

## Ryan MacDonald

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**From:** Greg Gaudet <greg.gaudet@city.summerside.pe.ca>  
**Sent:** July 12, 2021 7:58 AM  
**To:** Cheryl Mosher  
**Subject:** MECL Complaint to IRAC re: payment of OATT true Up Costs  
**Attachments:** Letter to mecl re oatt true up costs.txt

Good morning Cheryl,

As we have previously noted to you, we remain unsure as to recent processes and procedures utilized by IRAC which resulted in your January 28, 2019 letter to Mr. Robert's being issued. This correspondence refers to meetings between representatives of MECL, commission staff and legal counsel.

At no point was the City of Summerside advised of a hearing or meetings, asked to participate in the exchange of information or afforded the ability to participate in any of these conversations which only leaves us with fundamental questions pertaining to process. The complete lack of ability to participate raises many questions for reasons which will be set out below, but especially considering that the conclusion reached in your January 28, 2019 correspondence directs that the Summerside Electric Utility has an expense of \$406,803.92.

In paragraph 143 of commission order UE 18-05, the Commission stated:

"The Commission advised the parties that the amount of Summerside Electric's indebtedness for transmission costs, if any, would not be considered a part of this Application. Instead, the Commission directs Maritime Electric to work with Commission staff and Summerside Electric to determine at the total amount of Summerside Electric's indebtedness for transmission cost under the interim OATT. In the event the parties cannot agree on the amount of Summerside Electric's indebtedness within 30 days from the date of this decision, an application may be made to the Commission to determine the amount of indebtedness."

In an email dated March 15, 2018, counsel for MECL submitted a document as part of the OATT hearing, based on its own calculations for the true up costs. This document, prepared by MECL, showed T11 losses from July 2008 to February 2018 being credited to the City of Summerside in the amount of \$416,675.27, with additional estimated losses from March 2018 to April 2018 in the amount of \$7,017.18.

From the City's perspective, crediting the City for these amounts was the correct approach and we believed that we were in agreement with MECL on this matter given that it prepared the true up costs. Further, future exchanges after The OATT Order was issued occurred between the City and MECL about the T11 losses, and while these numbers were lower than those noted in the materials filed at the OATT hearing, the City agreed with MECL on the calculations.

In your January 28, 2019 correspondence, you indicated that the T11 losses were not going to be credited to the City. From our perspective, this was quite surprising, since at all material times we worked with MECL to reach an agreement on the T11 losses, as we were directed to do by Order UE 18-05. As an agreement was reached on the T11 losses to be credited to the City, and as per the Order, we are unsure as to why your letter removed these credits to the City, without any input from the City at all.

Despite this reversal, the City has paid invoices to MECL which would cover the T11 credits it thought that it was receiving, and remains of the position that it should not have been required to do so. Additionally, the City is also being asked to pay other amounts as per your January 28, 2019 letter, despite the fact that we were not involved in the process leading up to the issuance of that letter.

Before proceeding any further, the City requests a response to the email that I sent to you on February 8, 2019, inquiring into these matters so that they can be fully resolved. We trust that going forward we can be involved in the process of establishing if any funds are owing by the City to MECL and vice versa.

Stay Safe,

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