



PRINCE EDWARD ISLAND
Regulatory & Appeals Commission
Commission de réglementation et d'appels
ÎLE-DU-PRINCE-ÉDOUARD

5th Floor Suite 501
National Bank Tower
501-134 Kent Street
P.O. Box 577
Charlottetown, PE C1A 7L1
Tel 902-892-3501
Fax 902-566-4076

Interrogatories of Commission Staff

TO: Maritime Electric Company, Limited
FROM: Cheryl Bradley, Senior Financial Advisor
DATE: August 22, 2024
RE: 2023 Capital Budget Variance Report
DOCKET: UE20740

The Island Regulatory and Appeals Commission (the “Commission”), in assessing the reasonableness of the 2023 Capital Budget Variance Report submitted by Maritime Electric Company, Limited (“Maritime Electric” or “MECL”), requests responses to the following interrogatories:

1. Please provide a breakdown of the customer contributions received in relation to their corresponding projects.
2. Section 4 – For a number of projects MECL indicated there were higher than anticipated expenditures on unforeseen equipment failures which caused various projects to be overbudget. Please provide some examples of the unforeseen equipment failures that were experienced during the year.
3. Section 5.2 – Distribution Transformers were overbudget by approximately \$2.4 million due to the inflationary cost increases for the transformer equipment that occurred since the 2023 application was filed. Please provide a detailed analysis as compared to the budget including number of distribution transformers, budgeted costs and actual costs. Please include source document evidence.
4. Section 5.3 – Services and Street Lighting was over budget for the last two years due to service request associated with new construction continuing to remain high as well as upgrade service requests due to provincial government incentive programs. MECL has budgeted for 150 installations but have received between 680 and 700 requests over the last two years.
 - a. What plans has MECL implemented to reflect this trend in future applications?
 - b. Were there customer contributions received to offset the costs.

5. Section 7.1(a) Recurring Annual Capital Requirements – it was noted the project was over budget primarily due to necessary renovations at 180 Kent Street and replacement of the pole barn roof at West Royalty Service Centre.
 - a. Were these renovations and pole barn roof known prior to filing the 2023 application and were they included in the budget amount?
 - b. In the draft Capital Expenditure Justification Criteria date November 2019 – the cost overruns are to be communicated with the Commission when overruns are more than \$100,000 and 10% of the approved project budget. Please explain why these projects do not require additional approvals under the draft Capital Budget Justification Criteria.

Additional interrogatories may follow.



Cheryl Bradley, CA, CPA
Senior Financial Advisor
Prince Edward Island Regulatory & Appeals Commission