



PRINCE EDWARD ISLAND
Regulatory & Appeals Commission
Commission de réglementation et d'appels
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Interrogatories of Commission Staff

TO: Maritime Electric Company, Limited

FROM: Cheryl Bradley, Senior Financial Advisor

DATE: May 16, 2025

RE: OATT Schedule Updates

DOCKET: UE20947

The Island Regulatory and Appeals Commission (the “Commission”), in assessing the reasonableness of the 2024 Open Access Transmission Tariff (“OATT”) Schedule Updates (the “Application”) submitted by Maritime Electric Company, Limited (“Maritime Electric” or “MECL”), requests responses to the following interrogatories:

1. Please provide a reconciliation of transmission costs according to the 2023 Cost Allocation Study (CAS) versus the costs identified in Appendix A of the Application.
2. Section 6 – Services Under Maritime Electric’s OATT – Table 1 summarizes rates for Long-Term Firm Point to Point Transmission Service in the Atlantic region. There are considerable variances between the three utilities in relation to their Point-to-Point Transmission Service. Please explain the variances between the three utilities.
3. Section 6 – Services Under Maritime Electric’s OATT - Maritime Electric noted their proposed and existing OATT rates for Network Service and long-term firm Point-to-Point Transmission service are the same. Please explain the differences between the two types of service and why it is appropriate that they pay the same rate.
4. According to MECL, between 2020 and 2023, Maritime Electric invested over \$20 million in OATT-related transmission system assets, which MECL proposes to include the capital expenditures in the OATT revenue requirement.
 - a. Please provide a breakdown of the OATT transmission infrastructure additions (2020-2023), including the approved budget and actual expenditures.
 - b. Please provide further details regarding each proposed infrastructure addition, including references to the approved capital budget, and justification for including in the OATT transmission facilities.

- c. Please provide a breakdown of the transmission related capital expenditures that MECL considers to be non-OATT. Please refer to the capital budget(s) approving each expenditure.
 - d. Please explain why the expenditures are non-OATT and not included in the updated OATT revenue requirement.
 - e. Please provide a list of assets where the allocation to the OATT was based on judgment. For each of the identified assets, please explain the basis of the professional judgment and the information or factors considered in determining the allocation to OATT or non-OATT.
5. Section 7- Calculation of Transmission Service Rates - The total proposed OATT revenue requirement is \$18.172 million. This represents an increase of approximately 72% over the 2014 revenue requirement (\$10,563 million). Similarly, MECL is proposing a 14.7% increase in the Point-to-Point and Network Transmission rates. If approved, the rates for Point-to-Point and Network Transmission service will have increased by approximately 44% since 2014 (\$3,052 per MW in 2014, versus \$4,395.88 per MW in 2025).
- a. Please explain why the OATT revenue requirement and tariff rates have increased exponentially in recent years.
 - b. Are the increases consistent with increases in OATT revenue requirements and tariff rates in New Brunswick and Nova Scotia during the same time period? Please provide supporting data, including the revenue requirements, Point-to-Point and Network Transmission service rates approved in Nova Scotia and New Brunswick during the same time period.
 - c. What steps has MECL taken to minimize cost increases and maximize cost savings for transmission customers?
 - d. Could the rates proposed by MECL in this Application be considered rate shock. Please explain.
6. Section 7 – Calculation of Transmission Service Rates - In Commission Orders UE18-05 and UE22-04, the Commission approved a discount for off-Island exports based on the transmission system in its current state, which had excess capacity.
- a. Is MECL seeking Commission approval to continue the discount for off-Island exports?
 - b. If yes, please provide justification for the continuation of the discount.
 - c. Does the transmission system continue to have excess capacity? If yes, has there been any change (i.e. increase or decrease) in excess capacity since the last OATT schedule update was approved in 2022?

7. Section 7 – Calculation of Transmission Service Rates – Maritime Electric proposes that

“the transmission service rates (excluding rates for Ancillary Services) for exporting to off-Island should continue to be the same on-peak and off-peak (non-Appalachian pricing), since the transmission system continues to have excess capacity for deliveries of electricity from PEI to New Brunswick.”

Please explain how the transmission system has excess capacity for deliveries of electricity from PEI to New Brunswick in this instance, but in Docket UE20742 there are references to constraints on the transmission cables between PEI and New Brunswick that requires more on-Island generation.

8. Section 7 – Calculation of Transmission Service Rates – According to Table 6, rates that are based off the NB OATT have not increased since the previous OATT Update in 2021, but rates that are set and determined by Maritime Electric have experienced a proposed rate increase. Please explain why New Brunswick OATT rates do not appear to be increasing, but Maritime Electric's have increased for example 14.7% for Point-to-Point Transmission and Network Transmission Rates.
9. What is the rate impact to MECL's distribution customers if the proposed OATT schedule updates are approved? Assume there are no other changes to the currently approved rates for distribution customers.

Additional interrogatories may follow. Please provide responses to the Commission by June 6, 2025.

Additional interrogatories may follow.



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