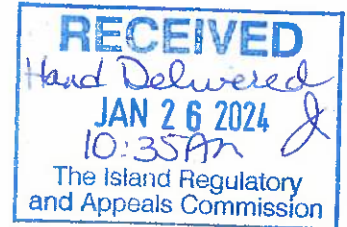


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January 26, 2024



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

Dear Commissioners:

RE: UE21505 - Application for Friend of the Commission Intervener Status

Pursuant to section 18 of the Commission's Rules of Practice & Procedure ("Rules"), this letter provides Maritime Electric's position on Energy Democracy Now! Co-operative Limited's (the "Applicant") request to intervene as a Friend of the Commission in the Company's application to recover costs associated with restoring power after Hurricane Fiona (the "Application").

In brief, Maritime Electric takes the position that (i) a public hearing is not required in this matter, and (ii) in any event, the request for Friend of the Commission Intervener status does not meet the test established in section 14(1)(b) of the Rules.

A Hearing is Not Required

A brief review of the history of this Application is of assistance in addressing this point.

The Company's initial Application for Interim Approval to Defer Costs Associated with Hurricane Fiona was filed with the Commission on November 25, 2022. Commission staff interrogatories were issued to Maritime Electric and Maritime Electric responded on December 8 and 13, 2022. On December 19, 2022, the Commission issued Order UE22-08 approving the interim deferral of Fiona-related costs and requiring Maritime Electric to file a comprehensive report ("Report") by January 31, 2023, containing, among other things, total Fiona-related costs including: (i) all supporting invoices; (ii) a proposed allocation between operating and capital costs; and (iii) an independent audit opinion. Maritime Electric filed its Report on January 31, 2023. Maritime Electric received permission from the Commission for an extension to file the independent audit opinion and that opinion was subsequently filed on February 28, 2023.

On February 8, 2023, Maritime Electric received a letter of direction from Chair of the Commission requiring additional information be provided in the Report and an Updated Report was filed on March 7, 2023.

Maritime Electric made further Application to the Commission to Collect Operating and Capital Costs Related to Hurricane Fiona on November 3, 2023. On or about November 21, 2023, Notice of the Application was provided to members of the public and timelines were established.

As a public utility regulated by the *Electric Power Act*, Maritime Electric is entitled to recover all costs prudently incurred in accordance with good utility practice plus receive a reasonable return. The material filed by Maritime Electric, including the responses to the Commission interrogatories and the independent audit opinion, confirm that Fiona-related costs were prudently incurred in accordance with good utility practice and that the allocation of costs between operating and capital is appropriate.

In the circumstances, there is no need for the time and expense of a public hearing. The remainder of the proceeding can be completed in written form and an Order granting permission to recover these costs over a reasonable period of time should be issued.

Intervention Request

Maritime Electric encourages and welcomes public input in its regulatory applications. Maritime Electric also acknowledges the Commission's broad discretion to determine its own procedure. Maritime Electric is of the view that the Applicant's request does not meet the test required for Friend of the Commission Intervener status given the purpose of this Application.

Section 14(1)(b) of the Rules defines a "Friend of the Commission Intervener" as "... an individual or organization who represents the public interest and can **meaningfully contribute** to the proceeding." (emphasis added)

There is no evidence to establish that the Applicant can "meaningfully contribute" to this proceeding. It is important to appreciate the narrow focus of this Application, which is to determine whether costs were prudently incurred and, if so, determine the proper allocation between operating and capital and an appropriate time period for recovery.

The Applicant's submission does not identify any expertise in relation to this matter. On the contrary, the submission appears to be more broadly focused on energy policy generally. The Applicant has not provided evidence of expertise in assessing the costs of public utilities, in the allocation of costs to operating or capital accounts, or knowledge of the objective of balancing timely cost recovery against rate shock.

Summary

In summary, Maritime Electric is of the view that sufficient evidence has been provided to the Commission to establish that the Fiona-related costs were prudently incurred and that a public hearing is not required, making the Applicant's request extraneous.

In the alternative, if the Commission concludes that a public hearing is necessary, Maritime Electric is of the view that the request made by Energy Democracy Now! Co-operative Limited does not meet the two-part test set out in section 14(1)(b) of the Rules.

Ultimately it is the Commission's decision on whether to grant Friend of the Commission Intervenor status to this Applicant and Maritime Electric will obviously respect whatever decision is made. If the decision is to have a public hearing and to grant such status to this Applicant, Maritime Electric requests that narrow parameters be placed upon this Applicant's involvement so as to ensure that the hearing remains efficient and focused.

Yours truly,

MARITIME ELECTRIC



Michelle Francis
Vice President,
Finance & Chief Financial Officer