

May 28, 2025

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The Island Regulatory
and Appeals Commission

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

Dear Commissioners:

**On-Island Capacity for Security of Supply - Request for Confidentiality
Docket UE-20742**

The purpose of this letter is to provide additional clarification and context to Maritime Electric Company, Limited's ("Maritime Electric" or the "Company") Request for Confidentiality of certain details and documents filed with the Island Regulatory and Appeals Commission ("IRAC" or the "Commission") with respect to the On-Island Capacity for Security of Supply Project ("Project") Application ("Application"), and certain associated interrogatory responses and discussions to be held during technical sessions. The Company requests confidential treatment of the information and objects to the disclosure of any abridged versions thereof not otherwise identified herein.

In the original request for confidentiality dated May 16, 2024, the Company incorrectly identified the Confidential Appendices in the application as Confidential Appendix D and Confidential Appendix E. The actual confidential appendices are Confidential Appendix E and Confidential Appendix F, as correctly identified in the Application.

With respect to Appendix E – Net Present Value and Calculations, the NPV analysis provided is largely centered around the avoided capacity and ancillary service costs. The avoided capacity costs disclosed is part of the Company's Energy Purchase Agreement ("EPA") with NB Power and this information should be kept confidential for the reasons stated in our letter of May 16 and further explained herein. Redacting sufficient information in an abridged version of this appendix would reduce the amount of information in the appendix to the extent that it would no longer be useful to the reader.

Similarly, the avoided capacity and ancillary service costs form a significant input in Appendix F – Impact on Rate Base, Revenue Requirement and Customer Rate Calculations. However, the Company has attached an abridged version of this Appendix whereby both the avoided costs and operating costs are redacted on page 4. By redacting these two pieces of information, it is not possible for the reader to use the information and other information contained in the application to back into the Company's negotiated EPA capacity cost.

With respect to the request for confidentiality under Rule 51 (2), the Company hereby submits the following additional information to support the request for confidentiality of energy supply contracts and pricing information:

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- The commercial terms of the NB Power EPA are a result of negotiations that reflect and factor in each party's generation assets, the buyer's energy, capacity and ancillary service requirements and the seller's dispatch order obligations. The EPA defines the use of firm, secure and assured energy and capacity charges for the purpose of determining the order of purchase. Each EPA is independently negotiated based on the merits of both parties to the agreement.

The Maritime energy market has relatively few participants. Publicly disclosing any information related to our EPA with NB Power could harm NB Power's relationship with their other customers in the Maritimes. Further, Maritime Electric and its customers are highly dependent on purchasing energy and capacity from NB Power at competitive pricing. Disclosure of contract pricing could seriously harm our business relationship with NB Power and negatively impact on our negotiating power for future EPAs with NB Power, which may have the unintended consequence of increasing future costs for our customers.

As required by the Electric Power Act under Section 12.2, Maritime Electric has an obligation to consult with the Prince Edward Island Energy Corporation ("PEIEC") in negotiating energy supply. To that end, Maritime Electric, the PEIEC and NB Power entered a confidentiality, proprietary and non-disclosure agreement ("NDA") to fulfill the purpose of a long-term power purchase agreement. The NDA contains conditions with respect to non-disclosure, fiduciary, and security obligations. Maritime Electric and the PEIEC are bound by the terms of the NDA and for this reason, the Company does not object to the sharing of information related to the EPA with the PEIEC including the proposed technical session on May 29.

The Company does request that this information remain confidential from the Friend of the Commission intervenors and the public. It is our belief that the information required to be kept confidential will not negatively affect the Friends of the Commission intervenors from fully participating in the regulatory process. The extent of participation of the Friend of the Commission Intervenor is defined by the Order recently issued by the Commission and does not include a right to be provided with information which should otherwise be treated as confidential.

Yours truly,

MARITIME ELECTRIC



Michelle Francis
Vice-President, Finance & Chief Financial Officer