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MARITIME ELECTRIC
A FORTIS COMPANY

October 20, 2023

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

Dear Ms. Mosher:

UE20737 - Advanced Metering for Sustainable Electrification Project Application Questions

Please find attached the Company's responses to questions from Ms. Eva Kovacic Lee with respect to the Advanced Metering for Sustainable Electrification Project Application filed with the Commission on November 25, 2022.

Yours truly,

MARITIME ELECTRIC

Gloria Crockett

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

GCC23
Enclosure

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Via email: ekovacic@upei.ca

October 20, 2023

Ms. Eva Kovacic Lee
93 Queen St
Charlottetown PE C1A 2G1

UE20737 - Advanced Metering for Sustainable Electrification Project Application Questions

Please find attached the Company's response to your questions with respect to the Advanced Metering for Sustainable Electrification Project Application filed with the Commission on November 25, 2022.

Yours truly,

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I N T E R R O G A T O R I E S

Responses to Questions
of
Eva Kovacic Lee

SCBR - Advanced Metering for Sustainable Electrification Project Application
(UE20737)

Submitted October 20, 2023

I have been a customer of Maritime Electric for many years. I am concerned that the rates of electricity are going up and that an essential service like providing electrical power is in the hands of a private company rather than the government. As we know, the business model, not public service model governs private companies no matter what their public relations message may be. They are about profit over service.

I am concerned that the "Smart Meters" are being partly financed by Maritime Electric customers, the taxpayer, the expense passed on to the consumer; another example of the business model which governs private companies.

IR-1 If these meters make repair of future outages more efficient, why not further decrease the need of these repairs by burying those electric wires that can be buried and eliminating the ugly poles that are an eyesore in our cities. High cost of burying the wires was quoted as the reason against this. It is ironic that the cost of smart meters is not an issue, the political and economic will suddenly embracing this costly project.

Response:

Maritime Electric makes capital investments in the electrical system to ensure that, as required by the *Electric Power Act*, it is always in a condition to provide a reasonably safe and adequate supply of electricity to customers. When planning these investments, the Company must balance the effectiveness of existing activities for responding to customer demands, load growth requirements and other system dynamics, with the need for new initiatives to improve reliability, enhance customer service, optimize safety, and respond to changing conditions as they occur. Capital investments also must be planned such that they are affordable for ratepayers, which often dictates how capital projects are scoped and prioritized.

Underground Service
Maritime Electric estimates that costs to bury the entire electrical system, if completed over a twenty year period, would more than double current electricity rates. As such, the economics of burying transmission and distribution main lines precludes it from being an affordable option.

However, low voltage service lines, which run from the polemount transformers and connect to customer-owned equipment (i.e., the service mast), can be buried for a reasonable cost in many cases. The primary benefit to buried service lines is reduced potential for trees to damage them and the customer's service mast during severe weather events. In addition, damage to these assets is often the last to be repaired following a weather-related outage, resulting in lengthy service disruptions for these customers.[1] Maritime Electric is currently investigating possible changes to its Rates and General Rules and Regulations concerning underground facilities, which could benefit customers wanting new underground, as opposed to overhead, service lines.

Smart Meters
Maritime Electric's Advanced Metering for Sustainable Electrification Project, which is currently under review by the Island Regulatory and Appeals Commission ("IRAC"), involves the replacement of the Company's customer information system ("CIS"), which has reached end of

[1] The customer must engage an electrician to repair the customer-owned equipment before the Company can reconnect their power.

life, and the installation of new advanced metering infrastructure ("AMI"), to modernize utility-customer interaction capabilities.

Increasing electrical demand on Prince Edward Island has required new capital investment in substations and power lines in recent years. Population growth and electrification of space heating have been the primary factors increasing electrical demand.[2] This load-growth trend is expected to continue with further increases in population and expanded use of electricity for space heating and transportation over the next several years.

Through the Advanced Metering for Sustainable Electrification Project, Maritime Electric will be better positioned to manage the load growth associated with increased population and electrification. More specifically, AMI will facilitate the future development of innovative rate structures such as time-of-use rates that provide customers with a price signal to shift some electricity consumption from peak to off-peak times. AMI also has the potential to enable conservation voltage reduction,[3] and vehicle- or battery-to-grid technology, where there is an economic electrical system benefit to be gained.

Recently announced Federal Government funding of $19 million significantly reduces the extent to which investment in the Advanced Metering for Sustainable Electrification Project will need to be recovered from ratepayers. As such, the result is a net-positive financial benefit to customers over the life of the project.

[2] Over approximately the past ten years, PEI's annual peak load has increased by approximately 58 per cent.

[3] Conservation voltage reduction uses regulation devices to optimize distribution voltage, to reduce energy consumption and associated operating costs, while maintaining acceptable quality of delivered power.

IR-2 Another question I have is this: Will the customer continue receiving a monthly **paper** bill including our electricity usage information or will we expected to go online, which I absolutely refuse to do.

Response:

The scope of the project includes continuing to produce paper bills for those customers who prefer to receive billing information in that manner. It is expected that information currently presented on the bill, including historical monthly usage, will also be generated by the new system. If time-of-use billing is implemented in the future, it is expected that the paper bill will also include usage information as it relates to the individual time-of-use pricing tiers.

The project scope also includes a new online customer portal, which will give customers the option to access historical interval usage data. This interval data will show hourly usage as opposed to the monthly usage data that is currently available.

Currently customers are encouraged to receive electronic bills or access their information through the online customer portal, as producing and distributing paper bills is more costly and has a negative impact on both the environment and electricity rates.