

Cheryl Mosher, CPA, CA
Senior Financial Advisor
PEI RAC
P.O. Box 577,
Charlottetown, PE
C1A 7L1

January 25, 2024

Subject: Maritime Electric Rate Application-FIONA

The following is respectfully submitted and in know way is intended to diminish the efforts of Maritime Electric in the damages and restoration of electrical services to Islanders because of Hurricane Fiona.

In review of available documents and post mortem reviews, **I cannot and IRAC should not approve the application of Maritime Electric for an interim rate increase for costs incurred because of Hurricane Fiona.**

The following forms the basis of my reasoning on the application.

Maritime Electric failed to establish adequate planning for severe weather conditions on PEI to meet the intensity of environmental change. The Company does not budget operating or capital expenditures for extreme weather events such as Fiona. They failed to implement or revise their own vegetation plans as identified in post mortem reports completed on tropical storms Juan and Dorian.

Maritime Electric does not carry insurance with minor exception on overhead transmission and distribution lines due to the uneconomical costs or they are not available. It would have seem prudent to consider costs versus the changing weather severity that we are now confronted with and the impacts on its customers.

Maritime Electric's transmission lines vegetation maintenance programs were limited in comparison to need and significantly contributed to the severity of wind damages. They identified in their Fiona Post Mortem Report that the greatest damages were because of trees coming down on their power lines and from trees on private property adjacent to their power lines. There is no evidence that Martine Electric had developed and implemented any communication plans or programs with adjacent private property owners prior to Fiona that would have mitigated the number of fallen trees on power lines.

The costs associated with vegetation management for adjacent property owners can be burdensome and an additional cost in today's already high operational costs. Maritime Electric has proposed no financial assistant help albeit within their control or opened dialogue with responsible government departments to explore financial assistant for these situations.

Maritime Electric as reported in its Dorian Post Mortem Report that they had incurred 3 million dollars in costs in dealing with the restoration of services. These costs were the costs for restoration of service and were internalised to the company.

The application rates for increase should include all costs, including contingency financial allocation in the event of our changing weather and rolled over year to year and as such should be reflected on their next rate increase application.

In summary Maritime Electric's lack of planning, realisation and budget allocation as identified in their Dorian Post Mortem Report is a problem for the Company and should not be funded through an increase in rates to recover additional operating and capital costs from ratepayers.

The Dorian Post Mortem Report provided the Company with the opportunity to take the necessary actions to meet the next Fiona.

Respectfully
Edward Robillard