



Additional Interrogatories of Commission Staff

TO: Maritime Electric Company, Limited

FROM: Cheryl Mosher, Senior Financial Advisor

DATE: November 2, 2022

RE: 2022 Supplemental Budget Request – Purchase of Transmission Assets
Located in Bedeque, PE

DOCKET: UE20736

12. Are the assets to be purchased by Maritime Electric part of the Interconnection Facilities, as defined in the Interconnection Lease Agreement?
13. Please file the amended Interconnection Lease Agreement if finalized. Alternatively, please advise when the amended Lease will be finalized and filed with the Commission.
14. In response to IR-6(d) of Commission staff, Maritime Electric states that “*the primary purpose of the Contingency Fund is to ensure that money is readily available to carry out emergency cable repairs...*” Please provide support for this statement. Where is this stated in the Interconnection Lease Agreement?
15. In response to IR-9 of Commission staff, Maritime Electric provides the replacement/purchase cost of each item listed in Appendix A to the Application. Please confirm that these replacement/purchase costs are included in (and not in addition to) the capital expenditures forecast in Table 1 (at page 10) of the Application.
16. Refer to Table 8 filed in response to IR-11 of Commission staff. Please add an additional column to Table 8 to show the total percentage change to approved rates (similar to the last column in Table 7).
17. In response to IR-2(b) of Commission staff, Maritime Electric filed an internal inspection report summary and engineering consultant’s report that were prepared in 2018. At page 7 of the internal inspection report, Maritime Electric recommends that PEIEC replace the Reactor and Circuit Switch for Cable #1 “*in a couple of years*”. Was this replacement performed? If not, why? Please provide any communication with PEIEC regarding the recommended replacement.
18. Please provide the agendas and minutes for all Interconnection Committee meetings from July 2017 to present.

19. The Interconnection Lease Agreement contemplates increasing the balance of the Contingency Fund beyond a maximum of \$5 million by mutual agreement of the parties.
- a) Why was increasing the Contingency Fund contributions to cover the anticipated capital replacements not presented as option for consideration by the Commission?
 - b) How much would need to be contributed to the Contingency Fund on an annual basis to cover the cost of the anticipated capital replacements? Please provide all supporting calculations and assumptions.
 - c) Assuming the Contingency Fund contributions are increased to cover the cost of the anticipated capital replacements, calculate each of the following:
 - i. The value of the assets that will be recorded in rate base in each of 2022 to the end of the useful life of the assets;
 - ii. The return on rate base (in dollars per year) that Maritime Electric will earn on the assets during their lifetime;
 - iii. The annual rate impact for both transmission and distribution customers, shown in dollars and percentage change.
 - d) Which is the least-cost option for Maritime Electric transmission and distribution customers: purchasing the assets as proposed in the Application, or increasing the annual Contingency Fund contributions to cover the anticipated capital replacements? Please explain and provide all supporting calculations and assumptions.

Additional interrogatories may follow.



Cheryl Mosher, CA, CPA
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