

July 16, 2026

Island Regulatory and Appeals Commission
PO Box 577
Charlottetown PE C1A 7L1



Dear Commissioners:

Compliance Filing - Commission Order UE26-04 (Docket UE21505)

On June 5, 2026, the Island Regulatory and Appeals Commission ("Commission") issued Order UE26-04 to Maritime Electric Company, Limited ("Maritime Electric" or the "Company") directing the Company, among other things, to file a report detailing the rate impacts to ratepayers prior to implementing rate increases to recover the costs approved in the Order with a proposed implementation date.

In compliance with UE26-04, the 2026 revenue requirement and corresponding rate increase were recalculated to exclude the disallowed portions and to reflect no shareholder return earned on the deferral of the allowed portions of the operating and carrying costs.

The following discussion elaborates on the elements of the outcome of the Company's compliance with Order UE26-04 based on an implementation date of August 1, 2026.

Revenue Requirement

The revenue requirement calculated in compliance with Order UE26-04 from basic rates is summarized in Table 1.

TABLE 1 2026 Revenue Requirement from Basic Rates (\$ thousands)	
	Total
Return on Debt	\$ 1,303
Return on Equity	591
Subtotal – Return on Rate Base	1,894
Depreciation of Capital Costs	456
Amortization of Operating and Carrying Costs Deferred	1,054
Income Taxes	253
TOTAL	\$ 3,657

Table 2 provides the forecast sales (in megawatt hours or MWh) and revenue requirement by customer class for the period August 1 to December 31, 2026 in accordance with Order UE26-04.

TABLE 2 Forecast Sales and Revenue Requirement by Customer Class August 1, 2026 to December 31, 2026		
	Sales (MWh)	Revenue (\$000)
Residential	313,107	\$ 2,168
General Service	158,503	1,046
Large Industrial	62,067	208
Small Industrial	36,247	191
Street Lighting	1,291	35
Unmetered	1,008	8
TOTAL	572,223	\$ 3,657

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Table 3 provides a comparison of the existing approved basic energy charge per kilowatt hour ("kWh") and the basic energy charge effective August 1, 2026 developed in accordance with Order UE26-04.

TABLE 3		
Basic Energy Charge per kWh to Recover Revenue Requirement (\$)¹		
	Existing Rates	Effective 01-Aug-26
Residential - First Block	0.1663	0.1724
Residential - Second Block	0.1315	0.1363
General Service - First Block	0.2053	0.2128
General Service - Second Block	0.1329	0.1378
Small Industrial - First Block	0.2009	0.2082
Small Industrial - Second Block	0.0995	0.1030
Large Industrial	0.0830	0.0860

Supporting calculations for Tables 1 – 3 are provided in Electronic Attachments 1 and 2.

All-in customer rates effective August 1, 2026 are set out in Appendix A attached. An updated Schedule of Rates and General Rules and Regulations effective August 1, 2026 will be filed by July 31, 2026.

The Company's external auditor, Deloitte LLP, has been engaged to provide the requested confirmation that the accounting treatment of the disallowed amount is consistent with Order UE26-04. That confirmation will be filed with the Commission when it is completed by Deloitte LLP.

Yours truly,

MARITIME ELECTRIC



Michelle Francis
Vice President, Finance &
Chief Financial Officer

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Attachment

¹ The basic energy charge does not include the approved ECAM Rate Adjustment of \$0.00475 per kWh and the approved Provincial Energy Efficiency and Conservation Plan Rate of \$0.00121 per kWh.

Maritime Electric Company, Limited
Schedule of Rates

Rate Code			
		March 1, 2025	August 1, 2026
110	Residential		
	Service Charge	\$ 24.57	\$ 24.57
	Energy Charge per kWh for first 2,000 kWh	\$ 0.1723	\$ 0.1784
	Energy Charge per kWh for balance kWh	\$ 0.1375	\$ 0.1423
130	Residential Rural		
	Service Charge	\$ 26.92	\$ 26.92
	Energy Charge per kWh for first 2,000 kWh	\$ 0.1723	\$ 0.1784
	Energy Charge per kWh for balance kWh	\$ 0.1375	\$ 0.1423
131	Residential Seasonal		
	Service Charge	\$ 26.92	\$ 26.92
	Energy Charge per kWh for first 2,000 kWh	\$ 0.1723	\$ 0.1784
	Energy Charge per kWh for balance of kWh	\$ 0.1375	\$ 0.1423
133	Residential Seasonal Option		
	Service Charge	\$ 37.50	\$ 37.50
	Energy Charge per kWh for first 2,000 kWh	\$ 0.1723	\$ 0.1784
	Energy Charge per kWh for balance of kWh	\$ 0.1375	\$ 0.1423
232	General Service		
	Service Charge	\$ 24.57	\$ 24.57
	Demand Charge - per kW for first 20 kW	\$ -	\$ -
	Demand Charge - per kW for balance of kW	\$ 13.43	\$ 13.43
	Energy Charge per kWh for first 5,000 kWh	\$ 0.2113	\$ 0.2188
	Energy Charge per kWh for balance of kWh	\$ 0.1389	\$ 0.1438
233	General Service - Seasonal Operators Option		
	Service Charge	\$ 24.57	\$ 24.57
	Demand Charge - per kW for first 20 kW	\$ -	\$ -
	Demand Charge - per kW for balance of kW	\$ 13.43	\$ 13.43
	Energy Charge per kWh for first 5,000 kWh	\$ 0.2113	\$ 0.2188
	Energy Charge per kWh for balance of kWh	\$ 0.1389	\$ 0.1438
320	Small Industrial		
	Demand Charge - per kW	\$ 7.46	\$ 7.46
	Energy Charge per kWh for first 100 kWh per kW billing demand	\$ 0.2069	\$ 0.2142
	Energy Charge per kWh for balance of kWh	\$ 0.1055	\$ 0.1090
310	Large Industrial		
	Demand Charge per kW	\$ 14.50	\$ 14.50
	Energy Charge per kWh	\$ 0.0890	\$ 0.0920
340	Long Term Contract (Currently no customers in this rate category)		
	Demand Charge per kW	\$ 15.51	\$ 17.91
	Energy Charge per kWh	\$ 0.1165	\$ 0.1206
330	Short Term Contract (Currently no customers in this rate category)		
	Demand Charge - per kW	\$ 16.79	\$ 19.38
	Energy Charge per kWh for all kWh in the first block	\$ 0.1154	\$ 0.1194
	Energy Charge per kWh for balance of kWh in the month	\$ 0.0961	\$ 0.0994

Maritime Electric Company, Limited
Schedule of Rates

			Annual kWh	Monthly kWh		
					March 1, 2025	August 1, 2026
Residential	Type					
619	LED	70 W HPS Equivalent St Lights - Rented		15	\$ 13.55	\$ 14.05
625	LED	100 W HPS Equivalent St Lights - Rented		17	\$ 14.03	\$ 14.54
* 630	HPS	St Lights - Rented	389	32	\$ 18.02	\$ 18.67
* 631	HPS	St Lights - Rented	553	46	\$ 22.92	\$ 23.75
* 632	HPS	St Lights - Rented	799	66	\$ 32.78	\$ 33.97
633	HPS	St Lights - Rented	1283	106	\$ 44.69	\$ 46.31
634	HPS	St Lights - Rented	1886	157	\$ 52.52	\$ 54.42
* 635	MV	St Lights - Rented	656	54	\$ 18.02	\$ 18.67
639	Lanterns	City Lanterns - Rented	389	32	\$ 65.58	\$ 67.98
* 640	HPS	St Lights - Owned	389	32	\$ 7.23	\$ 7.48
* 641	HPS	St Lights - Owned	553	46	\$ 9.56	\$ 9.90
* 642	HPS	St Lights - Owned	779	65	\$ 12.86	\$ 13.33
643	HPS	St Lights - Owned	1283	107	\$ 20.41	\$ 21.14
644	HPS	St Lights - Owned	1886	157	\$ 32.11	\$ 33.26
651	LED	St Lights - Owned	78	7	\$ 1.31	\$ 1.36
652	LED	St Lights - Owned	246	21	\$ 4.13	\$ 4.28
653	LED	St Lights - Owned	205	17	\$ 3.44	\$ 3.56
666	LED	175 W MV Equivalent St Lights - Rented		25	\$ 15.65	\$ 16.23
* 670	LED	St Lights - Rented	410	34	\$ 18.24	\$ 18.90
* 675	LED	150 W/200 W HPS Equivalent St Lights - Rented		37	\$ 16.99	\$ 17.61
* 719	LED	St Lights - Owned	176	15	\$ 2.96	\$ 3.07
730	HPS	Yard Lights - Rented	389	32	\$ 18.02	\$ 18.67
731	HPS	Yard Lights - Rented	553	46	\$ 22.92	\$ 23.75
* 732	HPS	Yard Lights - Rented	799	66	\$ 32.78	\$ 33.97
* 733	HPS	Yard Lights - Rented	1283	106	\$ 44.69	\$ 46.31
* 734	HPS	Yard Lights - Rented	1886	157	\$ 52.52	\$ 54.42
* 735	MV	Yard Lights - Rented	656	54	\$ 18.02	\$ 18.67
740	HPS	Yard Lights - Owned	389	32	\$ 7.23	\$ 7.48
741	HPS	Yard Lights - Owned	553	46	\$ 9.56	\$ 9.90
742	HPS	Yard Lights - Owned	779	65	\$ 12.86	\$ 13.33
743	HPS	Yard Lights - Owned	1283	107	\$ 20.41	\$ 21.14
744	HPS	Yard Lights - Owned	1886	157	\$ 32.11	\$ 33.26
749	LPS	Yard Lights - Owned	869	72	\$ 14.97	\$ 15.50
753	Flood	Yard Lights - Rented	1283	107	\$ 42.69	\$ 44.24
754	Flood	Yard Lights - Rented	1886	157	\$ 53.32	\$ 55.25
755	Halide	Yard Lights - Rented	1148	95	\$ 44.82	\$ 46.46
756	Halide	Yard Lights - Rented	1878	156	\$ 55.46	\$ 57.47
757	Halide	Yard Lights - Rented	4346	362	\$ 95.91	\$ 99.37
759	Halide	St Lights - Owned	533	44	\$ 8.95	\$ 9.26
760	Halide	St Lights - Owned	894	74	\$ 15.01	\$ 15.55
761	Halide	St Lights - Owned	1148	95	\$ 19.27	\$ 19.97
762	Halide	St Lights - Owned	1878	156	\$ 31.50	\$ 32.63
764	LED	St Lights - Owned	410	34	\$ 6.87	\$ 7.12
765	Halide	St Lights - Owned	759	63	\$ 12.73	\$ 13.19
766	LED	St Lights - Owned	295	25	\$ 4.95	\$ 5.13
775	LED	St Lights - Owned	438	37	\$ 7.35	\$ 7.62
780	LED	St Lights - Owned	586	49	\$ 9.83	\$ 10.18
785	LED	St Lights - Owned	718	60	\$ 12.02	\$ 12.45

* These charges are applicable to existing fixtures only.

Maritime Electric Company, Limited
Schedule of Rates

		March 1, 2025	August 1, 2026
610	Pole Rental -Wood Residential Unmetered Rates (based on 100 watt fixture)	\$ 4.38	\$ 4.38
810	8 Hour Lighting per kWh Minimum Charge	\$ 0.2065 \$ 11.67	\$ 0.2139 \$ 11.67
820	12 Hour Lighting per kWh Minimum Charge	\$ 0.2065 \$ 11.67	\$ 0.2139 \$ 11.67
830	24 Hour Lighting per kWh Minimum Charge	\$ 0.2065 \$ 11.67	\$ 0.2139 \$ 11.67
840	Air Raid & Fire Sirens	Currently no customers in this rate category	
850	Outdoor Christmas Lighting - 5.77¢ per watt of connected load per week		
234	Customer Owned Outdoor Recreational Lighting Service Charge	\$ 24.57	\$ 24.57
	Energy Charge per kWh for first 5,000 kWh	\$ 0.2065	\$ 0.2139
	Energy Charge per kWh for balance of kWh	\$ 0.1270	\$ 0.1314
	Short Term Unmetered Rates	Currently no customers in this rate category	
	Energy Charge: per kWh of estimated consumption	\$ 0.2065	\$ 0.2139
Connection Charge:		Single-Phase	Three-Phase
A.	Connecting to existing secondary voltage	99.08	99.08
B.	Where transformer installations are required, the following connection charges will apply:		
		Single-Phase	Three-Phase
(1)	Up to and including 10 kVA	148.86572	209.17
(2)	11 kVA to 15 kVA	240.78892	301.01
(3)	16 kVA to 25 kVA	269.20056	336.64
(4)	26 kVA to 37 kVA	301.00512	336.64
(5)	38 kVA to 50 kVA	336.6362	336.64
(6)	51 kVA to 75 kVA	369.57896	523.96
(7)	76 kVA to 125 kVA	431.07428	555.59
(8)	Above 125 kVA	0	594.94