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Maritime Electric Company, Limited
P.O. Box 1328
180 Kent Street
Charlottetown, PE C1A 7N2

Mr. Roberts,

Re: Calculation and Collection of the OATT True-up

I write with respect to the calculation and collection of the OATT true-up as between Maritime Electric Company, Limited ("Maritime Electric") and Summerside Electric.

During the course of the recent OATT hearing, the Island Regulatory and Appeals Commission (the "Commission") was advised that Maritime Electric and Summerside Electric entered into a "commercial collection agreement" that allowed Summerside Electric to defer payment of a portion of the transmission costs payable under the Interim OATT that was in effect from June 30, 2008 to July 31, 2018. Maritime Electric now seeks to collect the deferred transmission costs from Summerside Electric.

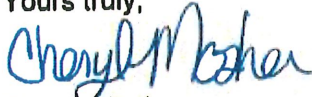
In accordance with Commission Order UE18-05, Maritime Electric was directed to work with Commission staff and Summerside Electric to determine the total amount of Summerside Electric's indebtedness for transmission costs under the Interim OATT (see Order UE18-05 at paragraph 143). This led to the exchange of information and meetings as between representatives of Maritime Electric, Commission staff and legal counsel.

I have now had an opportunity to review the materials provided by Maritime Electric, in particular, the enclosed calculations of the true-up dated August 14, 2018, as well as the information provided during our meetings on August 22, 2018 and September 6, 2018. I have also had an opportunity to consult with legal counsel to the Commission. I have determined that the transmission costs payable by Summerside Electric are Item A – Underpaid Transmission Access in the amount of \$342,492.43, and Item B – Accrued Interest on Underpaid Transmission Access Fees in the amount of \$64,311.49. Maritime Electric should therefore collect the sum of \$406,803.92 from Summerside Electric as unpaid transmission costs under the Interim OATT.

I have also had an opportunity to consider the proposed deduction/credit for losses on line T-11. As you know, T-11 is a direct assignment facility under the Interim OATT. As a result, Summerside Electric is required to bear the losses associated with T-11 during the period while the Interim OATT was in effect (June 30, 2008 to July 31, 2018). Although T-11 is no longer a direct assignment facility under the recently approved OATT and losses on T-11 will be systemized on a go-forward basis, this does not change the treatment of T-11 under the Interim OATT. Order UE18-05 makes it clear that the recently approved OATT is effective August 1, 2018; it does not act to retroactively alter or amend the terms of the Interim OATT.

I thank you for your assistance with respect to this matter.

Yours truly,



Cheryl Mosher
Senior Financial Advisor

Summary of Summerside OATT and Cable Contribution Fund payment and known future costs, up to July 31, 2018
 This looks back to July 2008 when the OATT received interim IRAC approval.
 14Aug2018 JDC

Item

Summerside owes to system

Item	Description	Amount	Tax	Total
A	Underpaid transmission access (Jul 2008 - Jul 2018)	\$ 316,141.63	\$ 26,350.80	\$ 342,492.43
B	Accrued interest on underpaid transmission access fees	\$ 64,311.49	\$ -	\$ 64,311.49
C	Unpaid Cable Contingency Fund Contributions (Mar 1, 2013 - Jul 31, 2018)	\$ 189,947.38	\$ -	\$ 189,947.38
D	NB Schedule 9 (Nov 1, 2017 - Jul 31, 2018)	\$ 66,450.34	\$ 9,967.55	\$ 76,417.89
E	Cape Tormentine Property Tax (Jul 1, 2017 - Jul 31, 2018)	\$ 165.10	\$ -	\$ 165.10
F	IRAC OATT Hearing Costs (Apr 2017 - Mar 2018)	\$ 9,344.88	\$ 1,401.73	\$ 10,746.62

Summerside is owed from system

Item	Description	Amount	Tax	Total
G	T-11 losses (Jul 2008 - Jul 2018)	\$ 276,171.09	\$ 37,096.37	\$ 313,267.46
H	Accrued interest on T-11 losses (Jul 2008 - Jul 2018)	\$ 44,315.21	\$ -	\$ 44,315.21

Total Outstanding Balances

Summerside Outstanding OATT Balance	\$ 135,927.15	\$ 623.71	\$ 136,550.86
Summerside Outstanding Cable Contingency Fund Contributions	\$ 189,947.38	\$ -	\$ 189,947.38

Actual figures current up to and including July 31, 2018.