



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

DATE: July 6, 2026

RE: 2024 Capital Budget Variance Report

DOCKET: UE20744

The Island Regulatory and Appeals Commission (the “Commission”), in assessing the reasonableness of the Application requesting Approval of the 2024 Capital Budget Variance Report (the “Application”), submitted by Maritime Electric Company, Limited (“Maritime Electric” or “MECL”), requests responses to the following interrogatories:

General

1. Please provide a breakdown of the customer contributions received in relation to their corresponding projects.

Section 4 - Generation

2. Section 4.2 – Charlottetown Generation Station – Turbine Generator
 - a. What were the a) forecast, and b) actual rates of inflation from 2023 to 2024?
 - b. How was the addition of two heat pumps to the CT3 equipment building unforeseen?

Section 5 - Distribution

3. Section 5.2 – Distribution Transformers
 - a. How much did inflation impact the unit cost of a transformer, compared to the budgetary cost?
 - b. What were the main drivers for the increased requirement for polemount and padmount transformers?
 - c. How did supply chain delays contributed to increased transformer requirement?
4. Section 5.3 – services and Street Lighting
 - a. This variance is roughly 40 per cent of the original budget. Explain how much lead time Maritime Electric typically receives from customers looking for new or upgraded services.

- b. What is Maritime Electric's policy on response to, and completion of, service and upgrade requests?
 - i. Did Maritime Electric defer or delay any service or upgrade requests due to volume of requests?
 - ii. Does Maritime Electric work overtime to complete these requests? If not, does Maritime Electric defer other projects to overtime hours to accommodate these requests?
 - c. How much of the variance was due to:
 - i. New construction?
 - ii. Service entrance upgrades?
 - d. Approximately what percentage of the new services were underground?
- 5. Section 5.4 – Line Extensions
 - a. How did these projects (North Road in Stanley Bridge, Stratford line extension) become high priorities for Maritime Electric when they were not highlighted in the original 2024 Capital Budget?
 - i. What projects were deferred or carried over as a result of undertaking these projects?
- 6. Section 5.5 – Line Rebuilds
 - a. Communication Make-Ready Work
 - i. How much of the variance was covered by customer contributions?
 - b. Backlot Feed Relocation
 - i. The 2024 Capital Budget included a budget of \$475,000 to replace 17 spans. When adding the requested variance, this works out to \$29,660 per span.
 - 1. Explain how the efforts for this project added up to this cost per span to remove backlot feeds.
 - 2. How does this cost per span compare to a typical cost per span of construction for a) building a new line, and b) rebuilding a single or three phase distribution line?
- 7. Section 5.6 – System Meters - Detail what led to the increased cost of system meters.
- 8. Section 5.7 – Distribution Equipment – Substation, Line and Communication Equipment – What vintage were the failed station service voltage transformers?

Section 6 – Transmission

- 9. Section 6.1 – Substation Projects
 - a. Tignish Substation – Detail the differences between the budget and the final estimates that led to this variance.
 - b. Substation Modernization Program – Quantify the labour cost overrun on the Souris substation changes. What issues were encountered that led to this cost overrun?
- 10. Section 6.2 – Transmission Projects

- a. 69kV and 138 kV Switch Program – Was this overbudget primarily based on materials, or on contractor labour? If the latter, was the cause of the overrun higher unit costs, or higher than expected hours?
- b. Y-106 Scotchfort to Lorne Valley Transmission line
 - i. Was the extra labour undertaken by internal or external resources?
 - ii. Was the route changed during this survey and engineering work?

Section 7 – Corporate Services

- 11. Section 7.1 – Corporate Services
 - a. The 180 Kent Street renovations were not explicitly outlined in the 2024 Capital Budget Application. Were these renovations contemplated in the original budget?
 - i. If so, what were both the original budget and final cost of the project?
 - ii. If not, why was it necessary for the Kent Street renovations to proceed when they were not previously budgeted and approved?
 - b. Was the pole barn roof replacement contemplated in the original budget?
 - i. If not, what was the primary driver in the decision to replace the pole barn roof?
 - ii. What was the total cost of that project?
- 12. Section 7.2 Information Technology - HSE Information Management Software – What led to the necessary labour being much higher than anticipated?

The Commission requires responses to these interrogatories no later than 4:00 p.m. on July 20, 2026. Responses received after this date may result in delays in the Commission's reply.

Additional interrogatories may follow.



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Prince Edward Island Regulatory & Appeals Commission