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February 1, 2024

Ms. Cheryl Mosher Island Regulatory & Appeals Commission PO Box 577 Charlottetown PE C1A 7L1

Dear Ms. Mosher:

UE21505 – Application to Recover Operating and Capital Costs Related to Hurricane Fiona Responses to Additional Interrogatories from Mr. Edward Robillard

Please find attached the Company's responses to additional interrogatories from Mr. Edward Robillard with respect to the Company's Application to Recover Operating and Capital Costs Related to Hurricane Fiona filed with the Commission on November 3, 2023.

Yours truly,

MARITIME ELECTRIC

Gloria Crockett, CPA, CA

Moria Crocust

Manager, Regulatory & Financial Planning

GCC05 Enclosure



Via email: robillard@pei.sympatico.ca

February 1, 2024

Mr. Edward Robillard 35 Barkley Ave Stratford PE C1B 1Z5

Dear Mr. Robillard:

UE21505 – Application to Recover Operating and Capital Costs Related to Hurricane Fiona Responses to Additional Interrogatories

Please find attached the Company's responses to your additional interrogatories with respect to the Company's Application to Recover Operating and Capital Costs Related to Hurricane Fiona filed with the Commission on November 3, 2023.

Yours truly,

MARITIME ELECTRIC

Gloria Crockett, CPA, CA

Meria Crocket

Manager, Regulatory & Financial Planning

GCC06 Enclosure



INTERROGATORIES

Responses to Additional Interrogatories of Mr. Edward Robillard

Rate Increase due to Hurricane Fiona Damages

Submitted February 1, 2024

MARITIME ELECTRIC

Tropical Storm Dorian Post-Mortem Report

Quote 1 – Pg. 1: Pre-planning by all departments played a key role in the success of the storm response. The Company was well prepared and implemented best practices learned from previous weather events.

IR-28 Were these same best practices further developed and implemented prior to Fiona.?

Response:

Yes, the Company continues to improve storm response practices based on learnings from events such as Dorian. Details on the pre-planning are provided in Sections 4.1 through 4.5 in the Hurricane Fiona Post-Mortem Report, filed with the Commission on March 7, 2023.

MARITIME ELECTRIC

IR-29 What were the best practices developed to deal with downed vegetation from outside your corridors?

Response:

As previously explained in the response to IR-11, Maritime Electric is only permitted to perform vegetation management within the public road right-of-way ("ROW") or where easements have been acquired for more recent construction of new power lines. Also, as explained in the response to IR-13, Maritime Electric is permitted to remove vegetation in an emergency or outage situation.

There was no change to either the legislative or regulatory authority of Maritime Electric to perform vegetation management between Dorian and Fiona, and therefore the practices to perform vegetation management outside of the ROW remains a permissions-based approach.

In support of addressing the risk of vegetation from outside the ROW, two new recurring capital programs to widen transmission and distribution corridors were submitted to the Commission for approval in the 2024 Capital Budget Application. The objective of the corridor widening programs is to secure a wider corridor, where permissions can be acquired, that will allow the removal of vegetation that is currently outside or adjacent to the public road ROW, including the removal of danger trees.

Most of the impacts from Fiona were due to large trees from outside of the road right-of-way. The transmission system inspection following Fiona identified over 320 danger trees on private property, which have been prioritized and continue to be addressed through the vegetation management work plan, where permissions allow. In addition to the transmission system inspection, a significant quantity of danger trees were identified across the distribution system, presumably due to the impacts of Fiona, and these danger trees now have an increased prioritization. In 2023 a collection form was developed for the vegetation management contractors to identify danger trees through other planned work. As a result, Maritime Electric's vegetation management contractors have identified and removed over 250 danger trees. The Company will continue to collect information on danger trees through inspections and planning of maintenance work, as well as through the proposed corridor widening capital programs.

Questions from Edward Robillard Rate Increase due to Hurricane Fiona Damages January 16, 2024

MARITIME ELECTRIC

IR-30 What were the communication plans to seek assistance from property owners adjacent to your corridors?

Response:

As stated in the response to IR-29, there was no change in Maritime Electric's authority to perform vegetation management outside the ROW without permission. When Maritime Electric identifies areas that require vegetation management, all applicable landowners adjacent to the ROW are contacted for permission to perform vegetation management. Maritime Electric's preferred permission type is for full ground cutting (i.e., tree removal); however, landowners may permit only selective ground cutting, aerial tree trimming only, selective aerial trimming only, or deny permission to perform any vegetation management.

Questions from Edward Robillard Rate Increase due to Hurricane Fiona Damages January 16, 2024

MARITIME ELECTRIC

Quote 2 – Pg. 2: A significant number of trees on the affected transmission lines were reported Island wide.

IR-31 What was your Vegetation Management Plan prior to Dorian and to what extent where the fallen trees on property adjacent to your corridors?

Response:

The Vegetation Management Plan prior to Dorian was consistent with the current plan; however, the vegetation management budget has increased. Maritime Electric has been progressively increasing the amount of operating investment in vegetation management over the last five years.

In 2019, the annual vegetation management budget was \$1.7 million and by 2022 the annual budget increased to \$2.2 million, an increase of 29 per cent.

In the recent General Rate Application, approved by the Commission in April 2023, the Company requested an increase to the annual operating budget for transmission and distribution vegetation management, by approximately \$0.7 million per year, to a total of \$4.0 million by 2025. This equates to a 27 per cent increase in 2024 and a 52 per cent increase in 2025, over the 2023 budget.

Maritime Electric did not record specific data on the location of trees that impacted the transmission system due to Dorian but many of the trees causing damage were located outside of ROW.

It is worth noting that while Fiona's damage assessment also identified a number of trees affecting transmission lines, there was minimal structure damage reported on the transmission system from Fiona.

Questions from Edward Robillard Rate Increase due to Hurricane Fiona Damages January 16, 2024

MARITIME ELECTRIC

<u>Quote 3 – Pg. 8:</u> The financial impact of the storm was significant with the largest cost component being internal and external labour. The nature of the damage from this storm was such the majority of the effort was spent removing fallen trees and repairing existing conductor rather than replacing poles and conductor. As such, approximately 87 per cent of these costs are charged to operating expenses. Costs to replace poles and conductor broken during the storm make up the remainder of the costs and resulted in 11 per cent of the total costs being charged to capital and 2 per cent to retirement.

IR-32 In my ignorance was the same criteria and cost allocation the same for Fiona?

Response:

As discussed in Section 5.1 of the Application, capital and retirement costs associated with replacing damaged assets after Fiona resulted in 42.7 per cent of the total restoration costs being allocated to capital and 13.2 per cent being allocated to retirement. Operating costs associated with repairing damaged assets that remain in service (i.e. the assets are not replaced) accounted for the remaining 44.2 per cent of Fiona restoration costs as discussed in Section 5.2 of the Application.

MARITIME ELECTRIC

<u>Quote 4 – Pg. 9:</u> Although restoration was completed in a timely and safe manner, Maritime Electric recognizes that there are always lessons learned and opportunities for improvement following a major storm response. The experience with Dorian was no exception and such information was collected Post Tropical Storm Dorian Post-Mortem Report Page 10 of 10 throughout the post-mortem process. This information is now being reviewed by the Company with some items already being acted upon and others planned for implementation prior to or during the next storm event.

IR-33 How did the review process mitigate the impacts of Fiona?

Response:

Maritime Electric performs a post-mortem after each major storm and identifies what worked well and what needs improvement. No two storms are the same and each individual storm may present learnings that can be used for future events. Dorian provided many new learnings, as it was the largest customer outage impact associated with a storm in Maritime Electric's history at that time.

The list of action items associated with the Dorian review was extensive. Action items included revising or creating policies and procedures associated with working hours, safety, work permits, and communications. Additional learnings were associated with logistics, operations, and record keeping.

Specific examples of action items and process improvements that were implemented in advance of Fiona include, but are not limited to, the following:

- Increased contingency stock of materials required for storm response;
- Additional skilled supervisory resources required for larger outage responses;
- Communicating with customers on storm safety and restoration progress;
- Tracking customers that require service entrances repairs prior to reconnection;
- Prioritizing critical communications facilities that support system control and communications;
- Increased logistics support for accommodations, food, vehicles, fuel, and tools and equipment;
- Increased traffic control resources;
- Additional customer service representatives and telephony capacity;
- Additional damage assessment with patrollers and spotters;
- Advanced planning of next-day work assignments and designated circuits;
- Increased vegetation management resources;
- Establishing protection zones for vegetation management crews to work independently of line crews on deenergized lines;
- Material kitting and delivery to line crews:
- Spill response team dedicated to downed transformer remediation; and
- Increased night crews to support 24-hour restoration and response to emergencies.

For further information, refer to Sections 4.0 through 8.0 in the Hurricane Fiona Post-Mortem Report, filed March 7, 2023.