



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

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## **Additional Interrogatories of Commission Staff**

**TO:** Maritime Electric Company, Limited  
**FROM:** Cheryl Bradley, Senior Financial Advisor  
**DATE:** January 15, 2026  
**RE:** Deferral of Hurricane Fiona Costs  
**DOCKET:** UE21505

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**The Island Regulatory and Appeals Commission (the “Commission”), in assessing the reasonableness of the Application requesting Approval to Recover Costs Related to Hurricane Fiona (the “Application”), submitted by Maritime Electric Company, Limited (“Maritime Electric” or “MECL”), requests responses to the following interrogatories:**

### **Section 1 – Deferral Balance & Carrying Costs**

14. Provide an updated deferral balance to the most recent practicable date, including complete carrying cost calculations under both compounding and non-compounding methodologies. Include:
  - a. Monthly detail of principal and interest;
  - b. Source(s) of interest rate used; and
  - c. Calculation methodology in full.
15. Explain the rationale for the selected carrying cost methodology and why MECL considers compounding (if applicable) to be appropriate in the circumstances.
16. Provide MECL’s position on whether carrying costs should be borne entirely by customers, shared between customers and shareholders, or excluded entirely, and quantify the financial impact of each approach.

### **Section 2 – Vegetation Management**

17. Does MECL acknowledge delays and backlog in vegetation management prior to Fiona increased the system’s exposure to vegetation contact and contributed to the extent of damage and restoration costs? If MECL does not agree, provide all evidence supporting its position.
18. Provide MECL’s assessment of the extent to which vegetation located within the right-of-way (ROW) contributed to system damage during Fiona, including:

- a. Any data or estimates on the proportion of damage attributable to inside-ROW vegetation;
  - b. How MECL distinguishes inside-ROW from outside-ROW tree contacts; and
  - c. Whether MECL maintains records, mapping, or field observations identifying tree-fall origin points.
19. Provide MECL's assessment of the extent to which vegetation outside the ROW contributed to system damage during Fiona, including any available quantification of such impacts.
20. Identify and file any internal or external analyses, post-event reviews, consultant reports, or filed data that assess the contribution of inside-ROW verses outside-ROW vegetation to storm-related damage and restoration costs.
21. Has MECL performed – or is MECL able to perform – any analysis comparing actual Fiona damage to the damage reasonably expected had vegetation management been aligned with MECL's stated cycle-trimming targets and neighbouring utility norms?
  - a. If yes, provide the analysis.
  - b. If no, explain why not and whether such an estimate could reasonably be developed.
22. Has MECL identified or quantified any specific portion of Fiona-related restoration costs that it considers attributable to vegetation management backlog or delays? If not, explain why MECL believes such cost attribution is not feasible.
23. In the GRA filed June 2022, MECL indicated that its vegetation management practices were behind industry norms and that increased investment was required to improve cutting cycles and align with neighbouring jurisdictions. The Commission also notes that, in prior years, MECL earned a net income above its approved rate of return; in accordance with the regulatory framework, these over-earnings were set aside and subsequently refunded to customers during the GRA period. MECL did not retain these amounts.
  - a. At the time, did MECL consider using some portion of available over-earnings, prior to refund, to accelerate vegetation management work before Fiona?
  - b. If not, explain why this option was not pursued.
  - c. In MECL's view, would increased vegetation management investment in the years prior to Fiona—including accelerated work funded by available over-earnings—have reduced system exposure or the extent of storm-related damage?
  - d. Provide any analysis MECL has conducted, or can conduct, to assess the potential impact of earlier vegetation management investment on Fiona outcomes.
24. Provide an update to the Vegetation Management Plan previously filed with the Commission on December 8, 2023, including:
  - a. Progress to date on each commitment or target outlined in the plan (e.g. cycle times, corridor widths, outage reduction metrics).

- b. Quantified outcomes achieved since the last filing, including comparisons to baseline performance before implementation of the plan.
- c. Any changes to timelines, budgets, or scope since the plan was filed.
- d. An explanation of any delays, variances, or obstacles encountered and proposed mitigation measures.

#### Section 4 – True-up Mechanism

25. Propose a detailed true-up mechanism to credit any future government funding against the unrecovered balance, including timing, calculated methodology, and treatment of the next general rate plan application.

#### Section 5 – Sensitivity Analysis and Rate Impacts

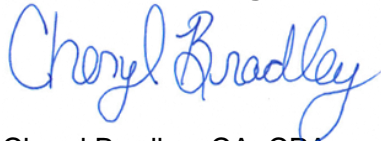
26. Provide rate impact analysis for each customer class under the sensitivity scenarios set out in Table 1 below. Analysis must be based on the most recent practicable date, use the same assumptions for load profiles across all scenarios, and clearly identify the impact of each variable.

Table 1						
Scenario	Recovery Period	Capital Rate Base Inclusion	Carrying Cost Method	Return on Deferred OM&G	Equity Ratio	Notes
1. MECL Updated Proposal	5 years	Yes	Compounding	Yes	37.8%	MECL proposal updated for Commission-approved equity injection
2. Variant – Non-Compounding	5 years	Yes	Non-Compounding	Yes	37.8%	Tests the impact of carrying cost methodology only
3. NSUARB-Style Approach	5 years	Yes	Non-Compounding	No	37.8%	Reflects approach similar to NSUARB Decision M11411
4. Extended Recovery – Compounding	10 years	Yes	Compounding	Yes	37.8%	Tests long recovery period with full cost treatment
5. Extended Recovery – Non-Compounding	10 years	Yes	Non-Compounding	Yes	37.8%	Tests long recovery period with reduced carrying cost effects
6. Extended Recovery – No Rate Base Inclusion	10 years	Yes	Non-Compounding	No	37.8%	Tests extended recovery and removal of return components

27. Quantify the financial impact to shareholders under each scenario in Table 1.
28. Explain why shareholders should receive a return on deferred OM&G expenses under extraordinary storm conditions when such costs are not the result of capital investment or utility risk-taking.

**The Commission requires responses to these interrogatories no later than 4:00 p.m. on February 11, 2026. Responses received after this date may result in delays in the Commission's reply.**

**Additional interrogatories may follow.**

A handwritten signature in blue ink that reads "Cheryl Bradley". The signature is written in a cursive, flowing style.

Cheryl Bradley, CA, CPA  
Director of Finance & Regulatory Affairs  
Prince Edward Island Regulatory & Appeals Commission