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Subject: Comments and questions relative to Maritime Electrics rate increase due to hurricane Fiona damages.

The following is respectfully submitted in an attempt to gain a better understanding of the need for a limited time rate increase as requested by Maritime Electric to IRAC.

I am a bit confused. Is Maritime Electric in the business to supply a service to its customer who intern pay an amount for there service, or is it in business to provide an ever-increasing return on investment to its shareholders. The provision of electrical power is not in my ignorance a competitive industry. However, one that should provide its investors with reasonable rates on their investments.

I realize that without investors (shareholders) it would be difficult if not impossible to survive. However, at what cost should that be to its consumers. The provision of electrical power is not experiencing competition from another similar service provider. My limited understanding is in today's world there are emerging alternatives to today's conventional power sources. This technology, I understand is very limited and is at best only augmentation to the service provided by Maritime Electric.

Nevertheless, I ask how much is enough? As we have experienced over the past few years our environment is changing dramatically and will continue to challenge our abilities to cope with its demands. As a business is it not fiscally prudent to ensure that a contingency budget is in place to deal with unplanned for events such as Fiona.

At what point does Maritime Electric start reviewing operational costs with the goal of stream lining/reducing expenditures to ensure that funding is available to meet these requirements. If a rate, increase albeit for a fixed time period is not approved what are the repercussions.

As a supplier, do you cut back on service, eliminate improvement opportunities, limit consumption by its customers, and question your ability to meet new demands or reduce stakeholder return on investments. "Maritime Electric Company, Limited carries on a business as a public utility subject to the Electric Power Act engaged in the production, purchase, transmission, distribution, and sale of electricity within Prince Edward Island".

Question 1. What, where and how much electricity does Maritime Electric produce?

The Company had indicated that it was preparing a detailed report on the restoration efforts, compiling the necessary information to finalize the actual cost of the restoration effort, how much of the cost was capital versus operating. This report will be provided to the Commission and in term they to make it available to interested individuals as soon as it is completed.

Question 2. Has this happened and is it broken down by capital costs versus operating.

There is no indication, or to any reference to MECL's insurance coverage. I would assume that they have insurance and that it provides coverage for such issues as those created by environmental disruption.

Question 3. What does MECL's insurance policies cover?

Comment: I have review letters from concerned residents on the proposed interim rate increase as a result of damages resulting from of Fiona. I find it difficult to believe that there were only two concerned islanders who voice their comments and disagreements at the time of my writing. I have heard it said; "my efforts aren't going to be listen to anyway so why bother" , " today's companies know they provide a service you can't get at the corner" or the most discouraging comment heard, "So my families goes without something else" Pathetic when the rate on investment is high and getting increasingly greater than ever.

Comment: Where do we go for answers? Will it eventually be government owned and operated with shareholder return on investment calculated after year-end results? What control do we have over the costs we pay for the service you buy from your supplier NB Power (Point Lepreau) purchasing power as reported in a recent Guardian newspaper article? **So in this case Point Lepreau did not supply the agreed upon electricity, so Maritime Electric purchased electricity elsewhere, but also payed Point Lepreau for the non- supplied electricity.**

In my simplistic approach, I subscribe to the following: I pay an agreed to amount of money for a service, which provides me with the quality of life that I wish for family and myself. If the provider has issues that require them to spend unbudgeted funds on an impediment to my service is another issue. **Is this not your costs for providing a service,** should they not be reflected in their **stakeholder annual earnings?**

In my ignorance, it would appear to me that the most important issue for Maritime Electric is one of providing a guaranteed increasing year over year profit share for its shareholder and customers needs and requirements are secondary. The provision of electrical power to each individual on Prince Edward Island should not be held up to ransom because of shareholder profits.

The following are my comments and questions relative to your application to IRAC for funding for restoration of service because of Fiona.

Quote 1: “The electricity transmission and distribution systems that connect power plants with consumers have construction, operation, and maintenance costs, which include repairing damage to the systems from accidents or extreme weather events and improving cybersecurity” (Griffin: Maritime Electric)

Question 1.1. What has been the budget totals year over year since 2018 for vegetation management across **all operating budgets and expenditure budgets?**

Question 1.2. Is the budget for vegetation management rolled over from year to year? If not, one would only assume that this is an operational expenditure based on a multi fiscal year plan.

Question 1.3. What were the extreme weather event budgets and expenditure associated with 2022, the year Fiona struck?

Question 1.4. I assume that companies utilizing Maritime Electrics network will be charged the same percentage of costs for restoration as electrical residential customers if they will not be, why are they not?

Question 1.5. What percentage of the costs incurred as a result of Fiona were billed to customers utilizing Maritime Electrics network for their carrier service to their customers.

Question 1.6. As adjacent property owners, what were the associated costs and action plans for federal, provincial, and municipal levels of government because of Fiona.

Quote 2: “The primary reason for the outages mostly were the trees that had come down across our lines in Fiona's wake” (Maritime Electric). The utility was criticized by the province's electricity regulator (IRAC) for spending just a fraction of what other utilities in the region spend each year on vegetation management that is electively trimming trees growing near power lines so that they are less likely to fall in such a way that they take out stretches of power line” (IRAC). At the time, Maritime Electric was on a schedule to conduct tree trimming along Island distribution lines once every 35 years, compared to once every eight years for Nova Scotia Power.

Question 2.1. Is vegetation management and tree trimming one in the same?

Question 2.2. “Is near power lines” those within the right of away?

Question 2.3. What are the reasons for the frequency of once every 35 years for tree trimming on PEI as compared to once every eight years for Nova Scotia Power? With previous storms such as Dorian, Juan or any other weather events where high winds

brought down trees should Maritime Electric have not amended its vegetation management plan budgets knowing that the outcome and impact of these events and potential future disruptions in the future.

Quote 3: But in its application to recover Fiona costs, the company says "the vast majority" of trees that came down on power lines that weekend fell from outside the right of way where the company is permitted to trim trees. "For this reason, the level of damage on the electricity system from Fiona would not have been materially reduced had the company invested additional resources into traditional vegetation management prior to the onset of Fiona." (Griffin: Maritime Electric)

Question 3.1. What were the processes used to remove downed trees from adjoining properties to Maritime Electric right away by Fiona and past power outages because of downed trees from adjoining properties?

Question 3.2. In addition to financial planning, what are the initiatives for communications with involved property owners as to the impact they have on the distribution system of electricity to other islanders.

Question 3.3. At the time, Maritime Electric was on a schedule to conduct tree trimming along Island distribution lines once every 35 years, compared to once every eight years for Nova Scotia Power. Why was the variance so great between Nova Scotia and Maritime Electric?

Quote 4: "Maritime Electric was negligent in its vegetation management," he said on Monday. It did not keep up with industry standards even for the Maritimes and now we're a higher rate of this cost because you're paying overtime for the workers that had to come in here and do this particular work." *Liberal MLA Rob Henderson*

Question 4.1. MLA Rob Henderson said that Maritime Electric's power restoration costs should not be a problem passed on to people who buy power to light and their homes. What is Maritime Electric's response to his statement?

Quote 5: A company review of power lines after post-tropical storm Dorian hit the Island in 2019 found 74 per cent "require[d] urgent vegetation management to avoid a significant deterioration of reliability" in P.E.I.'s electrical grid.

Question 5.1. What actions were undertaken to address the issues because of this review?

Question 5.2. In addition, were property owners adjacent to your right away involved and in addition, to what extent were actions taken?

Quote 6: Enrique Riveroll, vice president of sustainability and customer operations for Maritime Electric, told MLAs the utility spent \$3.5 million on tree trimming in 2021 and 2022, and has submitted a three-year plan to the Island Regulatory and Appeals Commission that would increase that spending to \$4 million in 2025.

Question 6.1. What were the budgets and expenditures for each year, 2021, & 2022. How did the expenditures compare to budget allocations. What are the projected results (budget/expenditures/results) for 2023? What are the projected budgets for 2024 and 2025?

Quote 7: Beyond that Enrique Riveroll, vice president of sustainability and customer operations for Maritime Electric, said the company plans to spend \$5 million a year clearing vegetation, which he said would put Maritime Electric on a cycle of 7-10 years for trimming trees.

Question 7.1. Does this statement mean that Maritime Electric will spend \$5 million dollars per year or they will spend a total of \$5 million dollars on a cycle of 7- 10 years?

Question 7.2. Is this \$4 million requested in addition to the \$5 million?

Quote 8: "It's the cost of doing business", a statement made to Maritime Electric by MLA Rob Henderson.

Question 8.1. What was Maritime Electric's response to this statement?

Quote 9: In late 2019, nearly three-quarters of Prince Edward Island's power lines were in urgent need of maintenance to protect them from being broken by nearby trees, according to documents Maritime Electric filed with the province's energy regulator.

Question 9.1. Was there an aggressive vegetation plan and appropriate budget allocations to ensure minimal impact would occur from future weather events?

Question 9.2. What actions did Maritime Electric take to address urgent needs identified in late 2019?

Question 9.3 What actions did Maritime Electric take with property owners adjacent to their right away to address falling trees on their lines in the 2019 report?

Open Questions:

1. Does Maritime Electric have an up-to-date communications strategy that identifies their expectations of individual proper owners adjacent to their right of way and what they are prepared to do to resolve any issues? What is their communications strategy?
2. What guarantee do consumers have that fixed rate/time charges approved for unexpected shutdowns at New Brunswick's Point Lepreau power plant will not be continued by rolling them into a different expenditure category.