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All the time.

MARITIME ELECTRIC
A FORTIS COMPANY

September 10, 2026

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The Island Regulatory and Appeals Commission

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

Dear Ms. Bradley:

Land Exchange with the City of Charlottetown – Docket UE21113
Response to Additional Interrogatory from Commission Staff

Please find attached the response to an additional interrogatory from Commission Staff with respect to the Company's application to approve an exchange of lands with the City of Charlottetown.

An electronic copy of this submission will be forwarded shortly.

Yours truly,

MARITIME ELECTRIC

Gloria Crockett

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

GCC32
Enclosure

180 Kent Street • PO Box 1328 • Charlottetown, PE C1A 7N2
telephone 1-800-670-1012 • **fax** 902-629-3665 • **maritimeelectric.com**

CANADA

PROVINCE OF PRINCE EDWARD ISLAND

**BEFORE THE ISLAND REGULATORY
AND APPEALS COMMISSION**

IN THE MATTER of Section 10 and 17(1) 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 to exchange certain lands with City of Charlottetown.

AFFIDAVIT

I, T. Michelle Francis of Emyvale, in Queens County, Province of Prince Edward Island, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Vice President, Finance and Chief Financial Officer for Maritime Electric Company, Limited and as such have personal knowledge of the matters deposed to herein, except where noted, in which case I rely upon the information of others and in which case I verily believe such information to be true.

2. I prepared or supervised the preparation of the attached Interrogatory responses and to the best of my knowledge and belief the responses are true in substance and in fact.

SWORN TO at Charlottetown,
Prince Edward Island, the 10th
day of September, 2026.

A Commission for taking affidavits in the
Supreme Court of Prince Edward Island

T. Michelle Francis

The Island Regulatory and Appeals Commission (the "Commission"), in assessing the reasonableness of the Application requesting Approval to Exchange certain lands with the City of Charlottetown (the "Application"), submitted by Maritime Electric Company, Limited ("Maritime Electric" or "MECL"), requests responses to the following interrogatories:

IR-9 Further to the response to IR-8, please clarify the proposed accounting and regulatory treatment of the land exchange:

a. Confirm the current net book value and rate base value of the MECL property being transferred to the City.
b. Confirm the value at which the Richmond Street and Dorchester Street properties will be recorded in MECL's accounts and included in rate base following completion of the transaction.
c. Explain the accounting basis used to determine the value of the acquired properties.
d. Explain the basis for MECL's statement that no gain or loss will arise from the transaction, including the reference to a "nominal licensing amount."
e. Confirm the resulting change, if any, to MECL's rate base as a result of the land exchange.
f. Confirm how the $68,000 Richmond Street entrance improvements previously approved through MECL's 2025 Capital Budget will be recorded to ensure these costs are not included twice.

Response:

a. The Maritime Electric property being transferred is a small portion of a larger 10.75 acre piece of land with a book value of $847,508. Based on the proportionate share, the current net book value and rate base value of the Maritime Electric property being transferred to the City is approximately $60,705.[1]

b. The property acquired from the City of Charlottetown will be included in rate base and the land transferred to the City will be removed (retired from assets) and no longer included in rate base when the land transaction is completed. The land acquired from the City of Charlottetown will be recorded at the carrying value of the land given up in the exchange. Therefore, this land exchange will not increase the Company's rate base.

c. The proposed transaction is an exchange for a similar asset and the expected future cash flows from the property is the same, therefore the transaction is recorded at the carrying amount or book value of the asset given up as provided in the response to IR-9(a).

d. Since the land obtained from the City of Charlottetown will be recorded at the carrying value of the land given up in the exchange, there is no gain or loss to be recorded on the exchange (i.e., rate base value will not change).

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1 Estimated value of Maritime Electric land being exchanged to the City of Charlottetown is 0.77 / 10.75 acres x $847,508 = $60,705.

To make the land exchange legally binding, the agreement will include a nominal licensing amount, such as $1, representing a small symbolic fee for the right to own the asset rather than its fair market value.

e. There will be no change to Maritime Electric's rate base as a result of the land exchange.

f. The $68,000 Richmond Street entrance improvements previously approved through Maritime Electric's 2025 Capital Budget was recorded as building improvements and is not impacted by this land exchange transaction. These costs are not, nor will be, included twice in Maritime Electric's Property, Plant and Equipment or rate base.