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All the time.

MARITIME ELECTRIC
A FORTIS COMPANY

May 22, 2025

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

Dear Ms. Bradley:

2025 Customer Billing Review

Please find attached the Company's responses to Interrogatories of Commission Staff with respect to the 2025 Customer Billing Review.

If you have any questions, please do not hesitate to contract me at 902-629-3641.

Yours truly,

MARITIME ELECTRIC

Gloria Crockett

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

GCC10
Enclosure

RESPONSES TO INTERROGATORIES
OF
COMMISSION STAFF

2025 Customer Billing Review

Submitted May 22, 2025

IR-1 Refer to the discussion of Testing and Standards at page 2 of the report. MECL states that all customer meters must (1) be approved by Measurement Canada for use prior to installation, and (2) meet Measurement Canada's sampling and testing standards once installed.

a. Please explain the Measurement Canada process of approving meters prior to installation, including the standards/metrics utilized by Measurement Canada.
b. Is each and every customer meter installed by MECL approved by Measurement Canada for use prior to installation?
c. Between 2015 and 2025, have any of MECL's meters not been approved for use by Measurement Canada prior to installation? If yes, please provide full details.
d. Please explain the Measurement Canada process of sampling and testing for installed meters.
e. What are Measurement Canada's "sampling and testing standards" for installed meters?

Response:

Measurement Canada is an agency of Industry Canada responsible for ensuring customers receive fair and accurate transactions involving the measurement of goods. Measurement Canada's mandate is to administer and enforce the Electricity and Gas Inspection Act by:

- Defining units for energy measurement and sale;
- Providing calibration and certification of standards and measuring apparatus;
- Examining and approving prototype energy meters;
- Requiring verification of meter performance prior to trade use and the periodic reverification of meter performance;
- Establishing the framework for the accreditation program authorizing organizations to inspect and certify measuring devices on behalf of Measurement Canada;
- Providing sellers and purchasers with the right to independent investigation and arbitration of disputes; and
- Encourage compliance with standards and prescribing penalties for non-compliance.

a. Meters are tested and sealed in accordance with Measurement Canada standards by the Company's accredited meter supplier, Itron Inc., before shipment to Maritime Electric. Meters must achieve 99 per cent accuracy to pass factory testing.

b. Yes, all customer meters installed by Maritime Electric are approved by Measurement Canada.

c. No, all meters between 2015 and 2025 have been Measurement Canada approved.

d. Maritime Electric outsources meter testing to an accredited Measurement Canada facility, usually either Nova Scotia Power or New Brunswick Power due to their proximity to Prince Edward Island. Each year, the Company provides the testing facility with the lot or batch

of meters scheduled for testing early in the year. As an accredited Measurement Canada testing facility, the facility is responsible for randomly selecting the meters that Maritime Electric must collect from the field for testing. Maritime Electric has no input into the sample selection process, this is determined by the testing facility.

Once the selected meters are collected from the field by Maritime Electric, they are shipped to the testing facility where they are subject to a series of tests to determine whether the sample meters meet Measurement Canada's calibration and certification standards. Based on the results of the random testing, the entire lot will be given a pass or fail. If the lot is passed, all of the meters in the lot are granted an extension of up to eight years based on the results of the testing and the age of the meters in accordance with S-S-06 -Sampling Plans for the Inspection of Isolated Lots of Meters in Service.[1]

Although Maritime Electric has never had a lot fail Measurement Canada testing, if this were to happen, the Company would collect and replace the entire lot of meters from the field and retire the lot from service.

e. All electricity meters in Canada are subject to mandatory initial verification and periodic reverification in accordance with Measurement Canada S-E-02 - Specifications for the Verification and Reverification of Electricity Meters.

[1] The original meters from the supplier testing facility are granted an initial ten-year reverification period.

IR-2 On page 3 of the report, MECL indicates Measurement Canada's standard for accuracy of the meter must be within 3 percent or 97 percent accurate to pass. However, in Appendix A – Summary of Metering Canada Testing Results - it was noted that Measurement Canada's threshold to pass was 99%. Please explain why there are two different standards noted by Measurement Canada.

Response:

On page 3 of the report, the Company was referring to the specific situation where a customer requests that their meter be sent to Measurement Canada for dispute testing. In this specific instance, the Measurement Canada standard is that the accuracy of the meter must be within 3 per cent (i.e., the meter must be 97 per cent accurate) to pass.

Appendix A is a summary of the Company's mandatory annual sample testing results as required by Measurement Canada. For reverification of the lot in question, Measurement Canada requires the meters to be 99 per cent accurate to pass.

IR-3 Please provide a summary description of Appendix A. Ensure to include the following:

a. The process of selecting the Lot and the sample size.
b. Please include more details regarding the meter that failed the test on July 14, 2020.
c. Most years the extension granted column is listed as 8 years, with a few other extensions at 6 years; however, there was one year with only a 2 year extension, please explain why this is different.
d. Please explain why there are not tests on record after September 4, 2024.

Response:

a. Lot size is based on the number and type of meters purchased in a year, which also determines the sample size. These are determined in accordance with Measurement Canada specifications as set out in S-S-04 - Sampling Plans for the Inspection of Isolated Lots and Short-Series of Lots.

b. The meter that failed was part of an annual sample test group required for reverification testing. The meter in question was found to be 98.88 per cent accurate, just outside of the +/- 1 per cent range required by Measurement Canada to pass. The meter was found to be measuring slow and, therefore, any potential reading/billing inaccuracy while the meter was in service would have been in the customer's favour.

When the meter in question was returned to Maritime Electric from the testing facility, it was retired and disposed of to ensure it would not be reinstalled in the field.

There is an allowable margin for a certain number of meters to exhibit marginal results or failures within the sample group while still passing the lot overall. In this instance, the lot size of 3,093 meters is within the Measurement Canada range of 1,201 to 3,200 meters which requires a sample size of 125 meters. In this range, up to 1 meter in the sample group may exhibit marginal or failing results for the lot to pass. Alternatively, if 2 or more meters in the group exhibit marginal or failing results, the lot as whole would fail.

c. The extension granted is determined by a combination of the results of the testing and the age of the meters. As previously stated, the original meters from the supplier testing facility are granted an initial ten-year reverification period. The maximum extension that is granted on the second verification period is eight years and the third extension is six years maximum and so on.

The two-year extension is an example of where the extension granted was less than the maximum allowed. In this instance, six of the meters selected did not have enough time in the field to be included in the sample group.[2] Two additional meters were damaged and

[2] To be included in random sampling, the meter must be in the field for a minimum of 84 months.

excluded from the testing results.[3] The remaining meters in the sample group that could be fully tested passed and were given an extension of eight years. However, the combination of factors leading to eight meters that were excluded from the sample results led to the remaining lot being given an extension of two years. This lot is scheduled to be removed from the field and retired from service this year.

d. There are no test records after September 4, 2024, as Maritime Electric completed annual testing requirements for 2024 by this date and did not start testing for 2025 as of the date of this Report. Maritime Electric completes the annual meter testing as staffing and work schedules allow.

[3] A damaged meter is not considered to be a failed meter for Measurement Canada purposes.

IR-4 Appendix A – a significant amount of the meter testing appears to occur in the summer and early fall months.

a. Why are there significantly fewer tests during the coldest months of the year?
b. Does the colder weather affect the accuracy of meter testing? If so, please elaborate.

Response:

a. Maritime Electric submits the listing of the lot of meters subject to testing to the accredited test facility in February every year. The testing facility randomly selects the specific meters to be tested in accordance with Measurement Canada specifications and provides the list to Maritime Electric, usually within two weeks. Once Maritime Electric receives this list, the metering team collects the specific meters from the field over the subsequent months as staffing and work schedules allow. Also, in some situations, the meters are not physically accessible during the winter and early spring, which is also a consideration in determining when the meter is collected for testing.

b. Weather does not, in any way, affect accuracy of meter testing or the Company's meters in general.

IR-5 Please provide an update of the two meters that were recently sent to Measurement Canada.

Response:

Meter 209243 passed the dispute test and was found to be 99.83 per cent accurate. The Measurement Canada report was provided separately to Maritime Electric and to the customer. No further action was required and the meter will be returned to service by Maritime Electric once returned from the testing facility.

Meter 216384 did not pass dispute testing and the official testing error percentage was found to be inconclusive. Two errors were found:

- The first error noted was that the meter was under registering the kilowatt hours ("kWh") used by 67 per cent; and
- The second error was that the meter was intermittently registering kWh usage when only voltage was applied.

The Measurement Canada report was provided to the customer and to Maritime Electric separately. The Company has contacted the customer in question and reached a resolution for the period in question. This meter will be retired from service by Maritime Electric and returned to the manufacturer, Itron, for further investigation as the meter's behaviour in this instance is considered highly unusual. As an additional precaution, the Company has reviewed readings of other meters in the same lot of meters and found no indication of other meters that might be exhibiting similar behaviour.

IR-6 Is there a cost associated with Measurement Canada dispute testing? If so, what is the cost and who pays for it?

Response:

Measurement Canada does not charge Maritime Electric a fee for dispute testing. There are internal costs incurred by Maritime Electric associated with the process, which includes the labour and transportation costs of collecting and replacing the meter and shipping costs to an accredited testing facility. These costs are recorded as operating costs in the year incurred, which is normal utility practice.

Some utilities do charge a fee to the customer if the result of the dispute testing reveals the meter is accurate. However, in these instances, the fee can also be subject to dispute. Currently, Maritime Electric's instances of dispute testing is rare and a separate fee is not warranted. Should the frequency of such requests increase to the point where a dispute testing fee should be considered, the Company will request an amendment to the Company's General Rules and Regulations at that time.

IR-7 Refer to the discussion of Consistent Billing Periods on page 14 of the report. Please explain how AMI will make the number of billing days more consistent each month.

Response:

The Company's current billing system and processes rely on a monthly meter reading that is accomplished by a Maritime Electric employee driving by each meter location, which is typically scheduled on weekdays. A scheduled meter reading may get delayed due to statutory holidays, hazardous road conditions, or limited human resources (e.g., if a meter reader is unexpected absent from work that day). This can result in billing periods that are longer than normal. For some customers in February 2025, a statutory holiday and hazardous road conditions on another day caused the billing period to be longer than normal.

With advanced metering infrastructure ("AMI"), customers' energy consumption (i.e., meter readings) will be transmitted remotely and automatically. Therefore, statutory holidays, hazardous road conditions or limited human resources will not be a factor.[4] AMI will allow the Company to set a specific date and time to collect the meter reading from the system, enabling a consistent billing period of 30 or 31 days for every customer, every month.

[4] Normal weather events such as a snowstorm that would currently impact the ability to safely read meters due to hazardous road conditions would not impact the Company's ability to communicate with AMI.