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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. Roger King**

Please find attached the Company's responses to additional interrogatories from Mr. Roger King 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

A handwritten signature in blue ink that reads "Gloria Crockett".

Gloria Crockett, CPA, CA
Manager, Regulatory & Financial Planning

GCC07
Enclosure

All our energy.
All the time.



Via email: rdking519@gmail.com

February 1, 2024

Mr. Roger King
519 Simpson Mill Rd
Hunter River PE C0A 1N0

Dear Mr. King:

**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

A handwritten signature in blue ink that reads "Gloria Crockett".

Gloria Crockett, CPA, CA
Manager, Regulatory & Financial Planning

GCC08
Enclosure



INTERROGATORIES

**Responses to Additional Interrogatories
of
Mr. Roger King**

**2023 Application to Collect Operating and Capital Costs
Related to Hurricane Fiona
(UE21505)**

Submitted February 1, 2024

MARITIME ELECTRIC

IR-18 Follow-up to the Response to IR-6

The response here does not clarify how the two constituents of capital cost - \$4.5M retirement and \$14.8M capital were determined. What would be the maximum proportion that could be allocated to “retirement”?

Response:

There is no maximum portion of cost that could be allocated to “retirement”. The \$4.5M in retirement costs reflects the actual costs of removing the assets damaged from Fiona from service.

MARITIME ELECTRIC

IR-19 Follow-up to the Response to IR-9

It is not clear how the balance sheet entries are separated from the Rate Base and where the deferred Hurricane Fiona debt is currently held? My understanding is that the Rate Base defines the sub-set of balance sheet components comprising the MECL Power system investment, to which the Electric Power Act, sections 12 and 21, refers. Further my understanding of IRAC Order UE22-08 is that the Hurricane Fiona debt is currently held as an accounts receivable / non-regulatory asset which is funded as a “Current Liability” and not included as part of the Rate Base. This is the background reasoning that prompted my original questioning of the recent changes to the equity component and shareholders dividend. Could you provide the details please?

Response:

The costs associated with Fiona appear on the Company’s balance sheet as a current regulatory asset. As discussed in the response provided to IR-9, the cash outlay required to pay the Fiona costs have been financed entirely by debt thus far.

The Company excludes the Fiona deferral balance from the calculation of rate base as Ordered by the Commission in UE22-08 and will continue to do so until otherwise ordered by the Commission.¹

¹ The Company files audited schedules of rate base and return on average rate base with the Commission annually.

MARITIME ELECTRIC

IR-20 Follow-up to the Response to IR-16

The Application refers to two letters (Appendix B) sent to Premier King – February 6th and May 1st. Only the February 6th letter is mentioned in the chronology response but a subsequent letter sent on August 22nd is now introduced. Were updates on possible debt funding alternatives provided during the three meetings with the PEI Energy Corporation and was a response to the August 22nd letter to Premier King received? A copy of this August 22nd letter to Premier King would be appreciated.

Response:

On review of your question, it was discovered that the response provided to IR-16 was not correct in its reference to a letter dated August 22. The second letter was dated May 1, 2023, and was provided in the Application.