicides or tree-growth regulators
21 ("TGR"). Herbicides are chemicals that control plants by interfering with their botanical
22 biochemical pathways, whereas TGRs are designed to reduce vegetation growth rates. Where
23 permitted, all herbicides and TGRs must be applied by qualified personnel, using standard
24 application methods and within compliance of applicable regulations.

25
26 The goal of chemical control is to minimize their use over time, by supporting the establishment
27 of compatible vegetation. This is achieved through the selective nature of the herbicides and their
28 application, by targeting only non-compatible species, which are often also prone to resprouting
29 after removal.²⁶ When non-compatible vegetation, such as a tree that resprouts, is removed and
30 the ground is not treated with herbicides, the vegetation can regrow with an increased density,

²⁶ When properly applied, selective herbicides control only specific kinds of plants, without causing harm to other plants in the same treated area.

4.0 VEGETATION MANAGEMENT PROGRAM IMPROVEMENTS

1 which then increases the cost of subsequent maintenance. Conversely, when incompatible
2 vegetation is treated with herbicides after removal, the treated ground allows compatible species
3 to develop and overtake the area.

4
5 An advantage of chemical control with selective herbicides is that they are relatively more efficient
6 and effective compared to manual and mechanical control methods. Herbicides disrupt the root
7 system of targeted plants, so that the entire plant is controlled and regrowth is prevented. The
8 resulting cover-type conversion (i.e., compatible vegetation overtaking incompatible), once
9 established, minimizes the need for repeated soil disruption, from repeated mechanical mowing
10 for example, and encourages biodiversity, in addition to reducing future vegetation management
11 requirements and costs.

12
13 According to the International Society of Arboriculture’s Best Management Practices – Integrated
14 Vegetation Management, the use of selective herbicides in conjunction with physical methods to
15 facilitate cover-type conversion has been demonstrated to reduce costs by 50 per cent over time,
16 compared to physical methods alone.²⁷ Figures 23 and 24 distinguish between an area that
17 requires repeated mechanical mowing versus an area that has established compatible vegetation
18 and requires little to no further maintenance.

²⁷ International Society of Arboriculture, *Integrated Vegetation Management Third Edition* (Champaign IL: Premier Print Group, 2012)

FIGURE 23
Corridor that Requires Recurring Mechanical Mowing



1

FIGURE 24
Corridor with Compatible Vegetation



1
2 Maritime Electric is currently not permitted to use herbicides within public or private rights-of-way.
3 In 2024, a pilot program proposal was developed for approximately 33 ha of selective herbicide
4 application on off-road transmission corridors. The Company plans to seek approval for the pilot
5 program in 2025, through stakeholder engagement and collaboration with the provincial
6 government, specifically DEECA and DTI. Opportunities exist for the effective use of selective

4.0 VEGETATION MANAGEMENT PROGRAM IMPROVEMENTS

1 herbicides across the Company's transmission and distribution corridors, specifically when
2 establishing new transmission and distribution power lines, as well as in conjunction with the
3 proposed transmission and distribution corridor widening programs. These scenarios could
4 leverage the ideal combination of physical controls and chemical controls upfront to establish
5 new, cleared corridors that also support the establishment of compatible and sustainable
6 vegetation.

5.0 ENHANCING THE RISK-BASED APPROACH TO VEGETATION MANAGEMENT

Maritime Electric’s current VMP utilizes a risk-based approach to prioritizing vegetation management requirements. Risk-based vegetation management relies on intelligence (e.g., vegetation condition, proximity, customer impact, etc.) to identify and prioritize individual spans and small segments of line that present the highest-risk. In absence of an approved budget to sufficiently establish and maintain cycle-based trimming across the entire electrical system, a risk-based approach is necessary to ensure that the vegetation that poses the highest risk to reliability is addressed across as much of the electrical system as possible, within the current approved budget.

Appendix E of the 2023 GRA referred to Maritime Electric having a 35-year cycle for distribution vegetation management. This was presented as a mathematical equivalent to compare the Company’s current program to a traditional cycle-based trimming program, and was calculated using the estimated amount of vegetation to be managed across the distribution system, average costs, and the current approved budgets. While Maritime Electric does regularly perform transmission and distribution inspections, review reliability performance of feeders, and assess vegetation condition, the resulting vegetation management does not meet the definition of a cycle-based trimming vegetation management program. Achieving this requires establishing a cycle length (i.e., the amount of time between management activities) such that subsequent tree growth will not overtake electrical facilities prior to the next scheduled cycle. An optimal cycle length is based on the amount of clearance that can be realistically obtained, the nature of the vegetation, and the expected growth rates of the trees.²⁸ Cycles are traditionally established on a feeder or feeder section level, such that large segments of distribution power lines are managed on a common cycle.

Given the current approved budget for vegetation management, the requirement for a permission-based approach to vegetation management, and the lack of legislative authority to perform vegetation management, Maritime Electric is not presently able to achieve a sustainable cycle-based trimming program on the distribution system. The variability in permission levels, and the resulting variability in power line clearances achieved, prohibits the establishment of a common cycle on a feeder, or even a reasonable level of multiple cycles across multiples sections of a

²⁸ International Society of Arboriculture, *Utility Pruning of Trees* (Champaign IL: Premier Print Group, 2004)

1 feeder. Furthermore, the level of expenditure required to perform selective vegetation
2 management of this type across the entirety of multiple feeder sections is relatively high compared
3 to the total current approved budget. Transitioning to a cycle-based trimming program, given the
4 current constraints, would result in a high investment in a relatively small number of feeder
5 sections, without achieving standard line clearances to ensure sustained reliability. Also, the
6 limited funding remaining to perform vegetation management on high-risk areas elsewhere could
7 result in a negative impact to reliability.

8
9 In the 2023 GRA, Maritime Electric outlined the vegetation management budget increases
10 estimated to eventually achieve a level of funding that supports a cycle-based trimming
11 approach.²⁹ Since that time, and as a direct result of Fiona, the Company has re-evaluated its
12 VMP and the resulting conclusion is that the Company believes that in absence of legislative
13 authority to perform vegetation management to standard line clearance, a hybrid approach is
14 more appropriate. In a hybrid approach, the Company will continue to use a risk-based approach,
15 along with attaining a cycle-based trimming approach in those select areas where it is most
16 efficient. A hybrid approach will leverage the combination of an increased operating budget and
17 the recently approved corridor widening programs to strategically target feeder sections for
18 comprehensive vegetation management. This approach will also be dependent on targeting areas
19 where higher levels of permissions can be acquired, in order to ensure the investment is both
20 efficient and effective. The proposed increases to the operating budget will also allow for an
21 increase in the amount of risk-based vegetation management performed across the entire
22 electrical system. Solutions like the satellite-based vegetation risk analysis described in Section
23 4.6 will also support an increase to the level of risk-based vegetation management.

24
25 The hybrid approach will be balanced to ensure there is sufficient risk-based vegetation
26 management performed, while gradually increasing the amount of cycle-based vegetation
27 management, where practical. Continued budget increases over an extended period of time will
28 also allow for the ongoing evaluation of reliability performance and, in particular, the implications
29 of permissions on the effectiveness of the cycle-based trimming aspect of the program. The extent
30 to which permissions can be acquired may limit the amount of cycle-based vegetation

²⁹ 2023 GRA Table E-3 outlined an increase to \$5.7 million by 2027 to achieve a 10-year cycle on distribution and a 7-year cycle on transmission.

1 management that is practical, and legislative authority to perform vegetation to standard line
2 clearances may be required to fully transition to a cycle-based program.

3

4 The Company will continue to monitor performance and assess effectiveness of both the corridor
5 widening program and the cycle-based trimming program to determine the appropriate level of
6 expenditures. The vegetation management budget increases approved in the 2023 GRA and the
7 proposed 2027 budget increase in Table E-3 of the 2023 GRA were established based on a
8 number of factors, including the Company's ability to effectively plan the increased amount of
9 vegetation management work, and to provide time for vegetation management contractors to
10 increase their capacity to execute the work plan with additional specialized equipment and skilled
11 workforce. The ability to execute the increased vegetation management budgets will also continue
12 to be monitored, and the Company will evaluate and provide evidence for the levels of expenditure
13 in subsequent capital budget applications and GRAs.

1 **LIST OF APPENDICES**

2

3 A. Vegetation Management System (VMS) Screenshots

4 B. DTI and EECA Permits

5 C. Customer Awareness Campaign Examples

6 D. T&D Corridor Widening Capital Program Descriptions

7 E. Vegetation Management Scenario Diagrams

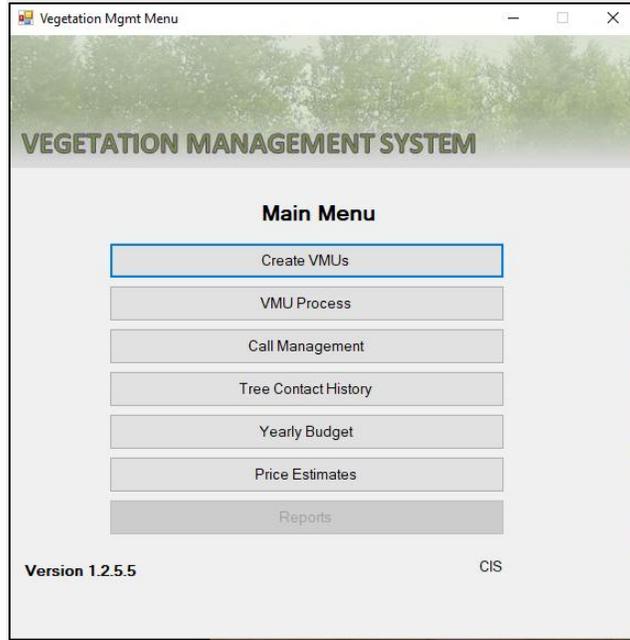
8 F. Maritime Electric Line Clearances

1 APPENDIX A: VEGETATION MANAGEMENT SYSTEM (VMS) SCREENSHOTS

2

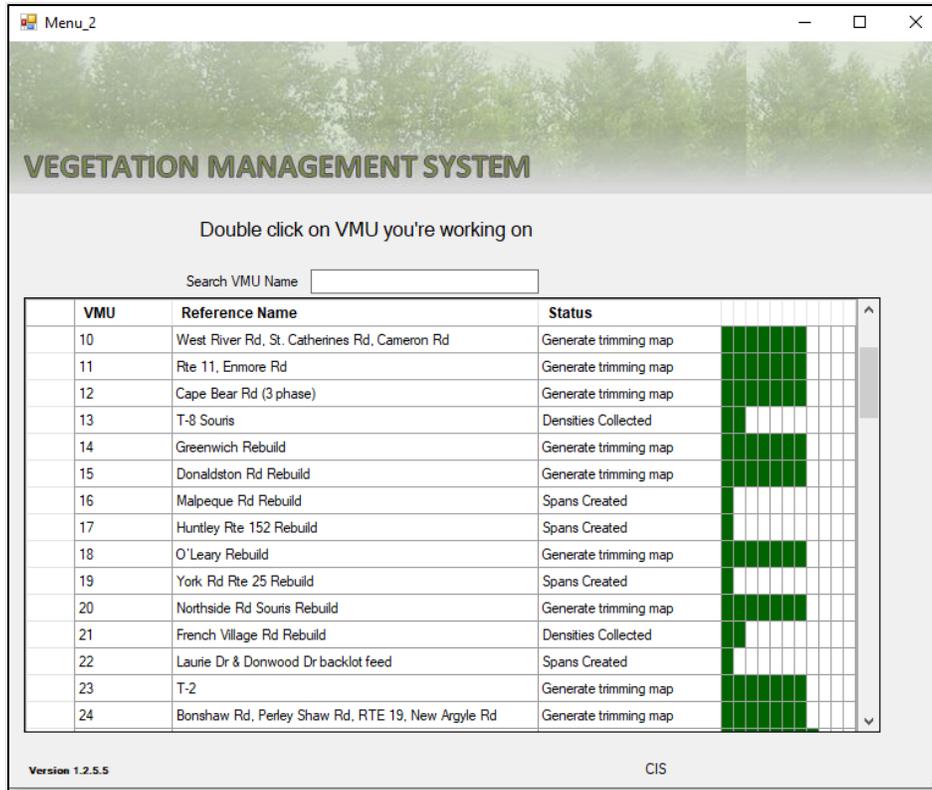
1

VMS Main Menu



2
3
4

VMS – VMU Progress



5

1

VMS – Create New VMU

VEGETATION MANAGEMENT SYSTEM

Manage VMU

Create New VMU

Substation: ALBERTON

Line ID	Length
AL00000.	Length:35
AL00203.	Length:164
AL00204.	Length:1940
AL00205.	Length:5325
AL00206.	Length:1925
AL00207.	Length:206
AL00208.	Length:623
AL00209.	Length:1615
AL00212.	Length:408
AL00213.	Length:573
AL00214.	Length:934
AL00215.	Length:2030
AL00216.	Length:6635
AL00217.	Length:294
AL00218.	Length:1235
AL00219.	Length:168
AL00220.	Length:245

Lines to be Added to New VMU 86

AL00201.	Length:761
AL00200.	Length:3088
AL00202.	Length:773

Total Line Length: 4622

Create VMU

2
3

Appendix A: Vegetation Management System (VMS) Screenshots

1

Density Collection

1:09 PM Wed Sep 20 100%

Collect

GPS accuracy 11.4 m - 10 m required

VM_Working_Spans:
Area 1,830.5 m²

Density *
Medium

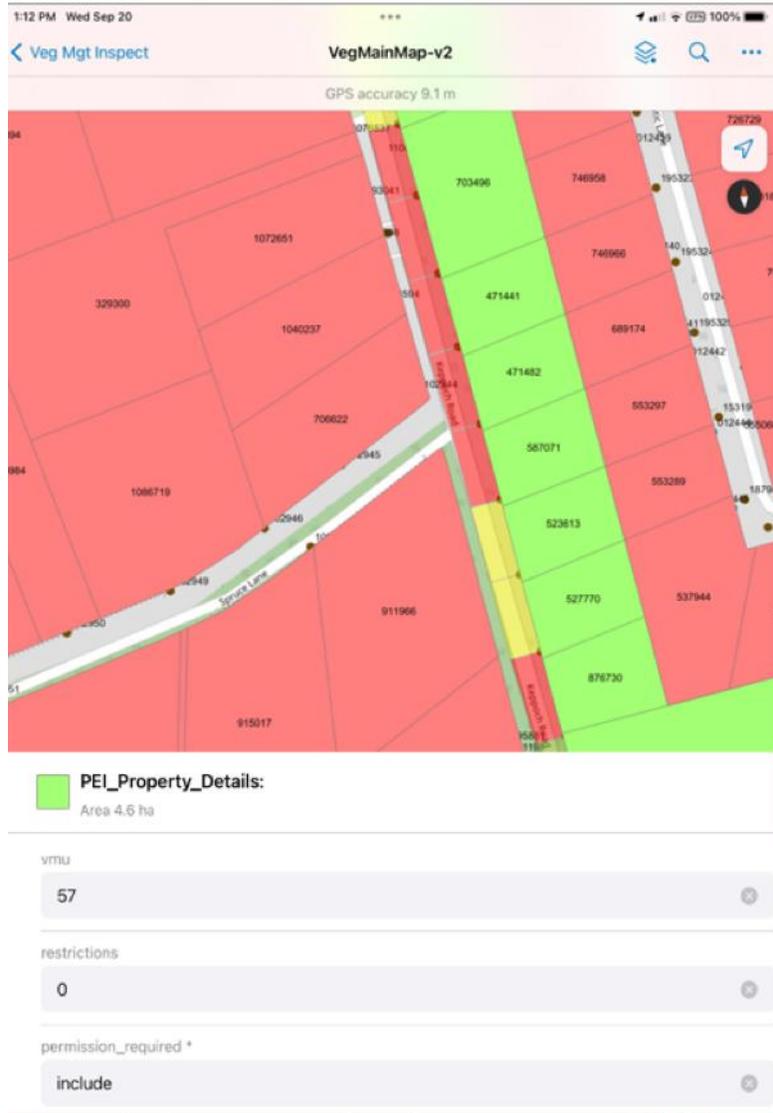
Restrictions
No Restrictions

Notes

2
3

1

PID Selection for Permissions



2

1 APPENDIX B: DTI AND EECA PERMITS

2

1 DTI – EMS Permit Example – Prince County:

Transportation and Infrastructure / Transports et Infrastructure

Environmental Management Section / Approval-to-Proceed QB23-001

Maritime Electric EMS BLANKET APPROVAL-TO-PROCEED

This Prince Edward Island Watercourse or Wetland and Buffer Zone Activity Permit is issued (a) in accordance with the authority provided by Section 2, Section 3, and Section 6 of the Prince Edward Island *Environmental Protection Act* and subject to regulations made thereof, and (b) under the agreement entitled DEEF/TPW Permitting Agreement dated March, 2009.

Attention: Ken Sampson
Company: Maritime Electric Co. Ltd.
Division/Agency: Corporate Utility
Address: 180 Kent Street
Address 2: PO Box 1328
City/Prov/Country: Charlottetown, Prince Edward Island, Canada
Postal Code: C1A 7N2

to undertake the Project/Work as described in their Environment Assessment/Registration Application namely:

Typical power line system maintenance and construction works (a) within Provincial ROW or (b) on Provincial land parcels that Maritime Electric has an easement on and not occurring within 15 m of a watercourse or wetland in Queens County as described below.

Work to take place in the Electoral District of Queens County, Prince Edward Island, on various roads, route numbers and/or the Confederation Trail.

This Approval-to-Proceed, by order of the Minister of Transportation and Infrastructure, becomes effective on January 4, 2023, and expires on December 31, 2023, and is subject to the full implementation of an in compliance with the terms and conditions as outlined on the back of this Approval, as per on-site consultation with Environmental Management Section staff, and as per the following terms and conditions:

(SC) Permission to ground-cut trees under existing power lines within the Provincial Right-of-Way will only be granted when the surrounding landscape is primarily forested (65% +/-). Where the surrounding landscape is primarily agriculture, EMS will assess and make

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2

recommendations on vegetation management.

Typical power line system maintenance and construction works includes:

- all maintenance work carried out on existing overhead/underground power line systems, including replacement/maintenance of poles, attachments, conductors, conduits, electrical apparatus and tree trimming/cutting (provided there are no Red Oak, Hop Hornbeam, Bog Birch, Black Ash, or White Ash involved) required to maintain safety and system reliability.

New power line construction on Provincial ROWs including the Confederation Trail, providing it does not involve trimming/cutting of Red Oak, Hop Hornbeam, Bog Birch, Black Ash, or White Ash. Work considered necessary to address an immediate electrical or fire hazard.

Note A - Maritime Electric shall through email correspondence notify TI's Environmental Coordinator Paul Strain (pgstrain@gov.pe.ca), of projects being carried out under the blanket permit. In addition to this, on a monthly basis, Maritime Electric shall provide the Province (through PEITP's Environmental Management Section) a list of all service orders completed the previous month across the Island. This will allow the Province to conduct random project audits, with Maritime Electric providing appropriate information, plans, etc., for each project selected for auditing.

Note B - Maritime Electric will submit a completed EMS Project Registration form for all non-typical works.

1-all necessary environmental controls (e.g. silt fencing, check dams, etc.) shall be in place prior to, during, and after project activities to avoid offsite siltation and siltation towards any watercourse or wetland;

2-do not disturb existing vegetation any more than absolutely necessary;

3-no heavy equipment shall enter the watercourse, and do not operate heavy equipment in a buffer zone any more than absolutely necessary;

4-all reasonable precautions shall be taken to prevent the destruction of fish habitat;

5-should a small watercourse or wetland within 15 m of their boundaries be accidentally driven into, disturbed or rutted, the proponent will report the incident to the Department of Environment, Energy and Climate Action, and take the necessary steps to restore the watercourse or wetland to its original condition (e.g. mulching all barren soil with hay, redefining stream bank, etc.);

6-felled trees, branches, and brush shall be either mulched onsite or otherwise removed from the site for reuse or proper disposal;

7-any excavated earthen material from site work shall be contained (e.g. using silt fencing, straw bales) and any excess material be removed from site for reuse or proper disposal away from any sensitive area. Reuse or disposal of project materials (within the Provincial ROW) shall not take place within 30 m of a watercourse or wetland without consultation with the TI County Environmental Officer;

8-upon project completion, any exposed earthen areas shall be leveled and blended into surrounding contours and shall be stabilized with mulch and seed;

9-an appropriately sized emergency spill response kit shall be on the job site; and

10-the proponent is responsible to ensure that this approval is maintained at the job site.

1
2
3
4



PO Box 2000, Charlottetown
Prince Edward Island
Canada C1A 7N8

Environment,
Energy and
Climate Action

Environnement,
Énergie et
Action climatique



C.P. 2000, Charlottetown
Île-du-Prince-Édouard
Canada C1A 7N8

PERMIT NO: BA23-001

PRINCE EDWARD ISLAND WATERCOURSE / WETLAND AND BUFFER ZONE ACTIVITY PERMIT

In accordance with the authority provided by Sections 2, 3 and 6 of the Prince Edward Island Watercourse and Wetland Protection Regulations, permission is granted to:

Name: **Maritime Electric Company, Ltd. (Ken Sampson)**
Address: **180 Kent Street, Charlottetown, PE**
Postal Code: **C1A7N2**

to undertake an activity in a watercourse / wetland and adjacent buffer zone, namely:

Power line maintenance and construction

on and adjacent the , a tributary to the situated

at Island Wide in Island Wide County, PEI with coordinates of ° latitude and ° longitude.

This permit is, by order of the Minister, effective on **Tuesday, March 21, 2023**
and expires on **Friday, December 31, 2027**

and is subject to the full implementation of and compliance with the following terms and conditions:

- [A] That all reasonable measures (in the opinion of the Minister) must be taken to minimize the siltation of any watercourse/wetland.
- [B] That the death of fish or any permanent alteration to, or destruction of fish habitat is prohibited unless the work, undertaking or activity is authorized by DFO and the work undertaking or activity is carried on in accordance with the conditions established by DFO.
- [C] That it is the applicant's responsibility to obtain any other necessary forms of approval or permission (ie: permits, etc.) from other government agencies including federal, provincial, and municipal departments or private landowners before the work commences.
- [D] That the issuance of this permit or approval does not imply any warranty against damages due to weather and/or climate change. Government shall not be liable for any claims, demands, losses, costs, damages, actions, suits or proceedings of every nature and kind whatsoever arising out of or resulting from the issuance of this permit or approval as a result of weather or climate change.
- [E] That maintenance activities (including the installation of poles, attachments, grounds, communications and other electrical apparatus) within the footprint of an existing transmission/distribution line may be carried out as required to maintain system safety and reliability. Construction of a new transmission/distribution line is not covered under this permit and requires separate written permission from the Department of Environment, Energy and Climate Action (DEECA)
- [F] That trees and/or shrubs in a buffer zone within the footprint of an existing transmission/distribution line may be trimmed and/or cut down, using manual labour and hand tools, as required to maintain system safety and reliability.

Page 1 of 2

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PERMIT NO: BA23-001

[G] That individual trees within a wetland and/or buffer zone that pose a potential threat to system safety and reliability may be trimmed and/or cut down to reduce the potential for power outages during extreme wind events.

[H] That, should the proponent require confirmation of watercourse, wetland and/or buffer zone status, the DEECA must be contacted to confirm status prior to commencement of the work.

[I] That a motor vehicle(s) may not operate in/on any watercourse, wetland or buffer zone without first obtaining the written permission of the DEECA.

[J] That woody debris and/or other material that enters a watercourse as a result of power line maintenance/construction activity must be removed using manual labour and hand tools. Woody debris and/or other material that cannot be removed using manual labour and hand tools may be removed using a cable attached to a motor vehicle(s) positioned outside the buffer zone. All material must be disposed of in compliance with provincial legislation.

[K] That, within 30 metres of a watercourse, any rutting caused by the operation of a motor vehicle(s) as part of power line maintenance/construction activities must be repaired immediately upon completion of the work and prior to leaving the work site.

If you have any questions regarding the foregoing permit conditions, please contact Kevin Arsenault (902-314-0024), Shawn Banks (902-314-2737) or Shawn Hill (902-394-1472).

Date issued: Tuesday, March 21, 2023

Signed:



Dale Thompson
Environment Officer

- 1 **APPENDIX C: CUSTOMER AWARENESS CAMPAIGN EXAMPLES**
- 2 .

1 Tree Planting Guide:



TREE PLANTING GUIDE

PLANT THE RIGHT TREE
IN THE RIGHT PLACE.



2
3
4

Choosing Trees for your Island Property

Planting native species is highly recommended as they have adapted for thousands of years to survive and thrive in the conditions on Prince Edward Island. Native species also work to protect the soil and waterways and provide a multitude of other benefits to the PEI ecosystem. Visit [MacPhail Woods Ecological Forestry Project's website](#) for a list of native tree species.



White Spruce

- Mature height: 78 to 98 ft
- Grows best in full sun
- Ideal for hedgerows, in old fields and along the coastline
- **Plant very far away from power lines**



Sugar Maple

- Mature height: Up to 115 ft
- Grows best in rich, well-drained soil and in dry areas with partial shade
- Does not tolerate windy areas
- **Plant very far away from power lines**



Red Maple

- Mature height: Up to 82 ft
- Grows best in rich and moist soil, often found near streams and swamps
- Tolerates some shade
- **Plant very far away from power lines**



Red Oak

- Mature height: Up to 65 to 98 ft
- Grows best in well-drained soil
- Does not tolerate windy areas or very wet soil
- **Plant very far away from power lines**

All our energy.
All the time.



Trees and Power Lines

We are committed to providing safe, reliable and affordable electricity for our customers. We also know the importance of planting trees for our environment and communities and plant many trees through corporate programs each year. However, planting trees near or under power lines will result in power outages and create a future public safety hazard. Trees and wind are the number one cause of power outages in Prince Edward Island. Trees planted near and under power lines interfere with the electrical equipment and the reliability of the power being delivered to your home, neighbours and wider community. This is especially true during adverse weather events including high winds and ice storms.

We regularly trim trees away from power lines to ensure the reliability of our electrical system and reduce the risk of public safety hazards, but we need your help. We encourage you to read through this guide, which will assist you in making informed decisions about planting the right tree in the right place. Not only will planting your tree in the right place ensure the best chances of your tree establishing and growing to maturity, but it will also ensure the reliability of the electrical system in your community.

Plan Before You Plant

If you are planting a new tree, consider how large it will grow and what it will look like in 10 or even 20 years. Before choosing a place to plant your tree, contact your local tree nursery to determine the mature height of the tree. A 30 ft. tree at maturity should be planted at least 45 ft. away from power lines to help ensure it will not interfere with the power lines in the future. The taller the tree, the further away the tree needs to be planted from the power lines to ensure the reliability of the power system. Only low growing species should be planted in proximity to power lines.

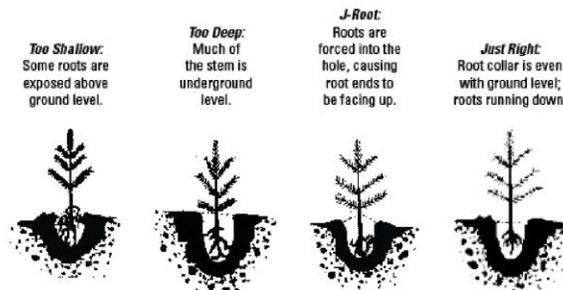


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All the time.



Planting Instructions

1. Identify the trunk flare, which is where the trunk expands at the base of the tree. This point should be partially visible after the tree has been planted.
2. Dig a shallow, broad planting hole that is twice as wide and just as deep as the pot. If the tree is planted too deep new roots will have difficulty developing because of a lack of oxygen.
3. Remove broken or damaged branches. Remove the plastic container and spread the roots out. Inspect the root balls for circling roots. If there are a lot of them circling after being confined in the pot straighten them out or cut them with a knife.
4. If the surrounding soil is dry add water to the hole. Add compost and mix it with the loose soil in the hole.
5. Straighten the tree in the hole. Before backfilling, have someone view the tree from several directions to confirm it is straight.
6. Fill the hole gently but firmly. Pack soil around the base and sides of the root ball to stabilize it.
7. Create a barrier with soil around the tree to hold water.



Mulching the Base

1. Apply a 2 to 4 inch (5 to 10 cm) layer of mulch (less if poorly drained). Coarse mulches can be applied slightly deeper without harm. Mulch should not come in contact with the tree trunk.
2. Place mulch out to the edge of a tree's crown or beyond. Trees like their entire root systems to be mulched.

Watering

Water your newly planted tree twice per week for the first two months, or three times per week in the summer months.

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Weeding

Keep the area around your newly planted tree weed free. Hand pull weeds to avoid damaging the trunk with a lawnmower or weed trimmer.

Fertilizing

Fertilize your new trees annually. Fertilizers with a high nitrogen content are recommended for trees under three years old. Follow the instructions on the package to ensure proper amounts and application.

Plant for Energy Efficiency

Properly selected and planted trees around a home can also improve energy efficiency. When trees are planted in the right places they can provide you with energy savings by shielding cold winds during the winter months. Here are a few tips:

- Plant a windbreak of evergreens to the north and west of your house (away from power lines) to provide shelter from the cold winter winds and to help save energy in winter.
- Plant deciduous trees on west and southwest sides (away from power lines) since these trees lose their leaves in the winter. This will allow sunlight to help with heating and therefore help reduce your energy costs.

Good Placement

Deciduous trees are planted to the south and west of the house. These trees will let the warm sun shine into the house in the winter. The windbreak of evergreens to the north side of the property will shelter the house in winter.



Bad Placement

Large trees placed under the power lines have to be trimmed. The large evergreen planted on the south side of the house will prevent the winter sun from warming the house.



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Tree Trimming

We understand the importance of planting trees for our environment and communities. However, our ability to provide safe and reliable electricity to over 87,000 customers is affected by the growth of trees. We trim and remove trees to maintain the proper clearance from power lines to ensure the reliability of our system, as well as the safety of Islanders.

Our tree trimming program is aimed at keeping over 6,600 km of transmission and distribution lines clear of trees and undergrowth. Through our focus on effective vegetation management, which includes periodic inspections of power lines, we identify trees that are growing too close to power lines and thus, cause concern for public safety and reliability.



Vegetation and trees have been cleared from power lines to ensure correct distance and safety requirements are in place.

Although it is not possible to predict or foresee all tree-related problems, our tree trimming program is designed to trim trees before safety or reliability problems occur.

Professional Care

We employ contractors whose skilled, professional crews trim trees to provide enough clearance between limbs with minimum inconvenience to you, our customers.

We encourage our contractors to use a natural trimming method, which is proven to be the best method for the long-term health of the tree. They do their best to redirect growth away from the power lines, creating sufficient clearance so that the tree will remain safe until we return for the next routine maintenance.

Never attempt to prune or trim trees near power lines yourself. Contact with a power line can result in serious injury or even death.

All our energy.
All the time.





Stay Safe Around Trees

At Maritime Electric, we believe safety must be integrated in all we do.

When a tree or a large branch falls onto a power line, as sometimes happens during storms, it can bring down the power line. If anyone touches a downed power line that is still energized, the result can be serious injury, even death.

Children do not always know, or remember, what can be dangerous, so it is up to the rest of us to watch out for their safety. Never build a tree house in the trees near power lines and be careful not to allow kids to climb trees growing near power lines. Teach them to tell an adult if they discover downed power lines in the area. Never attempt to touch an object tangled in a power line. Call Maritime Electric at **1-800-670-1012**, for assistance.

Our Commitment to the Environment

Introduced in 2019, Trees for Life is a Maritime Electric employee tree planting event that focuses on community engagement and sustainability. Each year, Maritime Electric purchases trees from Island nurseries and plants them in September at Island schools or parks. Since the program began, we've planted hundreds of trees across the Island.

To read more about Trees for Life, and our sustainability goals, visit www.maritimeelectric.com/sustainability.

Let's Work Together

We take our job of providing electricity to your home and community very seriously and we appreciate cooperation in supporting our vegetation management program. By working together, we can ensure the safety of you, your families and our employees.

For further information on tree safety or to report a downed limb or limbs in contact with power lines, visit us online at maritimeelectric.com or call us at **1-800-670-1012**.

The Power of a Moment

If you knew that cutting a tree around an energized power line could cause you or others serious injury or even death, wouldn't you take a moment to look up? NEVER cut or trim trees near power lines and NEVER attempt to remove a tree that has fallen into a power line.

Contractors, be sure your employees know the dangers of working near power lines. It is your responsibility to ensure they follow the Occupational Health and Safety regulations to protect themselves and others. Put safety first, look up before you cut.

Safety is our priority. Make it yours too!

All our energy.
All the time.



Trees and wind are the number one cause of power outages in Prince Edward Island and **planting trees near or under power lines will result in power outages.**

Trees planted near and under power lines **interfere with the electrical equipment and the reliability of the power** being delivered to your home, neighbours and wider community.



**All our energy.
All the time.**

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1

1 Tree / Plant Tags:

2



3

4

1 Bill Inserts:

2

TREE PLANTING

IMPORTANT NOTICE

PLANT THE RIGHT TREE IN THE RIGHT PLACE.

30 ft.

45 ft.

3

IMPORTANT TREE PLANTING SAFETY MESSAGE

If you are planting new trees, do not plant near or under power lines. Before choosing a place to plant, always check how tall the tree will be when it grows to maturity. A 30 ft. tree at maturity should be planted at least 45 ft. away from power lines to help prevent future safety hazards or risk of power outages. Please do not plant trees near power lines.

To learn more, and to read our tree planting guide, scan the QR code using the camera on your smart device or visit maritimeelectric.com.

4

5

1-800-670-1012 · maritimeelectric.com

@MECLPEI Maritime Electric

All our energy. All the time.

MARITIME ELECTRIC
A FORTIS COMPANY

1 Postcard:



2



3

1 Poster:

**PLEASE, DO NOT
PLANT TREES
NEAR OR UNDER
POWER LINES.**

Islanders, we need your help!
Trees planted near and under power lines interfere with the reliability of your power and may cause power outages.

Scan with your mobile camera to read our tree planting guide!

1-800-670-1012 maritimeelectric.com
@MECLPEI Maritime Electric

**MARITIME
ELECTRIC**
A FORTIS COMPANY

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1 Tree Trimming website:

The screenshot shows a website page with a breadcrumb trail: [Home](#) / [Safety](#) / Tree Trimming. The main heading is "Tree Trimming". Below the heading is a paragraph: "Maritime Electric is committed to providing safe, reliable electrical services. Our ability to do so may be affected by trees located in proximity to power lines. If you see a potential problem please contact Maritime Electric at 1-800-670-1012." There are two expandable sections. The first is titled "Trees and Electrical Safety" and contains three bullet points: "Tree contact or trees growing too close to power lines can create a public safety hazard as well as cause an interruption in electrical service.", "Maritime Electric performs tree trimming to prevent tree limbs and branches from contacting distribution power lines and, where deemed necessary, will cut trees down.", and "Trees that obstruct the route of new distribution power lines will be trimmed or removed." The second expandable section is titled "How much will be cut from my trees?" and contains a paragraph: "When Maritime Electric is contacted with a request for tree trimming, a Company representative will visit the site and determine if electrical safety hazards exist." followed by five bullet points: "Trees that have grown to a point where they are close to energized power lines must only be trimmed by qualified personnel with the proper tools, equipment and training.", "When tree trimming is performed by Maritime Electric, we make every effort to ensure that there is sufficient clearance so that the tree remains safe until maintenance is carried out during the next cycle.", "Our tree trimmers are trained in proper pruning techniques to redirect growth away from the power lines and to maintain the health of the tree.", "Never attempt to trim or prune trees near power lines. Contact with a secondary power line can kill.", and "If you see a potential problem please contact Maritime Electric at 1-800-670-1012."

2
3

- 1 **APPENDIX D: T&D CORRIDOR WIDENING CAPITAL PROGRAM DESCRIPTIONS**
- 2
- 3

5.0 DISTRIBUTION

1 The proposed budget will allow for the backlot feed relocation projects
 2 shown in Table 41.

3

TABLE 41 Backlot Feed Relocation Projects for 2024			
Location	Line #	Facility ID Range	Spans
Laurie Drive, Charlottetown	ES04060	105795 to 28056	6
Charlotte Drive, Charlottetown	IK03447	29617 to 29663	4
Prince Charles Drive, Charlottetown	IK03477	18394 to 30536	7

4
 5 **Future Commitments**

6 This is not a multi-year capital budget commitment; however, it is a
 7 recurring capital requirement that is budgeted annually for the duration of
 8 the program.

9
 10 **d. Distribution Corridor Widening (Recurring) \$ 861,000**

11 Under agreement with the Provincial Government, Maritime Electric is
 12 allowed to install its electrical lines at the outside edge of transportation
 13 right of ways. Accordingly, this also allows the Company to cut or trim
 14 vegetation in the right of way so that it does not contact lines; however,
 15 when the land directly adjacent to the right of way is treed, additional
 16 permissions are required, often from private landowners. In the past,
 17 private landowner permissions have been difficult to obtain and therefore,
 18 many lines have significant tree stands directly next to them. Since Fiona,
 19 landowners are more aware of the risk that trees pose to power lines and
 20 there is a new opportunity to secure permissions that will allow the
 21 Company to reduce this risk by cutting trees and widening corridors.

22
 23 The new program for distribution corridor widening, by up to approximately
 24 10 feet, is required to remove vegetation along existing distribution lines
 25 where it is outside of the transportation right of way, but in close proximity
 26 to lines.

5.0 DISTRIBUTION

1 The vegetation removal under this program will be properly budgeted as a
2 capital expenditure on the basis that the corridor widening (including
3 danger tree removal) will be limited to areas that have not previously been
4 cut.³⁶

5
6 Maritime Electric's existing vegetation management program, which
7 primarily targets trees within existing transportation right of way limits, will
8 be used to deter new tree growth in the widened corridor once it is
9 established.

10
11 *Justification*

12 The proposed program to widen distribution corridors and/or remove
13 danger trees is justified based on the necessity to reduce tree contacts and
14 damage to the distribution system during storms, and the obligation to
15 provide safe and reliable service to customers.

16
17 Tree contacts are a leading cause of outages, particularly in storm events.
18 During Dorian and Fiona, the distribution system experienced significant
19 outages due to trees, the majority of which were located adjacent to, but
20 outside, of the transportation right of way. Tree contacts can cause damage
21 to distribution poles, transformers, and conductor, leading to longer
22 duration outages and higher restoration costs. Distribution corridor
23 widening is an essential new program for Maritime Electric that will protect
24 the distribution system from damage during future storm events. Similar to
25 the tree removal that is required when a new distribution line is constructed,
26 the tree removal that occurs as a result of corridor widening will be
27 capitalized. Once a corridor is widened under this program, it will then be
28 maintained (as an operational expense) under the vegetation management
29 program.

³⁶ Danger trees are further away from lines but are still of concern due to their height.

5.0 DISTRIBUTION

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Costing Methodology

A breakdown of the proposed 2024 budget allocation for distribution corridor widening provided in Table 42.

TABLE 42 Proposed Capital Expenditures Distribution Corridor Widening	
Description	2024 Budget
Materials	\$ -
Contractor Labour	774,000
Internal Labour and Transportation	87,000
Other	-
TOTAL	\$ 861,000

Future Commitments

This is not a multi-year capital budget commitment; however, it is proposed as a recurring capital requirement that will be budgeted annually.

At this time, the extent of the opportunities to widen existing distribution corridors is not quantified and assessments of distribution lines will be required on an on-going basis to determine the extent and duration of the program.

5.6 **System Meters (Recurring)** **\$ 686,000**

This proposed budget for system meters is to provide for the purchase and installation of revenue metering and associated equipment. A breakdown of the historical expenditures, 2023 budget and proposed 2024 budget allocation for system meters is provided in Table 43.

6.0 TRANSMISSION

TABLE 77 Historical and Proposed Capital Expenditures Transmission Lines						
Description	2019	2020 ^a	2021 ^b	2022 ^c	2023 Budget	2024 Budget
Material	\$ 343,344	\$ 707,473	\$ 1,913,622	\$ 324,640	\$ 35,000	\$ 61,000
Contractor Labour	378,020	1,150,810	2,004,806	687,103	35,000	118,000
Internal Labour and Transportation	282,883	347,696	198,504	209,279	77,000	265,000
Other	42,168	63,317	23,888	15,975	307,000 ^d	77,000 ^e
TOTAL	\$ 1,046,415	\$ 2,269,296	\$ 4,140,820	\$ 1,236,997	\$ 454,000	\$ 521,000

- 1 a. Includes \$1,010,047 for 2020 projects carried over and completed in 2021.
- 2 b. Includes \$202,986 for 2021 projects carried over and completed in 2022.
- 3 c. Includes \$115,000 budgeted for 2022 projects carried over to be completed in 2023.
- 4 d. Classified as "Other" expense as it involves the purchase of an existing transmission asset from PEIEC.
- 5 e. Classified as "Other" expense as it involves consultant studies and permitting.
- 6

7 **Future Commitments**

8 Tignish substation transmission is a multi-year project that will be completed over
 9 two years, in 2023 and 2024, and Y-106 is a multi-year project that will be
 10 completed over three years, from 2024 to 2026. If there are any changes to the
 11 evidence provided herein including changes in scope, budget or timelines
 12 subsequent to approval, further evidence will be provided in the 2025 and/or the
 13 2026 Capital Budget Application.

15 **d. Transmission Corridor Widening (Recurring) \$ 370,000**

16 Under agreement with the Provincial Government, Maritime Electric is allowed to
 17 install its electrical lines at the outside edge of transportation right of ways.
 18 Accordingly, this also allows the Company to cut or trim vegetation in the right of
 19 way so that it does not contact lines; however, when the land directly adjacent to
 20 the right of way is treed, additional permissions are required, often from private
 21 landowners. In the past, private landowner permissions have been difficult to
 22 obtain and therefore, many lines have significant tree stands directly next to them.
 23 Since Fiona, landowners are more aware of the risk that trees pose to power lines
 24 and there is a new opportunity to secure permissions that will allow the Company
 25 to reduce this risk by cutting trees and widening corridors.

6.0 TRANSMISSION

1 The proposed new program for transmission corridor widening, by up to
2 approximately 10 feet, is required to remove vegetation along existing transmission
3 lines where it is outside the transportation right of way but in close proximity to
4 lines.

5
6 The vegetation removal under this program will be properly budgeted as a capital
7 expenditure on the basis that the corridor widening (including danger tree removal)
8 will be limited to areas that have not previously been cut.⁴⁹

9
10 Maritime Electric's existing vegetation management program, which primarily
11 targets trees within existing transportation right of way limits, will be used to deter
12 new tree growth in the widened corridor once it is established.

13
14 *Justification*

15 The proposed program to widen the transmission corridor and/or remove danger
16 trees is justified based on the necessity to reduce of tree contacts and damage to
17 the transmission system during storms, and the obligation to provide safe and
18 reliable service to customers.

19
20 Tree contacts are a leading cause of outages, particularly in storm events. During
21 Dorian and Fiona, the transmission system experienced several outages due to
22 trees, the majority of which were located adjacent to, but outside of, the
23 transportation right of way. Tree contacts can cause damage to transmission poles
24 and conductor, leading to longer duration outages and higher restoration costs.
25 Transmission corridor widening is an essential new program for Maritime Electric
26 that will protect the transmission system from damage during future storm events.
27 Similar to the tree removal that is required when a new transmission line is
28 constructed, the tree removal that occurs as a result of corridor widening will be
29 capitalized. Once a corridor is widened under this program, it will then be
30 maintained (as an operational expense) under the vegetation management
31 program.

⁴⁹ Danger trees are further away from lines but still of concern due to their height.

6.0 TRANSMISSION

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Costing Methodology

A breakdown of the proposed 2024 budget allocation for transmission corridor widening is provided in Table 78.

TABLE 78 Proposed Capital Expenditures Transmission Corridor Widening	
Description	Budget
Materials	\$ -
Contractor Labour	310,000
Internal Labour and Transportation	60,000
TOTAL	\$ 370,000

Future Commitments

This is not a multi-year capital budget commitment; however, it is proposed as a recurring capital requirement that will be budgeted annually.

At this time, the extent of the opportunities to widen existing transmission corridors is not quantified and assessments of transmission lines will be required on an on-going basis to determine the extent and duration of the program.

1 APPENDIX E: VEGETATION MANAGEMENT SCENARIO DIAGRAMS

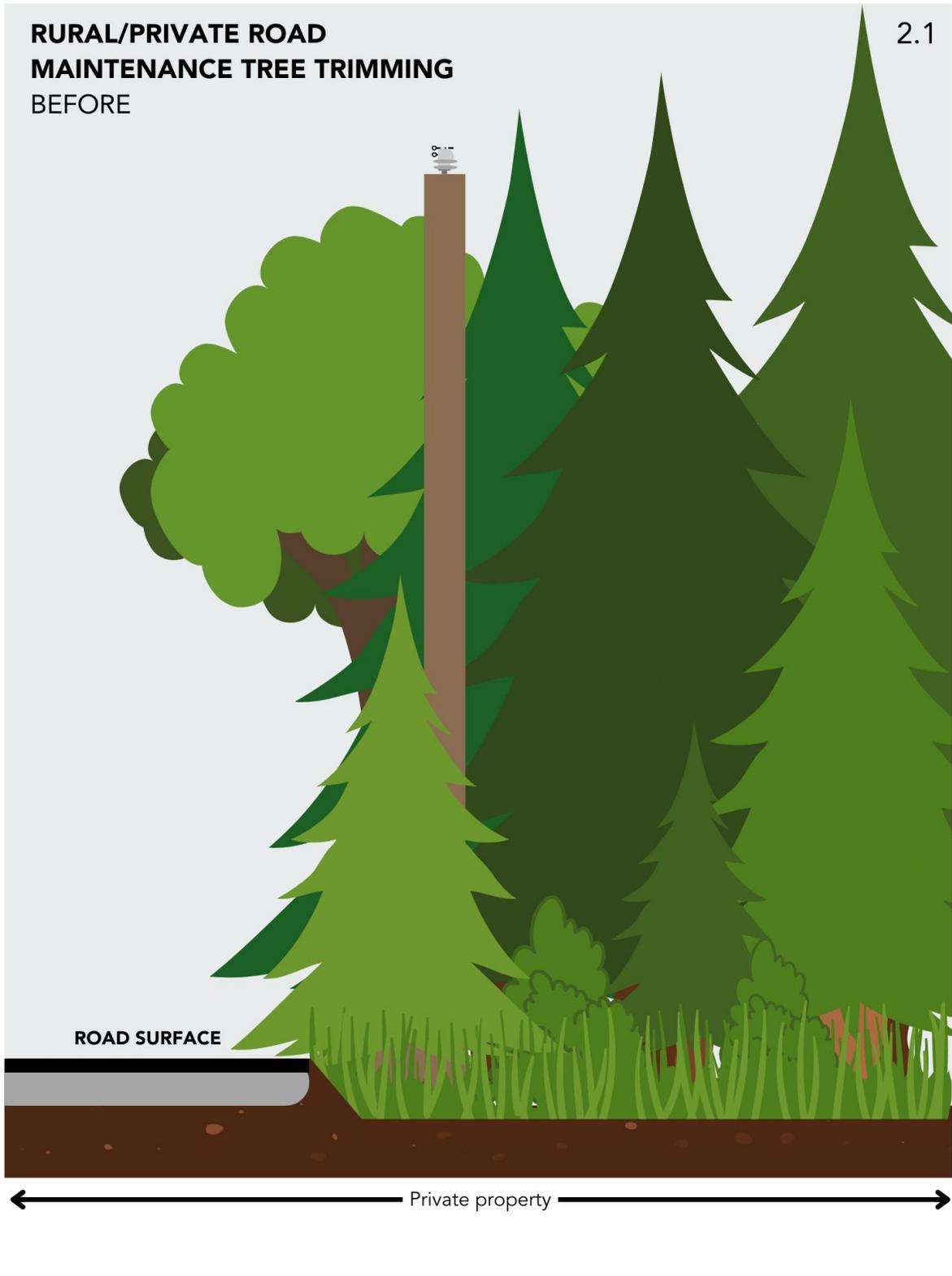
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1

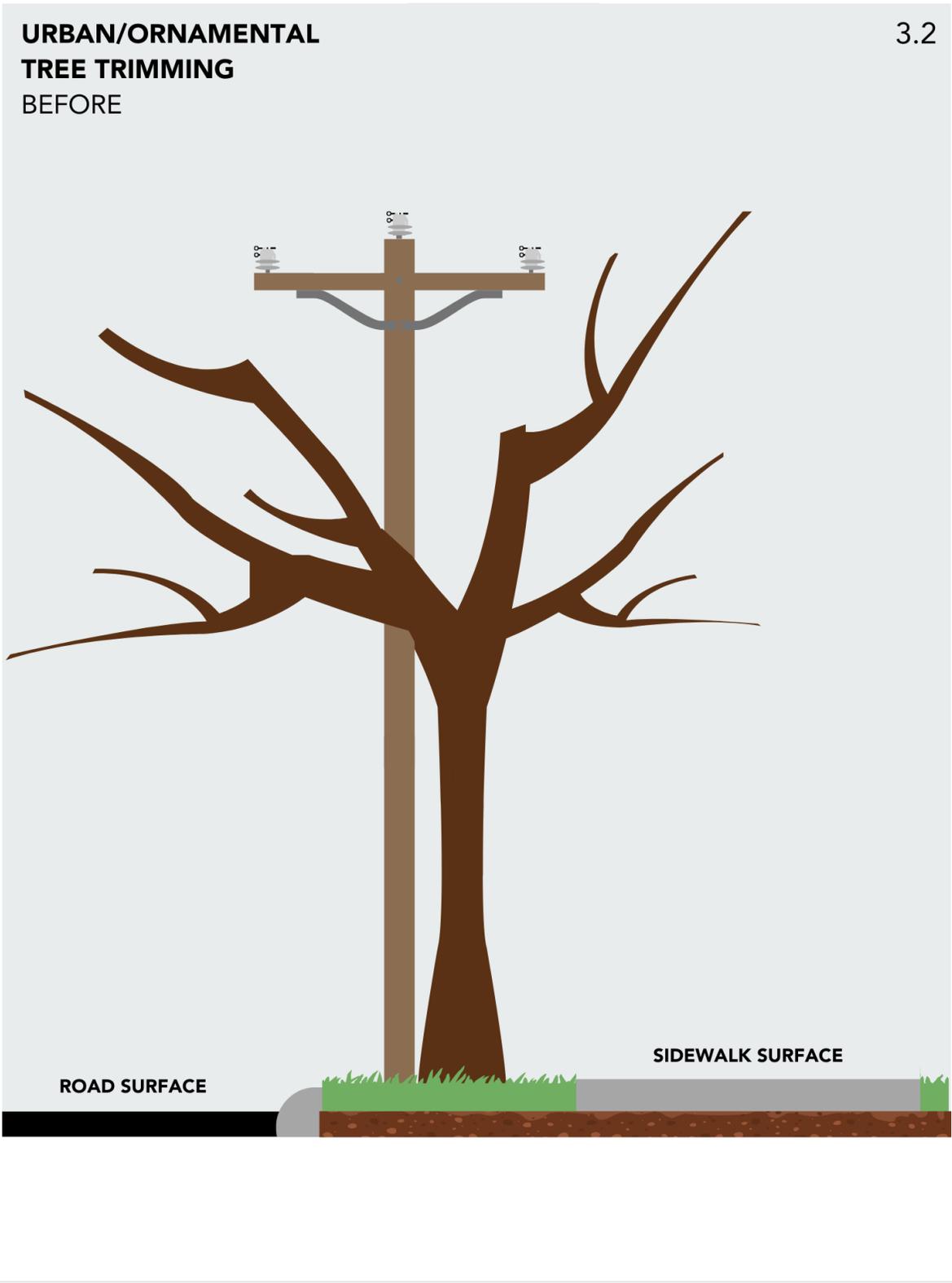




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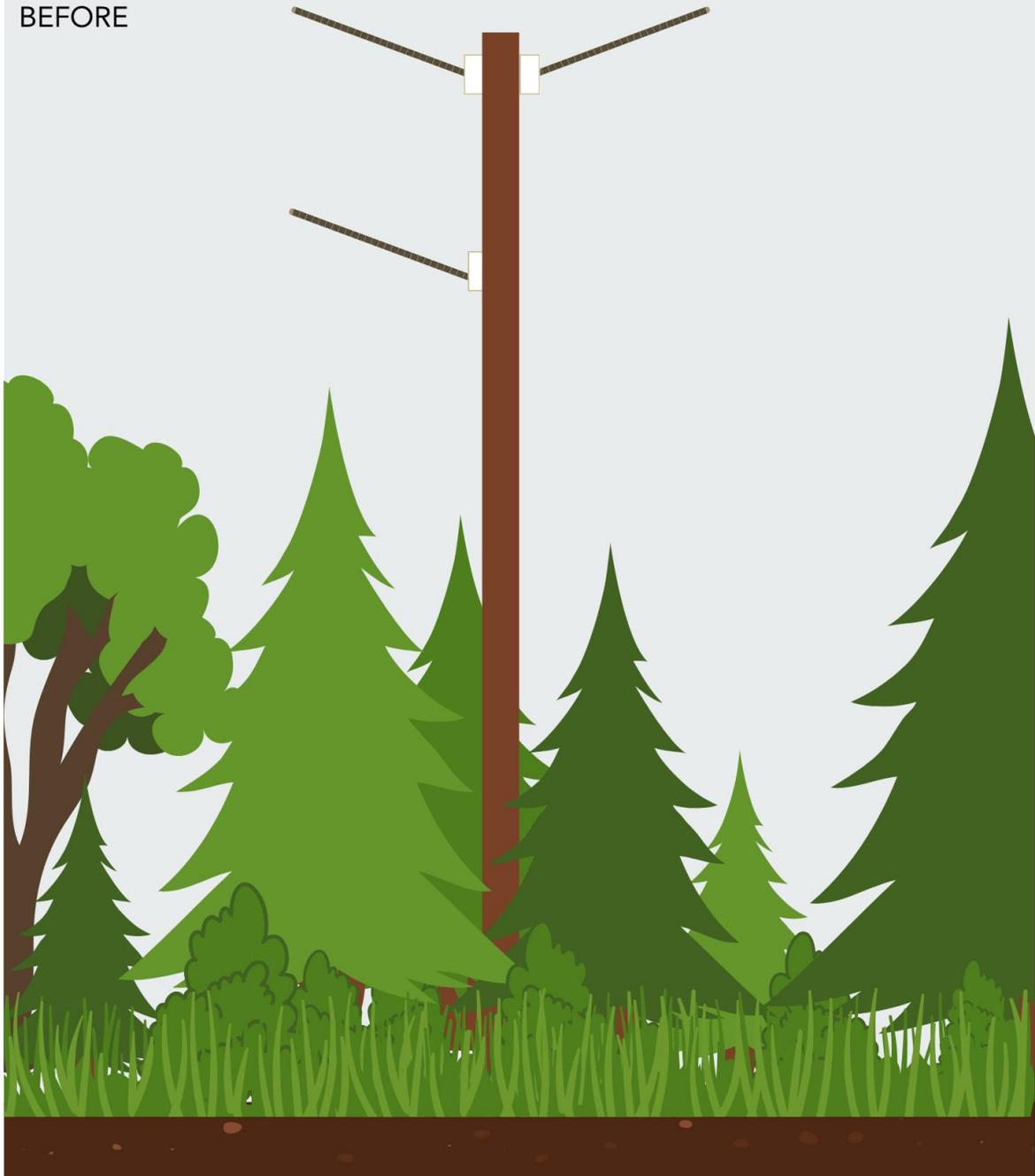
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1

**TRANSMISSION MAINTENANCE
TREE TRIMMING
BEFORE**

4.1

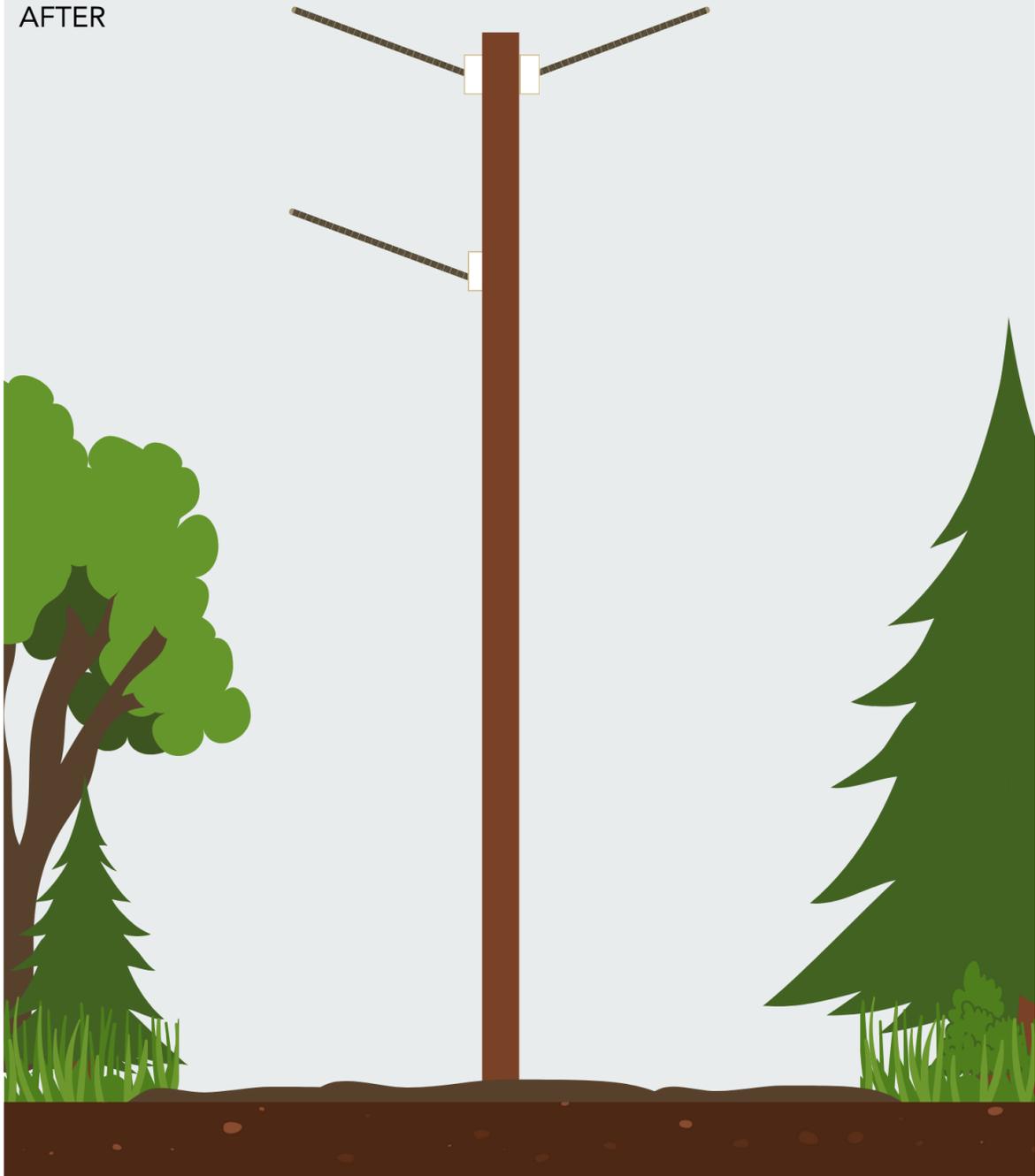


← Up to 70' →

1

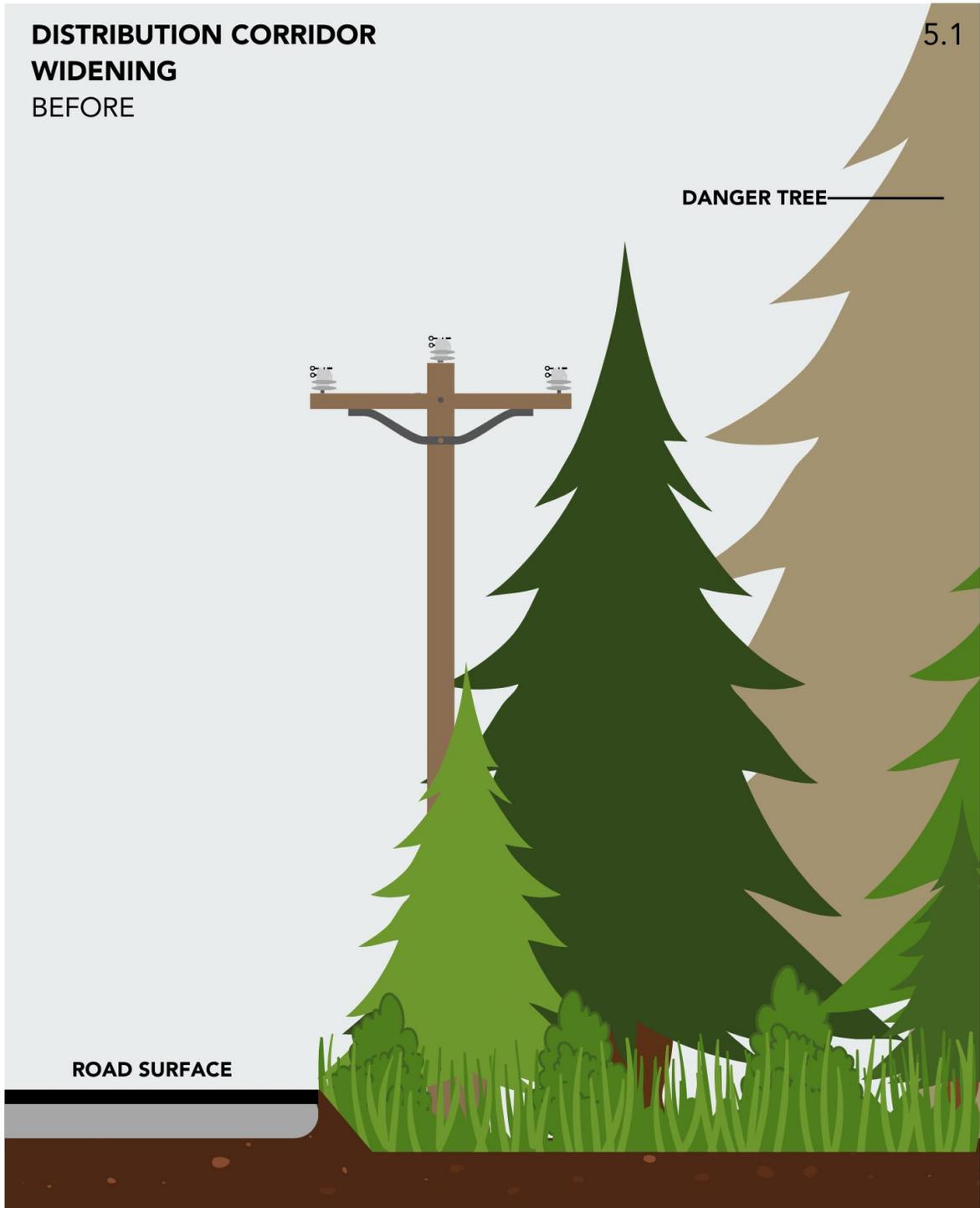
**TRANSMISSION MAINTENANCE
TREE TRIMMING
AFTER**

4.2



← Up to 70' →

1

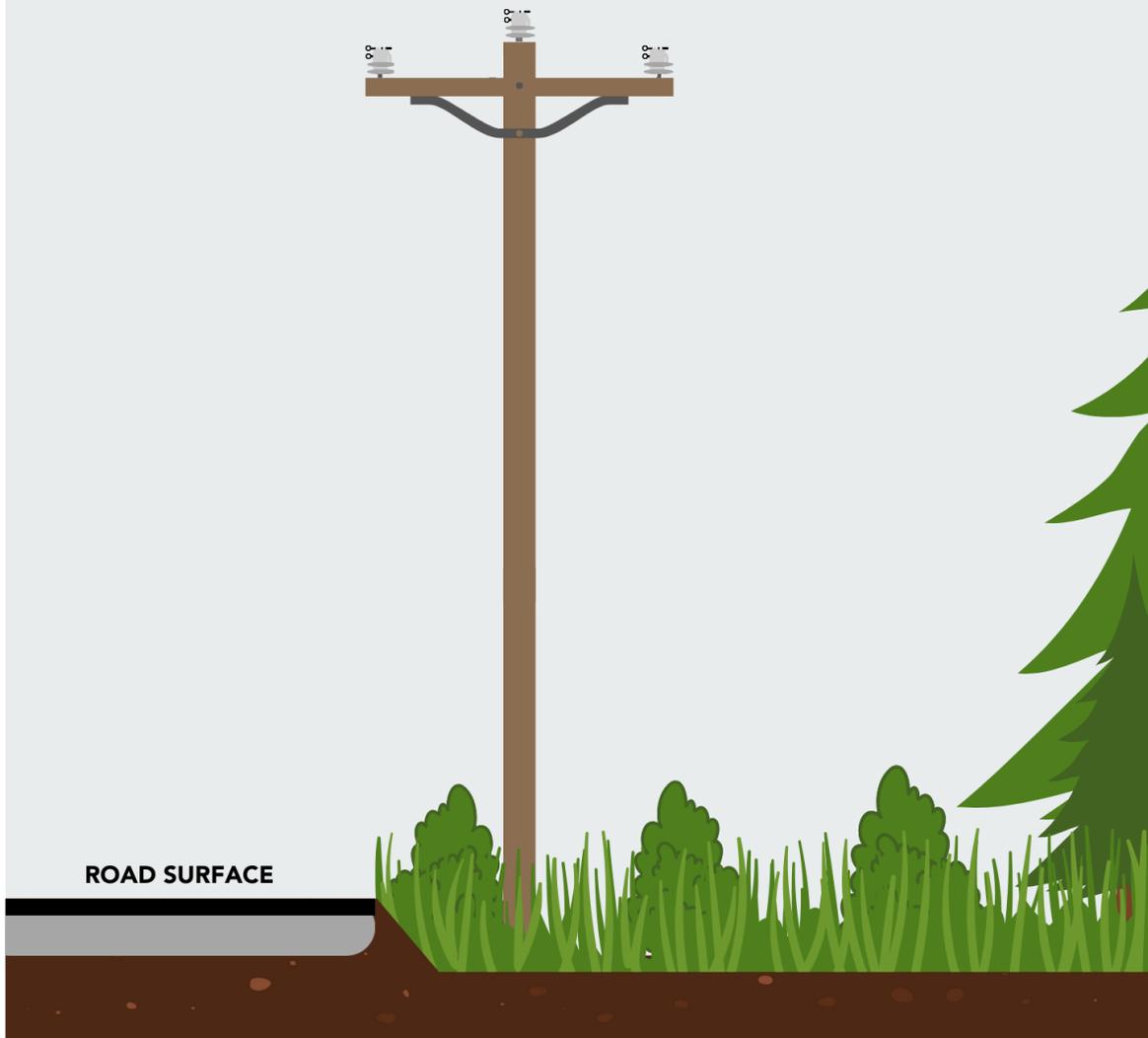


← 33' from road center line → ≤ 5' →

1

**DISTRIBUTION CORRIDOR
WIDENING
AFTER**

5.2

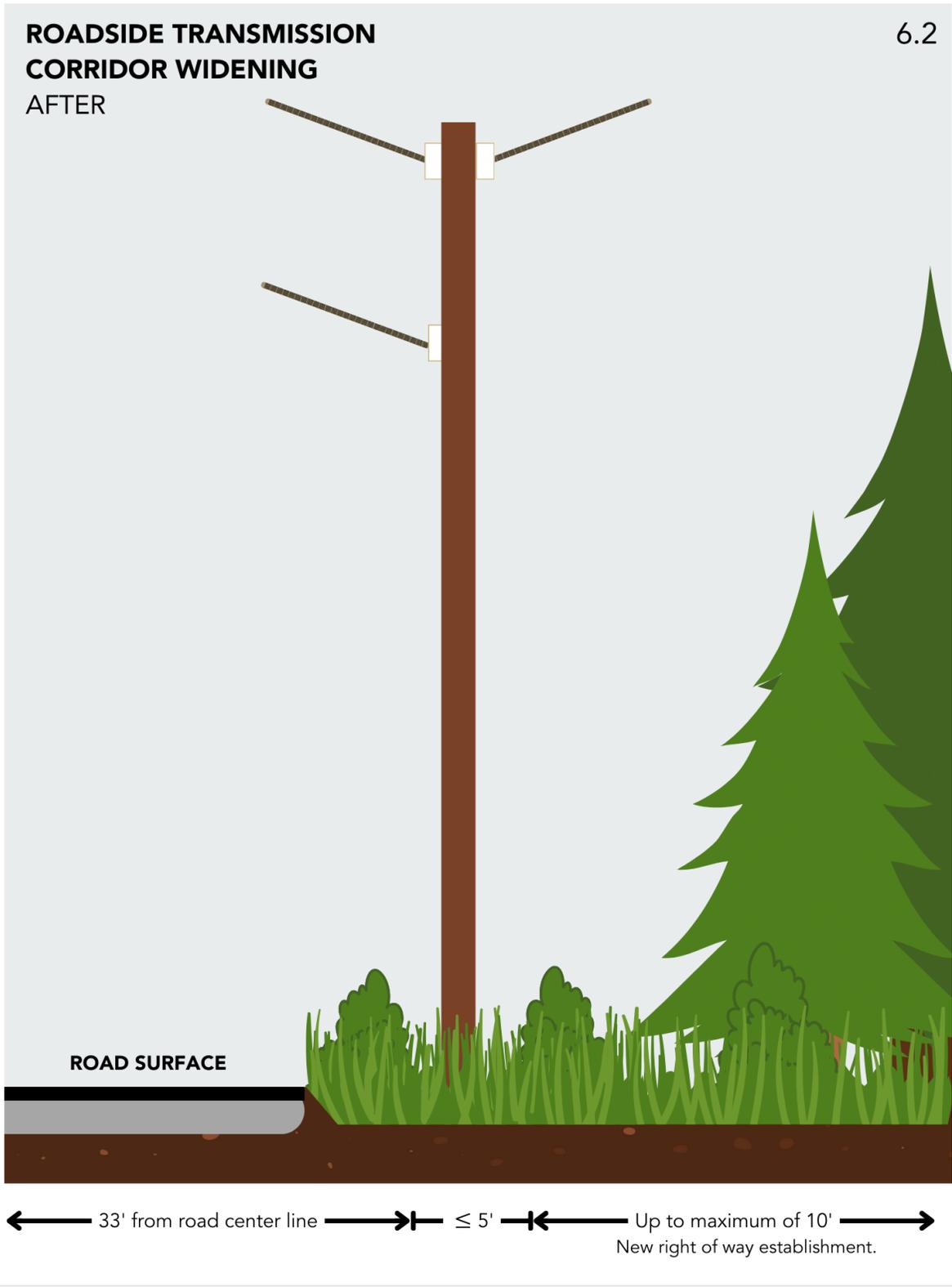


← 33' from road center line → | ≤ 5' ← | Up to maximum of 10' →
New right of way establishment.

1



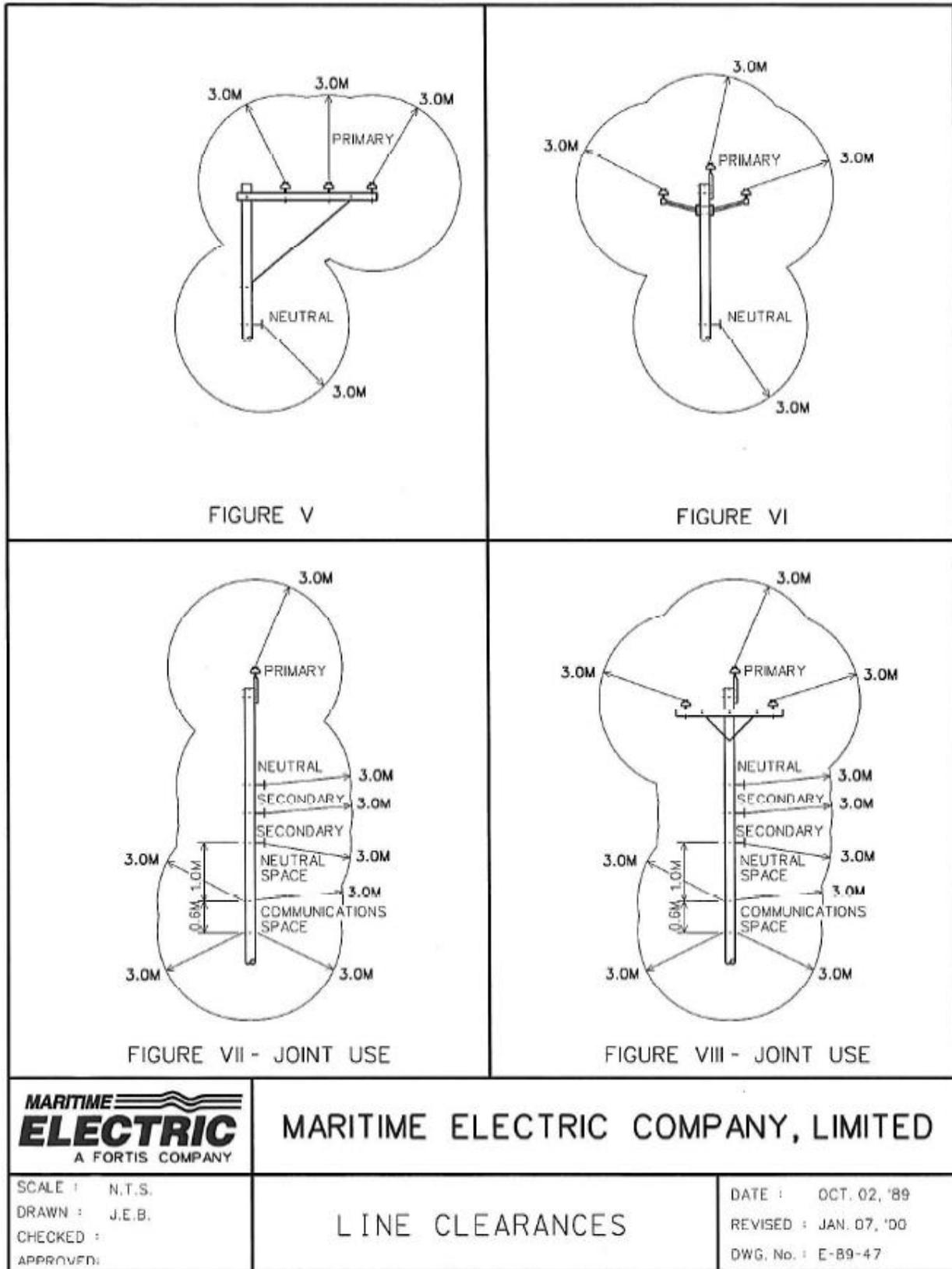
1



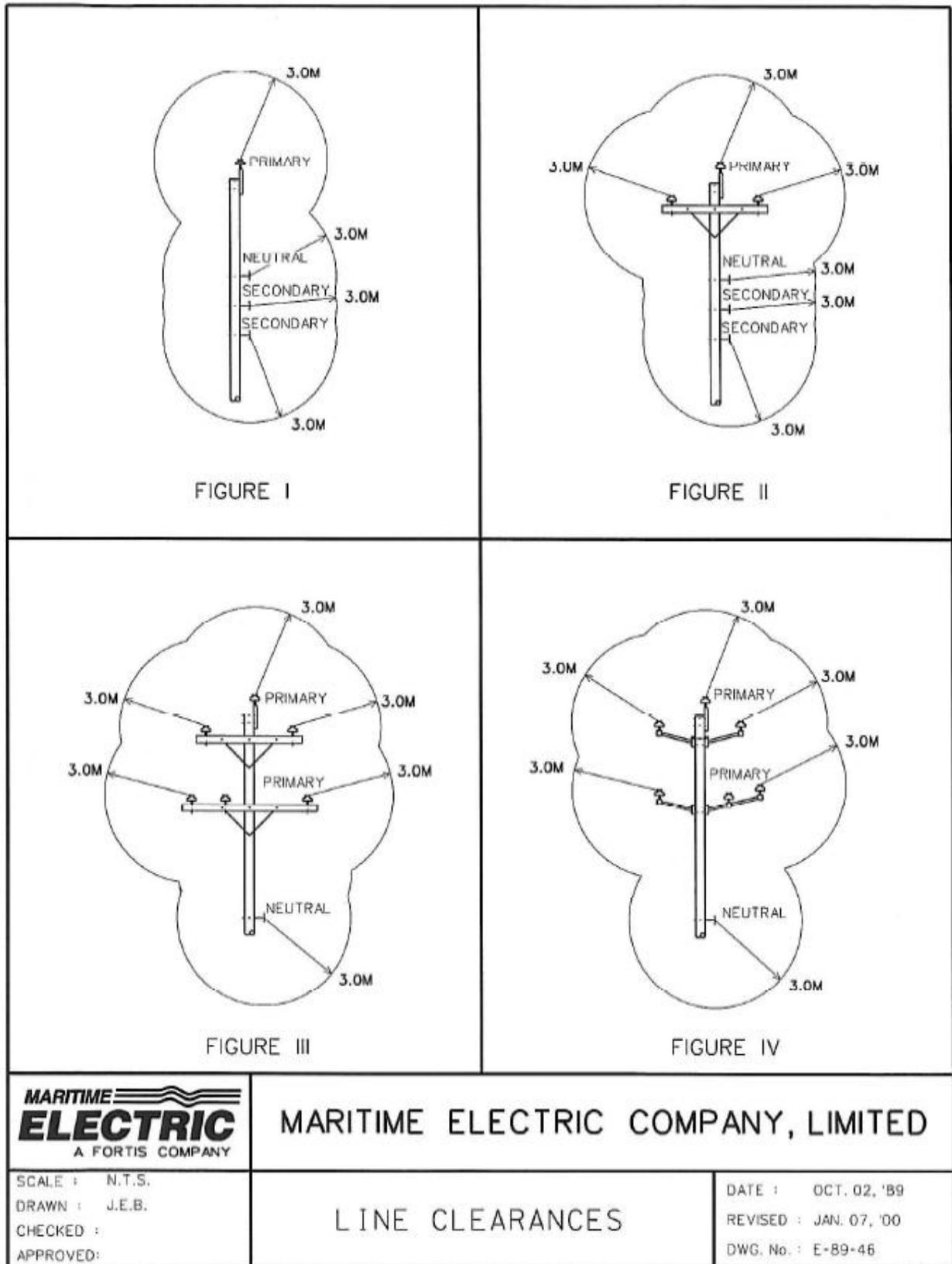
1

1 APPENDIX F: MECL LINE CLEARANCES

2



1



1



IR-24 - Attachment 2



Environment,
Energy and
Climate Action

Environnement,
Énergie et
Action climatique



Office of the Minister

PO Box 2000, Charlottetown
Prince Edward Island
Canada C1A 7N8

Bureau du ministre

C.P. 2000, Charlottetown
Île-du-Prince-Édouard
Canada C1A 7N8

November 12, 2025

Mr. Jason Roberts
President & Chief Executive Officer
Maritime Electric
180 Kent St, Charlottetown, PE
C1A 7N2

Dear Mr. Roberts,

On behalf of the Government of Prince Edward Island, we would like to acknowledge your ongoing efforts to ensure a stable and reliable electricity supply for all Islanders. We recognize that effective vegetation management is critical to this goal, especially in the face of increasingly severe weather events. We also appreciate your commitment to developing more aggressive, cycle-based trimming systems to enhance the overall resilience of our power grid.

We understand that you currently have limited authority to manage vegetation on private land without landowner permission, as per the existing *Electric Power Act*. This restriction can hinder efforts to prevent outages caused by trees on private property threatening power lines. The Department of Environment, Energy and Climate Action is therefore considering options that would reduce barriers to conducting necessary vegetation management.

This is a complex matter, and we want to assure you that any changes will be made with careful consideration. As we weigh our options, we are committed to balancing the critical need for a stable electricity supply with the rights and concerns of property owners. A public consultation process will be held on any proposed amendment, and we value your input and expertise as we move forward.

We look forward to continuing our collaborative work to improve the reliability of Prince Edward Island's electrical infrastructure.

Sincerely,

Hon. Gilles Arsenault
Minister Environment, Energy and Climate Action

All our energy.
All the time.



December 1, 2025

Hon. Gilles Arsenault
Minister, Environment, Energy & Climate Action
11 Kent Street – 4th Floor Jones Building
Charlottetown PE C1A 7N8

Dear Minister Arsenault:

Thank you for your letter and for recognizing the importance of vegetation management in maintaining a reliable electricity supply for Islanders. We share your commitment to strengthening grid resilience, particularly as severe weather events become more frequent and impactful.

Maritime Electric fully supports a balanced approach that ensures property rights are respected while enabling us to execute an effective vegetation management program. Our experience has shown that proactive trimming and cutting trees in proximity to power lines significantly reduces outages and improves safety for both the public and our crews. However, current limitations to enter private land often prevents us from addressing high-risk vegetation on private property, which can compromise system reliability.

We believe that statutory provisions permitting public utilities to enter private land to trim and cut trees and a carefully structured framework, one that includes clear guidelines, transparency, and appropriate notice to landowners can achieve this balance. Such a framework would allow us to prioritize where vegetation poses an imminent risk to critical infrastructure, while maintaining strong communication and respect for landowner concerns. We also see an opportunity for us to collaborate with government and landowners on planting proper trees and shrubs within the public right-of-way to maintain aesthetics, allow windbreaks and address snow drifting.

We welcome the opportunity to participate in the upcoming public consultation process and to share best practices from other jurisdictions that have successfully implemented similar measures. Our goal is to work collaboratively with government and stakeholders to ensure that Islanders benefit from a safe, reliable, and resilient electrical system.

We look forward to continuing this dialogue and supporting the development of solutions that support vegetation management, reliability and property rights.

Yours truly,

MARITIME ELECTRIC

A handwritten signature in blue ink, appearing to read "J Roberts".

Jason Roberts
President and Chief Executive Officer

JCR38

cc: Norbert Carpenter, Deputy Minister, Environment, Energy & Climate Action
Gordon MacFadyen, CEO, PEI Energy Corporation



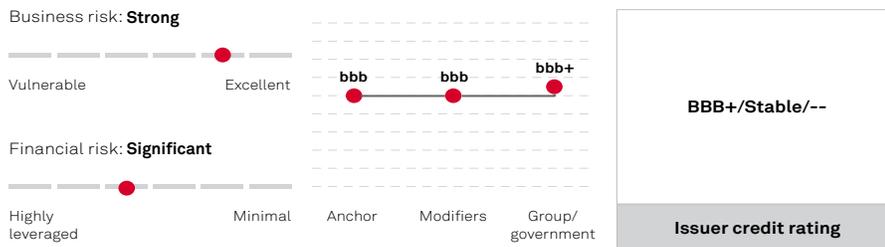
IR-28 - Attachment 1

Maritime Electric Co. Ltd.

January 15, 2026

This report does not constitute a rating action.

Ratings Score Snapshot



Primary Contact

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Research Contributor

Samarth Dayama
CRISIL Global Analytical Center,
an S&P Global Ratings affiliate
Pune

Credit Highlights

Overview

Key strengths	Key risks
Low-risk, integrated electricity generation, transmission, and distribution utility.	Exposure to physical risks, including storms, hurricanes, and wildfires.
Generally supportive regulatory framework that minimizes exposure to commodity input costs.	Lack of geographic and regulatory diversity, operating only in the province of Prince Edward Island (PEI).
A moderately strategic entity to its parent, Fortis Inc., which we expect would provide support under some circumstances.	Risk of the provincial government interfering with energy policy and rate setting.

We revised our outlook on Fortis Inc. and its subsidiaries, including Maritime Electric Co. Ltd. (MECL), to stable from negative on Nov. 6, 2025. Fortis' consolidated funds from operations (FFO) to debt has improved consistently over the past few quarters, and we project it will remain above 12% over our forecast period. At the same time, there have been developments at the company's subsidiaries to mitigate physical risks, which we believe should support credit quality.

Because we assess MECL to be a moderately strategic subsidiary of Fortis and given our 'BBB+' rating on the company, we revised the outlook on MECL to stable as well.

We assess MECL's business risk as strong. This reflects its lower-risk, rate-regulated, and vertically integrated electric utility business as well as its management of regulatory risk, which we view as consistent with that of its peers. MECL has generally managed regulatory risk effectively by relying on credit-supportive mechanisms such as energy-cost adjustments and weather normalization in its rates. These provide it with stable cash flows and minimize profit volatility. Our assessment of MECL's business risk also reflects the active role of the Island Regulatory and Appeals Commission (IRAC) and the provincial government of PEI in establishing energy policy and setting rates for the island's customers, which exposes the utility to potential political interference. We view this as generally less favorable than an independent regulator with a clear, consistent mandate and a track record of credit-supportive policies. As such, we expect the company to maintain constructive relationships with its regulator in a manner that continues to support its credit quality.

MECL's small scale and exposure to physical risks further limit its business risk profile.

Compared with its utility peers, the company has a small customer base (90,000) and lacks geographic and regulatory diversity. Slightly offsetting these factors is its vertically integrated, rate-regulated electric utility operation, which has a track record of constructive regulatory outcomes and stable profits. The company is also exposed to physical risks, as PEI can be hit by hurricanes, as it was in 2019 (Hurricane Dorian) and 2022 (Hurricane Fiona). In recent years, MECL has been investing in vegetation management to help mitigate its physical risks. It has also hardened and replaced portions of its electric system to minimize service outages.

MECL's ongoing regulatory filings aim to support the province's increasing electricity needs and transition to a more sustainable economy.

In August 2025, MECL applied to IRAC to install two 50-megawatt (MW) combustion turbines in Charlottetown at an estimated cost of \$334 million. We expect it will use the additional capacity to meet emergency demand, thereby lowering blackout risk. Based on generation needs of at least 150 MW, and assuming the company is approved to install a total of 100 MW of generation capacity; we believe the application filed in early 2025 would likely be revised. The earlier application comprised of a 50 MW combustion turbine, a 10 MW, four-hour battery energy storage system, and 90 MW of reciprocating internal combustion engines, collectively providing an additional 150 MW of dispatchable generation capacity and at an estimated project cost is approximately \$427 million.

We continue to monitor these ongoing regulatory requests.

We project MECL's financial measures will remain commensurate with a significant financial risk profile.

We assess the company's stand-alone financial measures using our medial volatility financial benchmark table, which reflects the company's lower-risk regulated utility operations and effective management of regulatory risk. Under our base-case assumptions, we expect recovery of investment, capital spending averaging about C\$130 million, and modest dividends through 2027. We forecast average FFO to debt of about 16% through 2027.

Outlook

The stable outlook reflects our expectations that MECL will maintain a constructive relationship with its regulator, continue to harden its electric system over time, and generate stable and predictable financial measures. We expect its stand-alone FFO to debt will average 16% through 2027.

Downside scenario

We could downgrade MECL over the next 24 months if:

- There are adverse regulatory rulings, increasing physical risks, or operational setbacks that result in a higher business risk assessment; or
- Its stand-alone financial measures weaken, including FFO to debt consistently below 16%.

Upside scenario

Although less likely, we could raise our ratings on MECL over the next 24 months if its stand-alone financial measures improve, including FFO to debt consistently above 25%, without a weakening of business risk profile.

Our Base-Case Scenario

Assumptions

- The economy in its service territory remains stable, with a modest increase in its customer base;
- No material adverse regulatory decisions;
- Capital expenditures (capex) averaging about C\$130 million per year through 2027; and
- Modest average annual dividends.

Key metrics

Maritime Electric Co. Ltd.--Forecast summary

Period ending	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027
	2021a	2022a	2023a	2024a	2025e	2026f	2027f
Adjusted ratios							
Debt/EBITDA (x)	4.3	4.7	4.7	4.7	4.0-5.0	4.0-5.0	4.0-5.0
FFO/debt (%)	17.3	15.8	15.9	16.2	15.0-16.0	15.5-16.5	16.0-17.0
FFO cash interest coverage (x)	4.0	3.9	3.9	4.1	3.5-4.5	3.5-4.5	3.5-4.5

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. FFO—Funds from operations.

Company Description

[MECL](#) is an integrated electricity generation, transmission, and distribution utility with operations throughout PEI. It provides services to more than 90,600 customers and is regulated by IRAC.

MECL is an indirect wholly owned subsidiary of Fortis.

Liquidity

As of Sept. 30, 2025, we assess MECL's liquidity as adequate because we believe its sources will likely cover uses by more than 1.1x over the next 12 months and meet cash outflow even if EBITDA declines 10%. The assessment also reflects our view of the company's generally prudent risk

management, sound relationship with banks, and generally satisfactory standing in the credit markets. We believe MECL's predictable regulatory framework provides it with manageable cash-flow stability even in economic stress, supporting our use of slightly lower thresholds to assess liquidity.

In addition, we believe MECL can absorb high-impact, low-probability events given that it maintains about C\$90 million in committed credit facilities through February 2027 and our expectation that it will renew the facility well ahead of this maturity. We also believe it can lower its high spending (averaging about C\$130 million annually) during stressful periods, indicative of a limited need for refinancing under such conditions. Overall, we believe the company can withstand adverse market circumstances over the next 12 months with sufficient liquidity to meet its obligations. The company has no significant long-term debt maturities for the next five years.

Principal liquidity sources	Principal liquidity uses
<ul style="list-style-type: none">• Cash and liquid investments of about C\$12.5 million;• Available committed credit facilities of about C\$90 million as of Sept. 30, 2025; and• Cash FFO of about C\$75 million over the next 12 months.	<ul style="list-style-type: none">• Maturity of about C\$15 million 7.570% notes due in 2025;• Capital spending of about C\$130 million over the next 12 months; and• Modest dividend payments over the next 12 months.

Environmental, Social, And Governance

ESG factors have no material influence on our credit rating analysis of MECL. That said, potential waste, health, and safety risks are relevant given the company's indirect exposure to nuclear power generation.

Group Influence

MECL is an indirect, wholly owned subsidiary of Fortis. We consider the company to be moderately strategic to the Fortis group, which reflects our view that it's unlikely to be sold, has the support of management, is reasonably successful at its operations, and is aligned with Fortis' overall business strategy. Based on our 'bbb' stand-alone credit profile on MECL, there's a one-notch uplift to our ratings on the company, which are capped at one notch below Fortis' 'a-' group credit profile.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of Dec. 31, 2024, MECL's capital structure consisted of about C\$58.6 million of short-term borrowings and C\$320 million of first-mortgage bonds (FMBs).

Analytical conclusions

MECL's FMBs benefit from a first-priority lien on the majority of the utility's real property owned or subsequently acquired. In addition, the collateral coverage on these FMBs is more than 1.5x,

Maritime Electric Co. Ltd.

which supports a recovery rating of '1+' and an issue-level rating of 'A' (two notches above our 'BBB+' issuer credit rating on MECL).

Rating Component Scores

Foreign currency issuer credit rating	BBB+/Stable/--
Local currency issuer credit rating	BBB+/Stable/--
Business risk	Strong
Country risk	Very Low
Industry risk	Very Low
Competitive position	Satisfactory
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	bbb
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb
Group credit profile	a-
Entity status within group	Moderately Strategic (+1 notch from SACP)

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers](#), Dec. 7, 2016
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014

Maritime Electric Co. Ltd.

- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Research Update: Forts Inc. Outlook Revised To Stable From Negative On Improving Credit Strength; 'A-' Issuer Credit Rating Affirmed](#), Nov. 6, 2025.

Ratings Detail (as of January 15, 2026)*

Maritime Electric Co. Ltd.

Issuer Credit Rating	BBB+/Stable/--
Senior Secured	A

Issuer Credit Ratings History

06-Nov-2025	BBB+/Stable/--
03-Nov-2023	BBB+/Negative/--
29-Mar-2016	BBB+/Stable/--

Related Entities

Caribbean Utilities Co. Ltd.

Issuer Credit Rating	BBB+/Stable/--
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Central Hudson Gas & Electric Corp.

Issuer Credit Rating	BBB+/Stable/NR
Senior Unsecured	BBB+

FortisAlberta Inc.

Issuer Credit Rating	A-/Stable/--
Senior Unsecured	A-

Fortis Inc.

Issuer Credit Rating	A-/Stable/--
Junior Subordinated	BBB
Preference Stock	
<i>Canada National Scale Preferred Share</i>	P-2
Preference Stock	BBB
Preferred Stock	
<i>Canada National Scale Preferred Share</i>	P-2
Preferred Stock	BBB
Senior Unsecured	BBB+

International Transmission Co.

Issuer Credit Rating	A/Stable/--
Senior Secured	A+

ITC Great Plains LLC

Issuer Credit Rating	A/Stable/--
Senior Secured	A+

ITC Holdings Corp.

Issuer Credit Rating	A-/Stable/A-2
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Maritime Electric Co. Ltd.

Ratings Detail (as of January 15, 2026)*

Commercial Paper	
<i>Local Currency</i>	A-2
Senior Unsecured	BBB+
<u>ITC Midwest LLC</u>	
Issuer Credit Rating	A/Stable/--
Senior Secured	A+
<u>Michigan Electric Transmission Co.</u>	
Issuer Credit Rating	A/Stable/--
Senior Secured	A+
<u>Tucson Electric Power Co.</u>	
Issuer Credit Rating	A-/Stable/NR
Senior Unsecured	A-

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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