

April 7, 2022

VIA EMAIL

Maritime Electric Company, Limited  
c/o Spencer Campbell, Q.C.  
65 Grafton Street  
Charlottetown, PE C1A 1K8

Attention: Spencer Campbell, Q.C.

Dear Mr. Campbell:

RE: UE20954 – MECL OATT Schedule Update 2021  
IR Submission of West Cape Wind Energy L.P.

---

In the matter of Maritime Electric Company, Limited's application for approval of the 2021 Open Access Transmission Tariff ("OATT"), please find herein the interrogatories of West Cape Wind Energy L.P. ("WCWE").

**Rate Shock**

**Request IR-1:**

Please provide rate schedules for 2022-2024 for schedule 8 in the event that MECL was held to a maximum rate increase of 10% in 2022 and a further 10% in 2023. The balance of the required rate increase should be applied in 2024.

**Request IR-2:**

The revised applied for rate for Schedule 8 is \$3,831.93/MW-month. The current rate for Schedule 8, effective August 1, 2018, is \$3,051.60/MW-month. This is a rate increase of 25.6%.

- a) Has MECL canvassed stakeholders to determine their ability to absorb a 25.6% rate increase?

**David W. Hooley, Q.C.** | Senior Counsel

Direct 902 629 3903 Main 902 628 1033 Fax 902 566 2639 Email [dhooley@coxandpalmer.com](mailto:dhooley@coxandpalmer.com)

Dominion Building 97 Queen Street Suite 600 Charlottetown PEI C1A 4A9

Practicing as Professional Corporation

\*20051719/00001/932634/v1

April 7, 2022

- b) Does MECL consider a 25.6% rate increase to be consistent with Bonbright's rate design principle of avoiding rate shock?

**Request IR-3:**

In Alberta Utilities Commission Decision 25866-D01-202 at paragraph 57, the Commission stated "The Commission has also reviewed the typical bill impacts from December 2020 to January 2021, in assessing the likelihood of rate shock resulting from the proposed 2021 PBR rates. The Commission observes that the month-over-month changes to total bundled customer bills from December 2020 to January 2021 are not expected to exceed 10 per cent for all rate classes. In the past, the Commission has generally considered a 10 per cent increase from the last approved increase to be the threshold potentially indicative of rate shock."

In Alberta Utilities Commission Decision 20818-D01-2015 at paragraph 138-139, the Commission stated "The Commission has reviewed the typical bill impacts from December 2015 to January 2016, as provided by Fortis, in its assessment of the likelihood of rate shock resulting from the proposed 2016 PBR rates. In the past, the Commission has generally considered increases of 10 per cent or more to be a threshold potentially indicative of rate shock. The Commission notes that the 2016 PBR rates proposed by Fortis result in a typical bill impact of 19.5 per cent for irrigation rate class, which is Rate 26. The Commission considers an increase of this size is likely to cause rate shock. As such, the Commission considers that the use of a mitigation strategy is required. The Commission considers Fortis' second proposed mitigation strategy to be acceptable. The Commission notes that Fortis' proposed second mitigation strategy, which mitigated the impact to 10 per cent for the December 2015 to January 2016 time period ..."

- a) Is MECL aware that other Canadian jurisdictions consider 10% to be a threshold for rate shock and often mitigate rate increases when including all approved costs in rates would result in rate increases over 10%?

April 7, 2022

**Request IR-4:**

OATT schedule rates were last updated on August 1, 2018. Prior to that, OATT schedule rates were updated July 30, 2009. Schedule 8 rates were \$2,257.16/MW-month starting in 2009 and \$3,051.60/MW-month starting in 2018. Schedule 8 rates are now proposed to increase to \$3,831.93/MW-month.

- a) Does MECL agree that the lengthy passage of time between OATT schedule update applications (9 years and then another 4 years) has directly contributed to the significant increases in Schedule 8 rates each time the OATT schedules are updated?
- b) Is MECL opposed to more frequent OATT schedule update applications? If so, why?
- c) Is MECL opposed to annual OATT schedule update applications? If so, why?

**Firm vs. Non-Firm Rates**

**Request IR-5:**

Please explain the difference in service between firm and non-firm access to point-to-point transmission service.

**Request IR-6:**

In MECL's last OATT, approved August 1, 2018, at page 28, MECL indicates that Non-Firm PTP Transmission Service shall be subordinate to Firm Transmission Service.

- a) Please confirm that customers on non-firm transmission service would be interrupted before customers on firm transmission service in the event a congestion could be resolved through the interruption of either customer.

**Request IR-7:**

Please provide any documentation (e.g. rules, terms and conditions, tariff language, etc.) that outlines the process to interrupt and/or restore service to customers, including any noted prioritization sequence.

April 7, 2022

**Request IR-8:**

Please explain why customers receiving differing levels of service between firm and non-firm transmission service should pay the same rates under Schedule 7 and Schedule 8.

**Request IR-9:**

Please provide, for 2021 by month, the percentage of export capability that has been utilized as a total percentage and by service type (firm vs non-firm) by populating the following table.

	Total percentage of export capability utilized	Percentage of export capability utilized by firm transmission service	Percentage of export capability utilized by non- firm transmission service
Jan 2021			
Feb 2021			
Mar 2021			
Apr 2021			
May 2021			
Jun 2021			
Jul 2021			
Aug 2021			
Sept 2021			
Oct 2021			
Nov 2021			
Dec 2021			

**Request IR-10:**

- a) For 2021, please provide a schedule of individual export transactions (source, sink, service type).

April 7, 2022

- b) Please specifically highlight any instances where West Cape's power was exported off the Island.

**Request IR-11:**

- a) Please provide title custody of transmission rights.
- b) Please list any grandfathered transmission agreements on the Island.
- c) Please provide export capabilities of the transmission interties off the Island.

Additional interrogatories may follow. We look forward to your response.

Yours very truly,

  
for David W. Hooley, Q.C.

DWH/mm