



Energy
Corporation

Société de
l'énergie



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September 17, 2021

Ms. Cheryl Mosher
Senior Financial Advisor
Island Regulatory & Appeals Commission
PO Box 577
Charlottetown, PE C1A 7L1

Dear Ms. Mosher:

RE: Complaint Filed Under Section 12.5 of the Open Access Transmission Tariff ("OATT")

As requested, we respectfully submit the following comments on Item C (Unpaid Cable Contingency Fund Contributions) of the complaint filed by Maritime Electric ("MECL") on February 3, 2021:

- We confirm that the Province of PEI did not receive any Cable Contingency Fund Contributions directly from the City of Summerside ("COS") for the period March 1, 2013 to July 31, 2018. The Cable Contingency Fund was established by Section 7 of the Interconnection Lease Agreement between the Province of PEI and MECL. This Agreement was originally dated March 30, 1976, and was amended periodically until it was replaced, effective July 1, 2017, by the new PEI-NB Interconnection Facilities Interconnection Lease Agreement between the Province of PEI, the PEI Energy Corporation and MECL. Both Agreements set out the contributions to be remitted by MECL to the Province. In neither case was COS party to these Agreements, nor was there any mention of contributions being remitted by COS.
- Although COS adopted the same overall rates as MECL effective March 1, 2013, that does not mean that the related revenues generated by COS would necessarily be used in the same manner as those generated by MECL. For example, COS has, for a number of years, benched off of MECL rates, which include a rate rider for the recovery of Dalhousie & Point Lepreau Debt. While MECL remits amounts collected from ratepayers via this rate rider to the PEI Energy Corporation, COS does not, nor does it have a legal or statutory obligation to do so. COS, by virtue of its exempt status under the *Electric Power Act City of Summerside Electric Utility Exemption Regulations*, has the autonomy to determine its rate levels and how the resulting revenues are to be allocated.
- Cable Contingency Fund Contributions, which are in respect of the PEI-NB Cable Interconnection, are a transmission-related cost, as evidenced by their inclusion in the OATT that became effective on August 1, 2018. COS customers, like MECL customers, obtained the benefits of the PEI-NB Cable Interconnection during the period from March 1, 2013 to July 31, 2018. Therefore, to be consistent with the principle of comparable rates for comparable

service, we suggest that the Cable Contingency Fund Contributions paid by MECL for that period should have been treated as transmission-related costs and thus should have been factored into the charges levied under the Interim OATT.

Thank you for the opportunity to comment on the above. If you require anything further, I can be reached by telephone at (902) 620-3966 or via email at cburrows@gov.pe.ca.

Yours truly,



Crystal Burrows, CPA, CA
Chief Financial Officer

cc: Tyson Bradley, CPA, CA