

Ryan MacDonald

From: Greg Gaudet <greg.gaudet@city.summerside.pe.ca>
Sent: September 9, 2021 7:58 AM
To: Cheryl Mosher
Cc: Ryan MacDonald; Derek Key; Gordon MacFarlane; Rob Philpott
Subject: RE: MECL Complaint to IRAC re: payment of OATT true Up Costs

Cheryl,

Thanks for the reply. The City is engaging KeyMurrayLaw as our agent in this complaint and to that effect Ryan MacDonald (email attached) is drafting a response on the complaint.

Stay Safe,

Greg Gaudet. P.Eng.,
Director of Municipal Services,
The City of Summerside
902-439-5776
www.summerside.ca
ggaudet@city.summerside.pe.ca

From: Cheryl Mosher <cmosher@irac.pe.ca>
Sent: Thursday, July 29, 2021 10:21 AM
To: Greg Gaudet <greg.gaudet@city.summerside.pe.ca>
Subject: RE: MECL Complaint to IRAC re: payment of OATT true Up Costs

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Mr. Gaudet,

Thank you for your email.

You have requested clarification with respect to my correspondence of January 28, 2019. In my correspondence, Maritime Electric Company, Limited ("MECL") was directed to recover the sum of \$406,803.92. This amount represented Item A – Underpaid Transmission Access (\$342,492.43), and Item B – Accrued Interest on Underpaid Transmission Access Fess (\$64,311.49).

MECL was not directed to recover the following:

Item C – Unpaid Cable Contingency Fund Contributions (March 1, 2013 – July 31, 2018)
Item D – NB Schedule 9 (November 1, 2017 – July 31, 2018)
Item E – Care Tormentine Property Tax (July 1, 2017 – July 31, 2018)
Item F – IRAC OATT Hearing Costs (April 2017 – March 2018)

MECL has now filed a complaint pursuant to section 12.5 of the OATT seeking to recover Items C, D, E and F from the City of Summerside ("COS"). A copy of this complaint was sent to you via email on May 11, 2021 and COS has been given the opportunity to respond. A follow-up email was sent to you on July 7, 2021. At this time, the Commission continues to await COS's response to the complaint.

A copy of the complaint has also been provided to the PEI Energy Corporation for comment (if any) relating to the Cable Contingency Fund Contributions that form part of the complaint. Any comments received from PEIEC will be provided to both MECL and COS.

As noted in my July 7, 2021 email, the Commission intends to move forward with its review of the complaint. Can you please advise whether COS intends to respond and, if so, when you will be in a position to do so?

Once responses are received, the Commission intends to issue a written decision. In the event the Commission determines that further information is required prior to making its decision, MECL and COS will be advised accordingly.

Thanks,

Cheryl Mosher, CPA, CA

Senior Financial Advisor

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The Island Regulatory & Appeals Commission

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From: Greg Gaudet [<mailto:greg.gaudet@city.summerside.pe.ca>]

Sent: Monday, July 12, 2021 7:58 AM

To: Cheryl Mosher <cmosher@irac.pe.ca>

Subject: MECL Complaint to IRAC re: payment of OATT true Up Costs

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,

Greg Gaudet. P.Eng.,
Director of Municipal Services,
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