

All our energy.  
All the time.



April 4, 2023

Island Regulatory and Appeals Commission  
PO Box 577  
Charlottetown PE C1A 7L1



Dear Commissioners:

**Settlement related to the 2023 General Rate Application  
(Docket UE20946)**

On January 12, 2023, the Island Regulatory and Appeals Commission (“Commission”) granted approval to Maritime Electric Company, Limited (“Maritime Electric” or the “Company”) and the Prince Edward Island Energy Corporation (“PEIEC”) to enter into settlement negotiations pertaining to the Company’s three-year General Rate Application (“2023 GRA”). The attached Proposed Order reflects the settlement reached between Maritime Electric and the PEIEC.

This settlement is presented as a complete package. Both Maritime Electric and the PEIEC believe that the settlement, as a whole, is fair and reasonable for all stakeholders. Should one or more elements of this settlement be rejected or materially altered by the Commission, Maritime Electric and the PEIEC reserve the right to withdraw its request for approval of the settlement.

The following discussion elaborates on the elements of the settlement that differ from the 2023 GRA as filed on June 20, 2022.

**Revenue Requirement**

The settlement resulted in certain changes to the revenue requirement from basic rates, which are summarized in Table 1.

<b>TABLE 1 Reconciliation of Revenue Requirement from Basic Rates (\$ thousands)</b>				
	<b>2023 Forecast</b>	<b>2024 Forecast</b>	<b>2025 Forecast</b>	<b>Total</b>
As filed <sup>1</sup>	\$ 233,068	\$ 245,356	\$ 256,992	\$ 735,416
Adjustments:				
Revised Return	(1,131)	(1,220)	(1,270)	(3,621)
Energy Supply Cost	(1,085)	(277)	(222)	(1,584)
ECAM Deferral <sup>2</sup>	(277)	823	211	757
Amortization	(82)	(98)	(98)	(278)
Finance Charges	23	(4)	6	25
Income Tax	(508)	(548)	(570)	(1,626)
Other Revenue	406	32	14	452
<b>Per Settlement</b>	<b>\$ 230,414</b>	<b>\$ 244,064</b>	<b>\$ 255,063</b>	<b>\$ 729,541</b>

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<sup>1</sup> Table 6-5, on page 96, in Section 6.3.1 of the 2023 GRA (Exhibit M-1).

<sup>2</sup> ECAM refers to the Energy Cost Adjustment Mechanism.

### Revised Return

The revised return adjustment, as summarized in Table 2, reflects a reduction in Maritime Electric's requested return on equity ("ROE"), used in the calculation of revenue requirement and therefore customer rates, from 9.95 to 9.35 per cent, with an opportunity to earn up to a maximum allowed ROE of 9.70 per cent.

TABLE 2 Return (\$ thousands)			
Year	2023 GRA As Filed <sup>3</sup>	Settlement	Decrease
2023	18,660	17,529	(1,131)
2024	19,850	18,630	(1,220)
2025	21,066	19,796	(1,270)

In reaching consensus on ROE, Maritime Electric and the PEIEC considered the ROE evidence presented for this proceeding. Maritime Electric's expert, Concentric Advisors Inc. ("Concentric"), recommended a ROE of 9.95 per cent, and the Commission's expert, London Economics International LLC, recommended a ROE of 9.70 per cent.

During the negotiation, the PEIEC supported a ROE of 9.35 per cent while the evidence indicated the minimum acceptable ROE was 9.70 per cent. As a compromise, both parties agreed that the ROE used in setting customer rates would remain unchanged at 9.35 per cent and a maximum allowed ROE of 9.70 per cent would be used in the calculation of annual earnings.<sup>4</sup>

The concept of an allowed ROE with an upper band (i.e., deadband) is accepted utility practice, as discussed in the 2023 GRA<sup>5</sup> and Concentric's Cost of Capital Report.<sup>6</sup> The settlement contemplates that the Company only achieves this level of earnings of the allowed upper band by effectively managing the business and/or finding cost efficiencies that are neutral or beneficial to rate payers,<sup>7</sup> thereby assuming the risk of an earnings shortfall within the deadband from 9.35 to 9.70 per cent. Maritime Electric's achievement of an ROE between 9.35 and 9.70 per cent will not impact customer rates.

The revised return is addressed in Sections 2, 3 and 11 of the Proposed Order.

### Energy Supply Cost

Energy supply cost includes the collection of provincial debt repayment costs on behalf of the PEIEC. Since the 2023 GRA was submitted, the PEIEC provided the Company a revised repayment schedule, as summarized in Table 3, which is reflected in the settlement.

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<sup>3</sup> Table 6-5, on page 96, in Section 6.3.1 of the 2023 GRA (Exhibit M-1).

<sup>4</sup> The agreed ROE is aligned with and contingent on the continued approval of all existing regulatory deferrals.

<sup>5</sup> Section 5.2.4, on page 71, of the 2023 GRA (Exhibit M-1).

<sup>6</sup> Section VII, on page 83, of Appendix F of the 2023 GRA (Exhibit M-1).

<sup>7</sup> Maritime Electric committed to not decreasing its vegetation management costs in order to achieve the upper ROE limit.

<b>TABLE 3</b>			
<b>Provincial Debt Repayment Schedule</b>			
<b>(\$ thousands)</b>			
<b>Year</b>	<b>2023 GRA As Filed<sup>8</sup></b>	<b>Settlement</b>	<b>Decrease</b>
2023	4,103	3,018	(1,085)
2024	5,411	5,134	(277)
2025	5,457	5,235	(222)

The revised provincial debt repayment schedule is addressed in Sections 4, 5, 9 and 11 of the Proposed Order.

**ECAM Deferral**

The ECAM deferral adjustment, as summarized in Table 4, reflects primarily a two-month delay in the implementation of Order UE21-05.

<b>TABLE 4</b>			
<b>ECAM Deferral</b>			
<b>(\$ thousands)</b>			
<b>Year</b>	<b>2023 GRA As Filed<sup>9</sup></b>	<b>Settlement</b>	<b>(Decrease)/ Increase</b>
2023	(4,219)	(4,496)	(277)
2024	(3,746)	(2,923)	823
2025	(729)	(518)	211

Order UE21-05 requires that select energy supply cost accounts be excluded from the ECAM deferral effective in the next rate-setting period, which was assumed to begin on March 1, 2023 in the 2023 GRA. The settlement assumes new customer rates will be effective May 1, 2023, a two-month delay. Consistent with the 2023 GRA, the settlement proposes an adjustment to the ECAM base rate in 2023 and 2024 to facilitate stable rate increases for customers over the rate-setting period.

The change in the ECAM deferral, as per Table 4, results in a change to the proposed ECAM Base Rate, as shown in Table 5, and the proposed ECAM rate adjustment to customers' bills, as shown later in Table 12.

<sup>8</sup> Table 5-25, on page 77, in Section 5.3.1 of the 2023 GRA (Exhibit M-1).

<sup>9</sup> Table 5-28, on page 79, in Section 5.3.1 of the 2023 GRA (Exhibit M-1).

<b>TABLE 5 ECAM Base Rate</b>				
		<b>2023</b>	<b>2024</b>	<b>2025</b>
Energy Supply Costs Attributable to ECAM, per 2023 GRA <sup>10</sup>	A	140,539	145,001	147,799
Plus: Two-Month Delay re: UE21-05	B	630	-	-
Energy Supply Costs Attributable to ECAM, per Settlement (\$ thousands)	C = A+B	141,169	145,001	147,799
Net Purchased and Produced (GWh) <sup>10</sup>	D	1,498.7	1,517.4	1,537.6
ECAM Base Rate (\$/kWh)	E = C/D	0.09419	0.09556	0.09612
Adjustment to Stabilize Rates (\$/kWh)	F	(0.00369)	(0.00116)	-
<b>ECAM Base Rate per Settlement (\$/kWh)</b>	<b>G = E+F</b>	<b>0.09050</b>	<b>0.09440</b>	<b>0.09612</b>
ECAM Base Rate per 2023 GRA (\$/kWh) <sup>11</sup>		0.09060	0.09370	0.09612

The revised ECAM Base Rate is addressed in Section 4 of the Proposed Order.

**Amortization**

The amortization adjustment, as summarized in Table 6, reflects the revised payment schedule from the PEIEC pertaining to the provincial debt repayments, as discussed above.

<b>TABLE 6 Amortization – Provincial Debt Repayment Costs (\$ thousands)</b>			
<b>Year</b>	<b>2023 GRA As Filed<sup>12</sup></b>	<b>Settlement</b>	<b>Decrease</b>
2023	80	(2)	(82)
2024	95	(3)	(98)
2025	95	(3)	(98)

The amortization based on the revised provincial debt repayment schedule is addressed in Sections 9 and 11 of the Proposed Order.

**Finance Charges**

The finance charges adjustment, as summarized in Table 7, reflects the cash flow impact of the two-month delay in rates and changes to the revenue requirement, which result in higher net short-term borrowing costs. All other assumptions with respect to finance charges including borrowing rates remain unchanged.

<sup>10</sup> Table 5-25, on page 77, in Sections 5.3.1 of the 2023 GRA (Exhibit M-1).  
<sup>11</sup> Table 5-26, on page 78, in Sections 5.3.1 of the 2023 GRA (Exhibit M-1).  
<sup>12</sup> Table 5-11, on page 58, in Sections 5.1.5 of the 2023 GRA (Exhibit M-1).

<b>TABLE 7 Finance Charges (\$ thousands)</b>			
<b>Year</b>	<b>2023 GRA As Filed<sup>13</sup></b>	<b>Settlement</b>	<b>Increase/ (Decrease)</b>
2023	13,797	13,820	23
2024	14,277	14,273	(4)
2025	14,593	14,599	6

The revised finance charges are addressed in Section 11 of the Proposed Order.

**Income Tax**

The income tax adjustment, as summarized in Table 8, reflects primarily the tax effect of lower revenue due to the reduced ROE, along with the tax effect of other smaller changes to energy supply costs, amortization and finance charges. The effective income tax rate remains unchanged at 31.2 per cent.

<b>TABLE 8 Income Tax (\$ thousands)</b>			
<b>Year</b>	<b>2023 GRA As Filed<sup>14</sup></b>	<b>Settlement</b>	<b>Decrease</b>
2023	8,459	7,950	(508)
2024	8,994	8,446	(548)
2025	9,538	8,968	(570)

The revised income tax is addressed in Section 11 of the Proposed Order.

**Other Revenue**

The two-month delay in rates results in an additional two months of over collecting the 2020 Revenue Shortfall by approximately \$0.4 million, which is recorded as a debit or reduction to other revenue.<sup>15</sup> This and other minor timing differences reduces other revenue as summarized in Table 9.

<b>TABLE 9 Other Revenue (\$ thousands)</b>			
<b>Year</b>	<b>2023 GRA As Filed<sup>16</sup></b>	<b>Settlement</b>	<b>Decrease</b>
2023	16,188	15,782	(406)
2024	16,546	16,514	(32)
2025	16,877	16,863	(14)

.../6

<sup>13</sup> Table 5-13, on page 59, in Sections 5.1.6 of the 2023 GRA (Exhibit M-1).

<sup>14</sup> Table 5-15, on page 62, in Sections 5.1.7 of the 2023 GRA (Exhibit M-1).

<sup>15</sup> From March 1, 2022, there has been an over collection of the 2020 Revenue Shortfall which has been deferred to be returned to customers in the next rate-setting period.

<sup>16</sup> Table 5-10, on page 56, in Sections 5.1.4 of the 2023 GRA (Exhibit M-1).

The revised other revenue is addressed in Section 11 of the Proposed Order.

**Rate Riders**

In addition to the above noted changes to revenue requirement collected from customers through basic rates, rate riders need to be revised to reflect the two-month delay in rates.<sup>17</sup>

**ECAM Rate Adjustment**

To collect the energy supply costs deferred in each year, the Company proposes the ECAM Rate Adjustments to customers’ bills effective on March 1 of each year of the rate-setting period as set out in Table 10, which reflects the impact of the two-month delay.

<b>TABLE 10</b>				
<b>Proposed ECAM Rate Adjustment to Customers' Bills Effective March 1</b>				
		<b>2023</b>	<b>2024</b>	<b>2025</b>
Forecast ECAM Balance, December 31 of Prior Year (\$ thousands)	A	6,791	4,068	2,080
Forecast Sales over Collection Period (GWh)	B	1,152.9	1,416.7	1,436.1
<b>ECAM Rate Adjustment per Settlement (\$/kWh)</b> (rounded)	<b>C = A/B</b>	<b>0.00589</b>	<b>0.00287</b>	<b>0.00145</b>
ECAM Rate Adjustment per 2023 GRA (\$/kWh) (rounded) <sup>18</sup>		0.00486	0.00316	0.00229

The revised rider collecting the ECAM deferral account is addressed in Section 5 of the Proposed Order.

**Rate of Return Adjustment (“RORA”) and 2020 Revenue Shortfall Rider**

The two-month delay results in a minor net increase to the expected balance owing to customers, as summarized in Table 11.

<b>TABLE 11</b>			
<b>RORA and 2020 Revenue Shortfall Rider</b>			
		<b>2023 GRA As Filed<sup>19</sup></b>	<b>Settlement</b>
RORA – over collection	A	(53)	(223)
2020 Revenue Shortfall – over refund	B	2,079	2,472
Net Balance Owing to Customers (\$ thousands)	C = A+B	2,026	2,249
Forecast Sales (kWh):			
March 1, 2023 to February 29, 2024	D	1,396,277,700	1,152,865,100
May 1, 2023 to February 29, 2024			
<b>Proposed Refund (\$/kWh)</b>	<b>E = C/D</b>	<b>0.00145</b>	<b>0.00195</b>

.../7

<sup>17</sup> Rate riders are collections from or refunds to customers related to amounts owed to or refunded from Maritime Electric or a third-party. This element of the customer energy charge is not driven by the Company’s revenue requirement. Rate riders are set to collect the same per kWh charge from all classes of customers.

<sup>18</sup> Table 5-27, on page 78, in Sections 5.4 of the 2023 GRA (Exhibit M-1).

<sup>19</sup> Table 5-31, on page 83, in Section 5.3.3 of the 2023 GRA (Exhibit M-1).

The revised rider proposed to refund the net balances of the RORA and the 2020 Revenue Shortfall is addressed in Section 8 of the Proposed Order.

**Energy Efficiency and Conservation Rider**

Another rider impacted by the two-month delay is the collection of the costs recoverable from customers related to the PEIEC’s Energy Efficiency and Conservation (“EE&C”) Plan, as summarized in Table 12. Note that only the proposed collection rate for March 1, 2024 to February 28, 2025 is revised.<sup>20</sup>

<b>TABLE 12 EE&amp;C Plan Rider</b>			
		<b>2023 GRA As Filed<sup>21</sup></b>	<b>Settlement</b>
2024 Balance Owing from Customers (\$ thousands)	A	790	474
March 1, 2024 to February 28, 2025 Forecast Sales (kWh)	B	1,416,675,800	1,416,675,800
<b>Proposed Collection Rate (\$/kWh)</b>	<b>C = A/B</b>	<b>0.00056</b>	<b>0.00033</b>

Also reflected in Table 12 is the revised repayment schedule related to the EE&C Plan, which the PEIEC provided to the Company after the 2023 GRA was filed.

The revised rider collecting the EE&C Plan costs is addressed in Sections 9 and 10 of the Proposed Order.

**Other Matters**

The following matters also required revisions to the order proposed in the 2023 GRA.

**Weather Normalization Mechanism and Reserve (“WNR”) Account**

Maritime Electric understands that the Commission has some reservations concerning the approval of the WNR account on a permanent basis. Therefore, Section 6 of the Proposed Order reflects the continued approval of the WNR account on an interim basis. Maritime Electric strongly believes that the WNR is a critical deferral that benefits customers, the utility and the regulatory process.<sup>22</sup> The continued approval of the WNR, as well as the other approved regulatory deferrals, aligns with the ROE evidence presented in this proceeding.

Section 7 of the Proposed Order reflects Maritime Electric’s commitment to submit a comprehensive review of the WNR, consistent with the comprehensive review of the ECAM deferral in June 2020, to allow the Commission to make a fully informed decision on the future approval of the WNR before the Company submits its next general rate application.

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<sup>20</sup> The collection rates remain unchanged for: (i) May 1, 2023 to February 29, 2024 at \$0.00000; and (ii) March 1, 2025 to February 28, 2026 at \$0.00121.

<sup>21</sup> Table 5-34, on page 90, in Section 5.4 of the 2023 GRA (Exhibit M-1).

<sup>22</sup> Maritime Electric provided evidence, which was filed on March 10, 2023, supporting the continued approval of the WNR in its response to London Economics’ report.

### Impact on Customer Rates

The reduction in the Company's revenue requirement, as shown in Table 1, results in an annual reduction in the proposed increase to customer rates. To illustrate that impact, Table 13 compares the annual rate increase for a benchmark rural residential customer under the settlement to that under the 2023 GRA.

<b>TABLE 13</b>			
<b>Annual Rate Increase for a Benchmark Rural Residential Customer<sup>23</sup></b>			
	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>
As filed in 2023 GRA <sup>24</sup>	3.0%	3.0%	3.0%
<b>Per Settlement</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.7%</b>

All customer rates are set out in Appendix A, which is addressed in Section 12 of the Proposed Order.

### Rate Design Application

An eventual order pertaining to the Rate Design Application (Docket UE22503) will likely impact the ultimate rates charged to each customer class. To acknowledge this impact, Section 13 of the Proposed Order approves the revenue requirement for each of the three years and indicates that the customer rates as presented in Appendix A for each class of customer are subject to final determination and adjustment in 2024 and 2025 based on the Commission's decision with respect to Maritime Electric's Rate Design Application.

Yours truly,

MARITIME ELECTRIC



Michelle Francis  
Vice President, Finance &  
Chief Financial Officer

MF21  
Attachment

<sup>23</sup> A benchmark residential customer consumes 650 kWh per month.

<sup>24</sup> Table 7-4, on page 101, Section 7.3 of the 2023 GRA (Exhibit M-1).

**CANADA**

**PROVINCE OF PRINCE EDWARD ISLAND**

**BEFORE THE  
ISLAND REGULATORY AND APPEALS COMMISSION**

**IN THE MATTER** of Sections 10, 13(1) and 20 of the *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4; and **IN THE MATTER** of the Application of Maritime Electric Company, Limited for an order of the Commission approving rates, tolls and charges for electric service for the years May 1, 2023 to February 28, 2026 and for certain approvals incidental to such an order.

**PROPOSED ORDER**

**April XX, 2023**

1 **1.0 PROPOSED ORDER**

2  
3 **C A N A D A**

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5 **PROVINCE OF PRINCE EDWARD ISLAND**

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7  
8 **BEFORE THE**  
9 **ISLAND REGULATORY AND APPEALS COMMISSION**

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11  
12 **IN THE MATTER** of Sections 10, 13(1) and 20 of the  
13 *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4; and **IN**  
14 **THE MATTER** of the Application of Maritime Electric  
15 Company, Limited for an order of the Commission  
16 approving rates, tolls and charges for electric service for  
17 the years May 1, 2023 to February 28, 2026 and for  
18 certain approvals incidental to such an order.

19  
20 **PROPOSED ORDER**

21  
22 WHEREAS Maritime Electric Company, Limited (“Maritime Electric”) filed an  
23 Application (“the Application”) on June 20, 2022 for approval of proposed amendments to its  
24 rates, tolls and charges for the years March 1, 2023 to February 28, 2026, and for certain  
25 approvals incidental to such an order;

26  
27 AND WHEREAS Notice of the Application was published in the local media  
28 and placed on the Commission’s website on or about June 29, 2022;

29  
30 AND WHEREAS the Notice advised members of the public on how to view the  
31 Application, ask questions, make comments and apply to intervene;

32  
33 AND WHEREAS questions were posed to Maritime Electric by two (2)  
34 members of the public, and responses subsequently provided by Maritime Electric;

**Section 1.0 – PROPOSED ORDER**

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1           AND WHEREAS the Prince Edward Island Energy Corporation (“PEIEC”)  
2 applied to intervene in the Application and the Commission approved this request by Order  
3 UE22-05 dated August 31, 2022;

4  
5           AND WHEREAS a Technical Session was held on September 8, 2022 to  
6 provide greater detail on certain aspects of the Application and an audio recording of the  
7 Technical Session was posted on the Commission’s website on September 9, 2022;

8  
9           AND WHEREAS subsequent to the Technical Session various written  
10 interrogatories were posed to Maritime Electric and responses were subsequently provided;

11  
12           AND WHEREAS on October 31, 2022, Maritime Electric requested that the  
13 responses to certain interrogatories be provided on a confidential basis;

14  
15           AND WHEREAS the Commission issued Orders UE23-01 and UE23-03 on  
16 January 5 and February 3, 2023, respectively in relation to Maritime Electric’s confidentiality  
17 requests;

18  
19           AND WHEREAS Maritime Electric and the PEIEC requested Commission  
20 approval to engage in settlement negotiations with each other and the Commission provided  
21 direction and approval on January 12, 2023;

22  
23           AND WHEREAS Maritime Electric and PEIEC advised the Commission on  
24 February 23, 2023, that a Settlement had been reached;

25  
26           AND WHEREAS the Settlement requires approval by the Commission;

27  
28           AND WHEREAS the Commission has reviewed the Settlement and finds it to  
29 be reasonable and publicly justifiable;

30  
31           NOW THEREFORE IT IS ORDERED:

## **Section 2.0 – APPROVAL OF APPLICATION**

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### **2.0 APPROVAL OF APPLICATION**

Maritime Electric's Application is approved in its entirety, subject to the adjustments below.

#### **2.1 Return on Equity**

2.1.1 Maritime Electric's return on equity ("ROE") used in the calculation of revenue requirement, which is used to set customer rates, shall remain unchanged at 9.35 per cent on an average common equity of 40 per cent for 2023, 2024 and 2025, or until otherwise varied by the Commission.

2.1.2 Maritime Electric's maximum allowed ROE used in the calculation of earnings shall be 9.70 per cent for 2023, 2024 and 2025, or until otherwise varied by the Commission, with earnings in excess of 9.70 per cent to be deferred for future refund to customers in such manner as the Commission shall determine by future order.

#### **2.2 Energy Cost Adjustment Mechanism**

2.2.1 The ECAM base rate is approved as follows:

- a. \$0.09050 per kilowatt hour for the period May 1, 2023 to February 29, 2024;
- b. \$0.09440 per kilowatt hour for the period March 1, 2024 to February 28, 2025;
- and
- c. \$0.09612 per kilowatt hour for the period March 1, 2025 to February 28, 2026.

2.2.2 The ECAM collection rate is approved as follows:

- a. \$0.00589 per kilowatt hour for the period May 1, 2023 to February 29, 2024;
- b. \$0.00287 per kilowatt hour for the period March 1, 2024 to February 28, 2025;
- and
- c. \$0.00145 per kilowatt hour for the period March 1, 2025 to February 28, 2026.

#### **2.3 Weather Normalization Mechanism and Reserve Account**

2.3.1 The Weather Normalization Mechanism and Reserve account ("WNR") shall remain approved on an interim basis. The Company shall file with the Commission updated

## **Section 2.0 – APPROVAL OF APPLICATION**

1 WNR variables effective January 1, 2023 to December 31, 2023 that appropriately  
2 reflect the outcome of this Order by May 31, 2023.

3  
4 2.3.2 Maritime Electric shall submit a comprehensive review of the WNR, prior to the  
5 submission of its next General Rate Application, to support the approval of the WNR  
6 on a permanent basis.

### **2.4 Revenue Shortfall and RORA Refundable to Customers**

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8  
9 2.4.1 The forecast \$223,338 over refund balance of the RORA deferral account as of  
10 April 30, 2023 shall be offset against the 2020 revenue shortfall over-collection  
11 balance of \$2,472,248 as of April 30, 2023 and the net amount of \$2,248,910 shall be  
12 refunded to customers as a rate rider, which shall be set at \$0.00195 per kilowatt  
13 hour from May 1, 2023 to February 29, 2024.

14  
15 Any under-collected or over-collected amount at February 29, 2024 shall be  
16 addressed during the next rate setting period or as otherwise directed by the  
17 Commission.

### **2.5 Other Costs Recoverable from Customers**

18  
19 2.5.1 Costs recoverable from customers on behalf of the Province of Prince Edward Island  
20 related to debt repayment costs shall no longer be collected as a rate rider and shall  
21 instead be included in Maritime Electric's revenue requirement and collected during  
22 the period May 1, 2023 to February 28, 2026, or as otherwise directed by the  
23 Commission.

24  
25  
26 2.5.2 Costs recoverable from customers related to PEIEC's Energy Efficiency and  
27 Conservation Plan shall be collected as a rate rider during the period May 1, 2023 to  
28 February 28, 2026 at the following rates:

- 29  
30 a. \$0.00000 per kilowatt hour for the period May 1, 2023 to February 29, 2024;  
31 b. \$0.00033 per kilowatt hour for the period March 1, 2024 to February 28, 2025;  
32 and  
33 c. \$0.00121 per kilowatt hour for the period March 1, 2025 to February 28, 2026.

## **Section 2.0 – APPROVAL OF APPLICATION**

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1 **2.6 Customer Rates**

2 2.6.1 Maritime Electric’s revenue requirement from basic rates is confirmed as follows:

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4 a. \$230.4 million for 2023;

5 b. \$244.1 million for 2024; and

6 c. \$255.1 million for 2025.

7

8 2.6.2 Maritime Electric’s Schedule N-28 customer rates are approved as set out in  
9 Appendix A to this Order, or until otherwise varied by the Commission.

10

11 2.6.3 Although the revenue requirement for each year is confirmed, customer rates as  
12 presented in Appendix A for each class of customer are subject to final determination  
13 and adjustment in 2024 and/or 2025 based on the Commission’s decision with  
14 respect to Maritime Electric’s Rate Design Application Docket UE22503.

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**Section 2.0 – APPROVAL OF APPLICATION**

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1 Dated at Charlottetown, in the Province of Prince Edward Island, this \_\_\_\_ day  
2 of April, 2023.

3

ISLAND REGULATORY and APPEALS  
COMMISSION

Per: \_\_\_\_\_  
Name:  
Chair

Per: \_\_\_\_\_  
Name:  
Commissioner

Per: \_\_\_\_\_  
Name:  
Commissioner

4

**Maritime Electric Company, Limited**  
**Schedule of Rates**

Rate Code	March 1, 2022	May 1, 2023	March 1, 2024	March 1, 2025
<b>110 Residential</b>				
Service Charge	\$ 24.57	\$ 24.57	\$ 24.57	\$ 24.57
Energy Charge per kWh for first 2,000 kWh	\$ 0.1532	\$ 0.1593	\$ 0.1634	\$ 0.1690
Energy Charge per kWh for balance kWh	\$ 0.1228	\$ 0.1268	\$ 0.1299	\$ 0.1342
<b>130 Residential Rural</b>				
Service Charge	\$ 26.92	\$ 24.57	\$ 24.57	\$ 24.57
Energy Charge per kWh for first 2,000 kWh	\$ 0.1532	\$ 0.1593	\$ 0.1634	\$ 0.1690
Energy Charge per kWh for balance kWh	\$ 0.1228	\$ 0.1268	\$ 0.1299	\$ 0.1342
<b>131 Residential Seasonal</b>				
Service Charge	\$ 26.92	\$ 26.92	\$ 26.92	\$ 26.92
Energy Charge per kWh for first 2,000 kWh	\$ 0.1532	\$ 0.1593	\$ 0.1634	\$ 0.1690
Energy Charge per kWh for balance of kWh	\$ 0.1228	\$ 0.1268	\$ 0.1299	\$ 0.1342
<b>133 Residential Seasonal Option</b>				
Service Charge	\$ 37.50	\$ 37.50	\$ 37.50	\$ 37.50
Energy Charge per kWh for first 2,000 kWh	\$ 0.1532	\$ 0.1593	\$ 0.1634	\$ 0.1690
Energy Charge per kWh for balance of kWh	\$ 0.1228	\$ 0.1268	\$ 0.1299	\$ 0.1342
<b>232 General Service</b>				
Service Charge	\$ 24.57	\$ 24.57	\$ 24.57	\$ 24.57
Demand Charge - per kW for first 20 kW	\$ -	\$ -	\$ -	\$ -
Demand Charge - per kW for balance of kW	\$ 13.43	\$ 13.43	\$ 13.43	\$ 13.43
Energy Charge per kWh for first 5,000 kWh	\$ 0.1871	\$ 0.1958	\$ 0.2010	\$ 0.2080
Energy Charge per kWh for balance of kWh	\$ 0.1241	\$ 0.1282	\$ 0.1313	\$ 0.1356
<b>233 General Service - Seasonal Operators Option</b>				
Service Charge	\$ 24.57	\$ 24.57	\$ 24.57	\$ 24.57
Demand Charge - per kW for first 20 kW	\$ -	\$ -	\$ -	\$ -
Demand Charge - per kW for balance of kW	\$ 13.43	\$ 13.43	\$ 13.43	\$ 13.43
Energy Charge per kWh for first 5,000 kWh	\$ 0.1871	\$ 0.1958	\$ 0.2010	\$ 0.2080
Energy Charge per kWh for balance of kWh	\$ 0.1241	\$ 0.1282	\$ 0.1313	\$ 0.1356
<b>320 Small Industrial</b>				
Demand Charge - per kW	\$ 7.46	\$ 7.46	\$ 7.46	\$ 7.46
Energy Charge per kWh for first 100 kWh per kW billing demand	\$ 0.1834	\$ 0.1917	\$ 0.1968	\$ 0.2036
Energy Charge per kWh for balance of kWh	\$ 0.0950	\$ 0.0970	\$ 0.0991	\$ 0.1022
<b>310 Large Industrial</b>				
Demand Charge per kW	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50
Energy Charge per kWh	\$ 0.0780	\$ 0.0809	\$ 0.0829	\$ 0.0857
<b>340 Long Term Contract (Currently no customers in this rate category)</b>				
Demand Charge per kW	\$ 15.51	\$ 15.51	\$ 15.51	\$ 15.51
Energy Charge per kWh	\$ 0.1044	\$ 0.1041	\$ 0.1065	\$ 0.1132
<b>330 Short Term Contract (Currently no customers in this rate category)</b>				
Demand Charge - per kW	\$ 16.79	\$ 16.79	\$ 16.79	\$ 16.79
Energy Charge per kWh for all kWh in the first block	\$ 0.1036	\$ 0.1062	\$ 0.1087	\$ 0.1121
Energy Charge per kWh for balance of kWh in the month	\$ 0.0869	\$ 0.0882	\$ 0.0901	\$ 0.0928

**Maritime Electric Company, Limited  
Schedule of Rates**

	Residential	Type		Annual	Monthly				
				kWh	kWh	March 1, 2022	May 1, 2023	March 1, 2024	March 1, 2025
	619	LED	70 W HPS Equivalent St Lights - Rented		15	\$ 12.49	\$ 12.81	\$ 13.14	\$ 13.49
	625	LED	100 W HPS Equivalent St Lights - Rented		17	\$ 12.93	\$ 13.26	\$ 13.60	\$ 13.97
*	630	HPS	St Lights - Rented	389	32	\$ 16.57	\$ 17.00	\$ 17.44	\$ 17.91
*	631	HPS	St Lights - Rented	553	46	\$ 21.06	\$ 21.61	\$ 22.17	\$ 22.77
*	632	HPS	St Lights - Rented	799	66	\$ 30.12	\$ 30.90	\$ 31.70	\$ 32.56
	633	HPS	St Lights - Rented	1283	106	\$ 41.02	\$ 42.08	\$ 43.17	\$ 44.34
	634	HPS	St Lights - Rented	1886	157	\$ 48.10	\$ 49.35	\$ 50.63	\$ 52.00
*	635	MV	St Lights - Rented	656	54	\$ 16.50	\$ 16.93	\$ 17.37	\$ 17.84
	639	Lanterns	City Lanterns - Rented	389	32	\$ 60.56	\$ 62.13	\$ 63.75	\$ 65.47
*	640	HPS	St Lights - Owned	389	32	\$ 6.59	\$ 6.76	\$ 6.94	\$ 7.13
*	641	HPS	St Lights - Owned	553	46	\$ 8.70	\$ 8.93	\$ 9.16	\$ 9.41
*	642	HPS	St Lights - Owned	779	65	\$ 11.70	\$ 12.01	\$ 12.32	\$ 12.65
	643	HPS	St Lights - Owned	1283	107	\$ 18.56	\$ 19.04	\$ 19.54	\$ 20.07
	644	HPS	St Lights - Owned	1886	157	\$ 29.22	\$ 29.98	\$ 30.76	\$ 31.59
	666	LED	175 W MV Equivalent St Lights - Rented		25	\$ 14.41	\$ 14.78	\$ 15.16	\$ 15.57
	670	LED	St Lights - Rented	410	34	\$ 16.78	\$ 17.21	\$ 17.66	\$ 18.14
	675	LED	150 W/200 W HPS Equivalent St Lights - Rented		37	\$ 15.61	\$ 16.01	\$ 16.43	\$ 16.87
	719	LED	St Lights - Owned	176	15	\$ 2.69	\$ 2.76	\$ 2.83	\$ 2.91
*	730	HPS	Yard Lights - Rented	389	32	\$ 16.57	\$ 17.00	\$ 17.44	\$ 17.91
*	731	HPS	Yard Lights - Rented	553	46	\$ 21.06	\$ 21.61	\$ 22.17	\$ 22.77
*	732	HPS	Yard Lights - Rented	799	66	\$ 30.12	\$ 30.90	\$ 31.70	\$ 32.56
	733	HPS	Yard Lights - Rented	1283	106	\$ 41.02	\$ 42.08	\$ 43.17	\$ 44.34
	734	HPS	Yard Lights - Rented	1886	157	\$ 48.10	\$ 49.35	\$ 50.63	\$ 52.00
*	735	MV	Yard Lights - Rented	656	54	\$ 16.50	\$ 16.93	\$ 17.37	\$ 17.84
*	736	MV	Yard Lights - Rented	881	73	\$ 20.98	\$ 21.53	\$ 22.09	\$ 22.69
*	737	MV	Yard Lights - Rented	1210	100	\$ 29.19	\$ 29.95	\$ 30.73	\$ 31.56
*	740	HPS	Yard Lights - Owned	389	32	\$ 6.59	\$ 6.76	\$ 6.94	\$ 7.13
	741	HPS	Yard Lights - Owned	553	46	\$ 8.70	\$ 8.93	\$ 9.16	\$ 9.41
	742	HPS	Yard Lights - Owned	779	65	\$ 11.70	\$ 12.01	\$ 12.32	\$ 12.65
	743	HPS	Yard Lights - Owned	1283	107	\$ 18.56	\$ 19.04	\$ 19.54	\$ 20.07
	744	HPS	Yard Lights - Owned	1886	157	\$ 29.22	\$ 29.98	\$ 30.76	\$ 31.59
	749	LPS	Yard Lights - Owned	869	72	\$ 13.63	\$ 13.98	\$ 14.34	\$ 14.73
	753	Flood	Yard Lights - Rented	1283	107	\$ 39.16	\$ 40.18	\$ 41.22	\$ 42.33
	754	Flood	Yard Lights - Rented	1886	157	\$ 48.84	\$ 50.11	\$ 51.41	\$ 52.80
	755	Halide	Yard Lights - Rented	1148	95	\$ 41.17	\$ 42.24	\$ 43.34	\$ 44.51
	756	Halide	Yard Lights - Rented	1878	156	\$ 50.83	\$ 52.15	\$ 53.51	\$ 54.95
	757	Halide	Yard Lights - Rented	4346	362	\$ 87.62	\$ 89.89	\$ 92.23	\$ 94.72
	759	Halide	St Lights - Owned	533	44	\$ 8.14	\$ 8.35	\$ 8.57	\$ 8.80
	760	Halide	St Lights - Owned	894	74	\$ 13.67	\$ 14.02	\$ 14.38	\$ 14.77
	761	Halide	St Lights - Owned	1148	95	\$ 17.53	\$ 17.99	\$ 18.46	\$ 18.96
	762	Halide	St Lights - Owned	1878	156	\$ 28.67	\$ 29.41	\$ 30.17	\$ 30.98
	764	LED	St Lights - Owned	410	34	\$ 6.26	\$ 6.42	\$ 6.59	\$ 6.77
	765	Halide	St Lights - Owned	759	63	\$ 11.58	\$ 11.88	\$ 12.19	\$ 12.52
	766	LED	St Lights - Owned	295	25	\$ 4.50	\$ 4.62	\$ 4.74	\$ 4.87
	775	LED	St Lights - Owned	438	37	\$ 6.69	\$ 6.86	\$ 7.04	\$ 7.23
	780	LED	St Lights - Owned	586	49	\$ 8.95	\$ 9.18	\$ 9.42	\$ 9.67
	785	LED	St Lights - Owned	718	60	\$ 10.94	\$ 11.22	\$ 11.51	\$ 11.82

\* These charges are applicable to existing fixtures only.

**Maritime Electric Company, Limited**  
**Schedule of Rates**

	March 1, 2022	May 1, 2023	March 1, 2024	March 1, 2025
610 Pole Rental -Wood Residential Unmetered Rates (based on 100 watt fixture)	\$ 4.38	\$ 4.38	\$ 4.38	\$ 4.38
810 8 Hour Lighting per kWh	\$ 0.1830	\$ 0.1913	\$ 0.1964	\$ 0.2032
Minimum Charge	\$ 11.67	\$ 11.67	\$ 11.67	\$ 11.67
820 12 Hour Lighting per kWh	\$ 0.1830	\$ 0.1913	\$ 0.1964	\$ 0.2032
Minimum Charge	\$ 11.67	\$ 11.67	\$ 11.67	\$ 11.67
830 24 Hour Lighting per kWh	\$ 0.1830	\$ 0.1913	\$ 0.1964	\$ 0.2032
Minimum Charge	\$ 11.67	\$ 11.67	\$ 11.67	\$ 11.67
840 Air Raid & Fire Sirens	Currently no customers in this rate category			
850 Outdoor Christmas Lighting - 5.77¢ per watt of connected load per week	Currently no customers in this rate category			
234 Customer Owned Outdoor Recreational Lighting Service Charge	\$ 24.57	\$ 24.57	\$ 24.57	\$ 24.57
Energy Charge per kWh for first 5,000 kWh	\$ 0.1830	\$ 0.1913	\$ 0.1964	\$ 0.2032
Energy Charge per kWh for balance of kWh	\$ 0.1139	\$ 0.1171	\$ 0.1198	\$ 0.1237
Short Term Unmetered Rates	Currently no customers in this rate category			
Energy Charge: per kWh of estimated consumption	\$ 0.1830	\$ 0.1913	\$ 0.1964	\$ 0.2032
Connection Charge:			Single-Phase	Three-Phase
A. Connecting to existing secondary voltage			\$99.08	\$99.08
B. Where transformer installations are required, the following connection charges will apply:			Single-Phase	Three-Phase
(1) Up to and including 10 kVA			\$148.87	\$209.17
(2) 11 kVA to 15 kVA			\$240.79	\$301.01
(3) 16 kVA to 25 kVA			\$269.20	\$336.64
(4) 26 kVA to 37 kVA			\$301.01	\$336.64
(5) 38 kVA to 50 kVA			\$336.64	\$336.64
(6) 51 kVA to 75 kVA			\$369.58	\$523.96
(7) 76 kVA to 125 kVA			\$431.07	\$555.59
(8) Above 125 kVA			0	\$594.94