All our energy.
All the time.

MARITIME ELECTRIC
A FORTIS COMPANY

April 11, 2025

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

Dear Commissioners:

Letter of Direction – Customer Billing Review

On Friday, March 21, 2025, the Island Regulatory and Appeals Commission ("Commission") issued a letter to Maritime Electric Company, Limited (the "Company") indicating that the Commission has experienced a significant increase in customer concerns in relation to the rising monthly costs of electric service this heating season. To address these concerns, the Commission directed the Company to review the matter and provide a comprehensive report detailing measures taken by the Company to ensure billing accuracy.

In accordance with the letter of direction, the Company provides the attached report outlining our review of customer bills this heating season. The report addresses the specific concerns identified by the Commission in their letter of direction and confirms that the higher bills experienced by customers this heating season are the result of colder weather, longer billing periods, and approved rate increases.

If you have any questions concerning the information contained herein, please contact the undersigned at 902-629-3701.

Yours truly,

MARITIME ELECTRIC

Michelle Francis
Vice President, Finance and
Chief Financial Officer

MF19
Enclosures

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MARITIME ELECTRIC
A FORTIS COMPANY

2025 Customer Billing Review

April 11, 2025

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1.0 OUR REVIEW AND FINDINGS

When a customer expresses a concern to Maritime Electric, every effort is made to investigate and understand those concerns.

Recent customer concerns include:

- Concerns about bills being higher than expected in January and February 2025;
- Questions about accuracy of meters and billing procedures;
- Requests for information on why bills have been higher; and
- Requests for information on how to manage and decrease electricity costs.

With respect to customer concerns about unexpectedly higher bills in January and February, Maritime Electric has analyzed and confirmed several contributing factors.

On March 21, 2025, the Island Regulatory and Appeals Commission ("IRAC") issued a directive to Maritime Electric. In its directive, the Commission advised that it too had received a significant number of customer inquiries in recent weeks. IRAC requested that Maritime Electric investigate the rising monthly costs of customers' electric service during the 2024-25 heating season and customer billing concerns. To address these concerns, the Commission directed the Company to provide a report that details the Company's measures to ensure billing accuracy and specifically address the following:

1. The measures currently employed by the Company to ensure billing accuracy including any review or audits by third parties;

2. An explanation of why customers are experiencing significant bill increases during this heating season;

3. In reviewing customer concerns during this heating season, provide a summary of any billing errors detected during the inquiry process and the results; and

4. Actions taken by Maritime Electric to ensure customers are informed on their energy consumption and billing.

Maritime Electric investigated customer concerns and arrived at the following findings:

Meters Provide Accurate Readings

A review of testing results of nearly 5,700 meters independently tested since 2019 showed that Maritime Electric meters meet the requirements of Measurement Canada, which sets standards for accuracy and inspects measuring devices. A summary of the results of Measurement Canada testing is provided in Appendix A.

No Errors in Billing Procedures

A review of customer billing procedures, which includes examination of all bills for accuracy prior to issuing and careful attention to bills showing much higher usage, confirmed no errors in billing procedures. Over 14,000 bills were checked through this process during this winter season, with no issues found.

Factors contributing to higher bills this winter:

Colder Temperatures
Significantly colder weather during the February 2025 billing periods compared to the previous month (January 2025) and previous year (February 2024) caused heating systems to use more electricity. The average customer billing period in February 2025 was 5.2°C colder than the previous month of January and 3.6°C colder than the previous February.

Billing Periods
The number of days in a customer's billing periods can range from 28 to 34 days. Maritime Electric makes every effort to achieve billing periods of 30 or 31 days. However, due to the meter reading schedule, which can be impacted by holidays and inclement weather, more than 22,000 or 27 per cent of customers experienced billing periods of 33 or 34 days in February 2025. Longer billing periods result in a higher billed consumption for that month.

Rate Increase
A 2.6 per cent rate increase came into effect on March 1, 2024, and was approved by the Commission in Order UE23-04.

Maritime Electric is committed to working with customers to help manage their electricity costs, review payment options, provide information on energy saving tips and share information in advance of the winter season on how to save on winter electricity costs. Further details can be found in this report.

2.0 METER ACCURACY

Testing and Standards
Measurement Canada is the Federal Government agency responsible for ensuring accuracy in the sale of measured goods such as electricity, laws related to accuracy, and approval and inspection of measuring devices for electric utilities across Canada.

Maritime Electric uses proven automated meter reading ("AMR") technology.[1] All customer meters installed by Maritime Electric are certified by Measurement Canada and must be approved by Measurement Canada for use prior to installation. All installed meters must then meet Measurement Canada's sampling and testing standards.

A review of testing results of more than 5,700 meters tested since 2019 in an independent Measurement Canada-accredited facility showed that Maritime Electric meters meet the requirements of Measurement Canada. A summary of all meter testing results since 2019 is provided in Appendix A to this document.

When customers question the accuracy of their meter readings with Maritime Electric, the Customer Service team will educate customers on the rigorous testing requirements enforced by Measurement Canada to ensure meters are accurate. If, after discussing this and possible reasons for a customer's change in consumption patterns, the customer is still not satisfied that their meter is accurate, Maritime Electric will suggest options to help the customer understand

[1] Also referred to as radio frequency or RF meters.

their electricity usage such as a breaker test.[2] If the breaker test is inconclusive and the customer is still concerned about the accuracy of their meter, a dual socket test of the customer's meter may be offered to the customer.[3]

In 2021, 2022 and 2023, the Company performed 34, 30 and 33 dual socket tests, respectively. In 2024, the number of dual socket tests dropped to 15, likely due to the impact of warmer weather on customer consumption. So far in 2025, nine dual socket tests have been completed, three are in progress and three are in the queue waiting to be commenced. In all the completed dual socket tests since 2021, the meters were confirmed to be accurate.

A customer can request to send their meter to Measurement Canada for dispute testing if all other avenues are exhausted. This is rare for Maritime Electric meters. In this circumstance, the Measurement Canada standard is that the accuracy of the meter must be within 3 per cent (i.e., the meter must be 97 per cent accurate) to pass. Since 2018, one meter has been tested at the request of a customer and the meter exceeded Measurement Canada's standard, being 99.94 per cent accurate.

In 2025, two meters have been recently sent to Measurement Canada for dispute testing at the request of the customer. At the time this report was released, the results of both tests were still pending. The particulars of these two disputed meters are discussed as follows.

In the first instance, the meter was installed with a net meter solar install in June 2024 and upon review of the customer's account in February 2025, unusual consumption patterns beginning in October 2024 were identified. This meter was sent for Measurement Canada dispute testing in March 2025. If the Measurement Canada testing determines that there is an issue with the meter's accuracy, the Company is committed to finding a satisfactory resolution for the customer. Further, the Company would also continue to investigate the root cause of the inaccuracy with Measurement Canada and the meter manufacturer to potentially determine whether it was the result of manufacturer defect or damage in the field.

The second meter was also sent to Measurement Canada for dispute testing in March 2025 at the customer's request. Maritime Electric reviewed the customer's consumption pattern and did not identify any anomalies and, therefore, believes that it is unlikely to be an accuracy issue with this meter. However, this is yet to be confirmed by the Measurement Canada.

Meter Reading

Meters are read monthly by a Maritime Electric meter reader to create customer bills. The meter reader no longer needs to walk to each meter to record its usage but rather just needs to drive within range to receive a signal from the meter. This system ensures more accurate readings and fewer meter reading estimates for customers. For example, approximately 0.2 per cent of customer bills were estimated in January and February 2025.

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2 A breaker test is one way for a customer to identify where the electricity is being used in their home. To perform a breaker test, a customer is directed to systematically turn off each circuit on their breaker panel one by one to find out which circuit is consuming the most energy. A customer may find an electric appliance, computer or electronic device has been left on in an unoccupied room or is consuming more power than expected.

3 A dual socket test is performed by adding a second meter to the home and comparing the reading of both meters to confirm the accuracy of the meter in question. The dual socket test is performed over a two-week period and meter data is documented in an Excel spreadsheet indicating the hourly and daily kilowatt hour use. The test provides a daily load profile and compares the total energy measured on both the regular house meter and test meter for the duration of the test. The accuracy of the regular house meter is determined by comparing the consumption measured on both meters as a +/- percentage with the optimum result being unity.

In addition to Measurement Canada standards noted above, Maritime Electric has processes in place to ensure meter readings are timely and accurate. This includes both automated checks and controls by the Company's meter and billing systems, along with manual reviews of pre- and post-billing edit reports that flag customer accounts with unusually high consumption and bill amounts.

3.0 CUSTOMER BILLING

The Process

Customer bills are generated in the Customer Information System. The customer billing process has several programmed controls that verify meter readings, rates, computation of usage and charges. All bills are subject to a series of validation controls that compare customer usage variations to recent and prior year periods. Bills that vary from the validation control parameters are flagged on system generated edit reports and are then subject to additional billing checks. The flagged bills are reviewed by experienced employees who perform additional verification of the bills. Over 14,000 bills were reviewed this winter through this process. The most common reason for a flagged variance is the addition of appliances and heating systems that use electrical energy.

Each time customer rates change, the Company's Internal Audit department reviews the rate change implementation process to ensure the customer billing system is calculating bills correctly based on the new rates. Internal Audit verifies this by comparing its independent recalculation of the expected charges to the actual charges on the customer bills. No errors have been identified by Internal Audit in the performance of these audits.

As a result of recent customer inquiries, an additional review was performed by Internal Audit to ensure billing accuracy. The recalculation of customer bills included all residential customers billed in January and February 2025. No errors were identified.

External Reviews

Maritime Electric's customer rates are reviewed and approved by the IRAC as part of a general rate application.

Maritime Electric's financial statements are audited by an independent financial auditing firm. In 2024, the Independent Auditor's Report by Deloitte LLP, which includes a review of meter reading and billing controls, concluded that Maritime Electric's financial statements were presented fairly and accurately. This review is completed as part of the Annual Audited Financial Statements.

As part of its annual audit procedures, Deloitte LLP conducts an audit of the Company's computer systems and control processes. This audit includes a review of the billing processes within the Customer Information System that verifies the bills are calculated correctly. The last audit was conducted in the fourth quarter of 2024 and no deficiencies were found.

Customer Interactions

Maritime Electric's Customer Service team handles over 140,000 customer inquiries and requests every year on a range of topics, including billing.

When customers reach out to Maritime Electric with questions or concerns about their bills, the Customer Service team thoroughly investigates each individual customer situation and works with the customer to identify the reasons causing bill changes.

Maritime Electric's Customer Service employees are trained to help customers understand their energy usage. These employees assess reasons for changes in energy usage and answer complex billing questions. The Customer Contact Centre handled 20,590 calls from January 1 to March 21, 2025. Customer post-call surveys showed that 90 per cent of customers felt their problem was resolved and they were provided helpful information throughout the call. During that period, 661 calls concerned higher bills, of which 92.6 per cent were resolved with that single call. Customer service also received 337 emails and had 48 in-person interactions related to higher bills during this time frame.

Analysis of a Customer Bill This Winter

The following four tables provide a detailed analysis of an actual customer bill to understand the changes from month to month this winter.

TABLE 1
Monthly kWh Consumption

Month	Monthly kWh	Daily Average kWh	Daily Average Heating Degree Days ("HDDs") [4]	Billing Days
January	**1,337**	43	21	31
February	**1,942**	57	27	34
March	**1,282**	46	19	28

The first thing to consider is how much energy the customer has used (measured in kilowatt hours or kWh). This is simpler to compare than costs, which can vary as rates change. This customer's usage increased by 605 kWh or 45 per cent in February compared to January. In March, the customer's consumption decreased by 660 kWh or 34 per cent compared to February.

TABLE 2
Daily Average kWh

Month	Monthly kWh	Daily Average kWh	Daily Average HDDs	Billing Days
January	1,337	**43**	21	31
February	1,942	**57**	27	34
March	1,282	**46**	19	28

The daily average kWh is the best way to compare changes in usage because the daily average is not impacted by rate changes or the number of billing days. This customer's daily average usage was 14 kWh higher in February compared to January, an increase of 33 per cent. Conversely, in March this customer's daily average consumption decreased by 13 kWh or 19 per cent compared to February.

[4] http://climate.weather.gc.ca./glossary_e.html - Heating degree-days for a given day are the number of degrees Celsius that the mean temperature is below 18°C. If the temperature is equal to or greater than 18°C, then the number will be zero. For example, a day with a mean temperature of 15.5°C has 2.5 heating degree-days; a day with a mean temperature of 20.5°C has zero heating degree-days.

TABLE 3 Heating Degree Days				
Month	**Monthly kWh**	**Daily Average kWh**	**Daily Average HDDs**	**Billing Days**
January	1,337	43	**21**	31
February	1,942	57	**27**	34
March	1,282	46	**19**	28

A HDD measures the number of degrees that a day's average temperature falls below 18°C, a baseline temperature below which the home's heating system will typically need to be used.

For the period from January to February 2025, the number of HDDs increased from 21 to 27, meaning it was 29 per cent colder, with the average temperature dropping from -3°C to -9°C. This essentially matches the daily increase in kWh this customer experienced during that period.[5]

In March 2025, the average temperature was -1°C and the number of HDDs decreased to 19, meaning it was 30 per cent warmer in March than in February.

When changes in the daily average kWh align closely with changes in temperature, this is an indication that bill increases are the result of electric heating. Though it is important to note that HDDs do not include wind or snow accumulation, which are also contributing factors to the amount of energy used by home heating systems. Other factors such as lifestyle changes can also impact a customer's kWh consumption.

TABLE 4 Billing Days				
Month	**Monthly kWh**	**Daily Average kWh**	**Daily Average HDDs**	**Billing Days**
January	1,337	43	21	**31**
February	1,942	57	27	**34**
March	1,282	46	19	**28**

An increase or decrease in the number of billing days can also impact a customer's bill. Note that billing days do not necessarily equal the number of days in the month, instead it is the number of days between the current month's meter reading and the meter reading date in the prior month.

In this example, if February had been a 31-day billing period like January, the customer's monthly kWh would have been approximately 1,771 kWh[6], or an increase of 434 kWh based on their daily average kWh consumption increase of 14 kWh.[7]

5 Per Table 2, the daily kWh usage increased by 33 per cent in February compared to January.
6 1,942 kWh – (3 days x 57 kWh/day = 171 kWh) = 1,771 kWh in consumption for 31 days.
7 31 days x (57 – 43 = 14 kWh day) = 434 kWh more due to increase in average daily consumption.

However, the February billing period was 3 days longer than the January billing period, which resulted in an additional 171 kWh,[8] for a total of 605 additional kWh on the February bill.[9] This results in a total February bill consumption of 1,942 kWh.[10]

Conversely, if March had been a 34-day billing period like February, the customer's monthly consumption would have been approximately 1,557 kWh[11], or a decrease of 385 kWh based on their daily average kWh consumption decrease of 11 kWh.[12]

However, the March billing period was 6 days shorter than the February billing period, which resulted in a further decrease of 275 kWh[13] in March, for a total decrease of 660 kWh from the February bill.[14] This results in a total March bill consumption of 1,282 kWh.[15]

This is one example of a customer experience this winter and not every customer situation is the same. Customers often make changes to their heating systems or experience lifestyle changes that can also impact their energy usage.

4.0 REASONS FOR HIGHER BILLS IN FEBRUARY

Colder Temperatures

Customers with electric space heating likely experienced higher bills in February 2025 compared to the previous month (January 2025) and year (February 2024) due to colder temperatures.

Table 5 shows average temperature comparisons for February 2025 billing periods. The Table shows that, on average, customer billing periods in February 2025 were 5.2°C colder than the previous month and 3.6°C colder than the previous February.

8 (34 – 31 = 3 days) x 57 kWh/day = 171 kWh consumption for 3 additional days billed in February.

9 434 kWh increase due to higher average daily consumption plus 171 kWh increase for 3 days longer billing period = 605 kWh more billed in February compared to January.

10 January consumption of 1,337 kWh plus additional 605 kWh billed in February = 1,942 l kWh total billed in February.

11 1,282 kWh + (6 days x 46 kWh/day = 276 kWh) = 1,557 kWh in consumption for 34 days.

12 34 days x (45.79 – 57.12 = - 11.33 kWh day) = - 385 kWh due to decrease in average daily consumption in March.

13 (28 – 34 = - 6 days) x 45.79 kWh/day = - 275 kWh consumption for 6 fewer days billed in March.

14 385 kWh decrease due to lower average daily consumption plus 275 kWh decrease for 6 days shorter billing period = 660 kWh less billed in March compared to February.

15 February consumption of 1,942 kWh less 660 kWh fewer billed in March = 1,282 kWh total billed in March.

TABLE 5 Average Temperature Comparisons for February 2025 Bills[16]							
Billing Period			**Average Temperature (°C)**			**Difference**	
Start	**End**	**Customer Count**	**Feb 2025**	**Jan 2025**	**Feb 2024**	**Feb 2025 to Jan 2025**	**Feb 2025 to Feb 2024**
Jan 1	Feb 1	9	(5.9)	(2.2)	(4.8)	(3.7)	(1.1)
Jan 2	Feb 3	11,781	(6.5)	(2.2)	(4.8)	(4.3)	(1.7)
Jan 6	Feb 6	11,025	(7.0)	(2.3)	(4.6)	(4.7)	(2.4)
Jan 9	Feb 10	12,070	(7.5)	(2.1)	(4.2)	(5.4)	(3.3)
Jan 10	Feb 11	2,237	(7.8)	(2.0)	(4.0)	(5.8)	(3.8)
Jan 13	Feb 12	5,187	(8.6)	(2.2)	(3.7)	(6.4)	(4.9)
Jan 16	Feb 19	6,918	(9.1)	(2.5)	(4.0)	(6.6)	(5.2)
Jan 17	Feb 19	5,160	(9.2)	(2.7)	(4.0)	(6.5)	(5.2)
Jan 17	Feb 20	2,906	(9.1)	(2.7)	(4.0)	(6.4)	(5.1)
Jan 20	Feb 21	4,708	(9.4)	(3.0)	(4.5)	(6.4)	(5.0)
Jan 21	Feb 24	1,393	(9.2)	(3.4)	(4.4)	(5.7)	(4.8)
Jan 24	Feb 24	3,954	(8.8)	(4.2)	(4.6)	(4.6)	(4.1)
Jan 23	Feb 25	2,231	(8.7)	(4.0)	(4.7)	(4.7)	(4.0)
Jan 24	Feb 26	3,722	(8.3)	(4.0)	(4.7)	(4.4)	(3.6)
Jan 27	Feb 27	2,471	(7.9)	(4.5)	(4.8)	(3.4)	(3.2)
Jan 28	Feb 27	4,228	(8.0)	(4.5)	(4.6)	(3.5)	(3.4)
Jan 28	Feb 28	1,798	(7.8)	(4.7)	(4.5)	(3.1)	(3.2)
Jan 31	Feb 28	22	(7.5)	(5.4)	(4.1)	(2.1)	(3.4)
Weighted Average:			**(8.0)**	**(2.8)**	**(4.4)**	**(5.2)**	**(3.6)**

HDDs are a commonly used metric to evaluate home heating requirements over a period. Table 6 shows that, on average, February 2025 billing periods had 27 per cent more HDDs than the previous month and 20 per cent more than the previous February. Therefore, some customers experienced a higher-than-average number of HDDs during their billing period.

For example, for the billing period of January 17 to February 20 (in bold below), the increase was 44 per cent more than the previous month and 40 per cent more than the previous February. These significant increases in the number of HDDs directly contribute to the amount of energy required to maintain comfortable indoor temperatures.

[16] Weather data source: Environment Canada (Charlottetown Airport).

TABLE 6 Heating Degree Day Comparisons for February 2025 Bills[17]							
Billing Period			**HDDs**			**Difference**	
Start	**End**	**Customer Count**	**Feb 2025**	**Jan 2025**	**Feb 2024**	**Feb 2025 to Jan 2025**	**Feb 2025 to Feb 2024**
Jan 1	Feb 1	9	740	626	707	18%	5%
Jan 2	Feb 3	11,781	784	625	684	25%	15%
Jan 6	Feb 6	11,025	775	671	723	16%	7%
Jan 9	Feb 10	12,070	815	622	687	31%	19%
Jan 10	Feb 11	2,237	826	600	656	38%	26%
Jan 13	Feb 12	5,187	799	646	695	24%	15%
Jan 16	Feb 19	6,918	922	636	681	45%	35%
Jan 17	Feb 19	5,160	897	661	681	36%	32%
Jan 17	**Feb 20**	**2,906**	**921**	**641**	**660**	**44%**	**40%**
Jan 20	Feb 21	4,708	877	693	741	27%	18%
Jan 21	Feb 24	1,393	923	686	672	35%	37%
Jan 24	Feb 24	3,954	830	710	679	17%	22%
Jan 23	Feb 25	2,231	881	682	703	29%	25%
Jan 24	Feb 26	3,722	869	681	726	28%	20%
Jan 27	Feb 27	2,471	803	698	728	15%	10%
Jan 28	Feb 27	4,228	780	721	678	8%	15%
Jan 28	Feb 28	1,798	799	654	673	22%	19%
Jan 31	Feb 28	22	715	726	642	-1%	11%
Weighted Average:			**830**	**656**	**694**	**+27%**	**+20%**

Colder temperatures can have a significant impact on customers' electricity consumption if they have electric heat in the form of heat pumps, geothermal, electric resistive heat or other forms of heat that rely on electricity.[18]

Table 7 shows the daily electricity consumption for a typical house that uses heat pumps or electric resistive heat as a heating system. The electricity consumption of 25 kWh/day shown at 15°C represents approximately what a typical house would consume when no (or minimal) heat is required. Although heat pumps are significantly more efficient than electric resistive heating, at colder temperatures their efficiency benefits progressively decrease.

[17] Weather data source: Environment Canada (Charlottetown Airport).

[18] Electric resistive heat refers to electric resistive baseboards, convection wall heaters, electric in-floor heat or other types of heating that utilizes an electric resistive element.

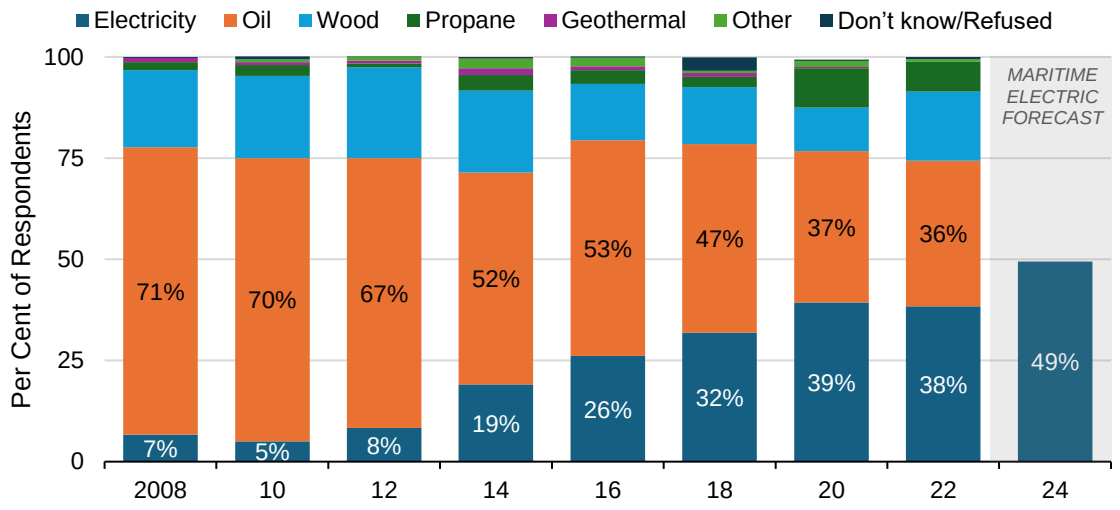
TABLE 7 Daily Electricity Consumption for a Typical 2,400 sq. ft. House		
Outdoor Ambient Temperature (°C)	**Heat Pumps Heating System[19] (kWh/day)**	**Electric Resistive Heating System (kWh/day)**
15[20]	25	25
10	29	39
5	42	74
0	58	109
-5	78	144
-10	103	179
-15	135	214
-20	174	249
-25	221	284

In January and February 2025, there were 17 days where the minimum daily temperature was -15°C or colder, compared to zero days for the same period in 2024. During these cold temperatures, more energy (i.e., heat) is required to maintain a comfortable indoor temperature. Many customers who now have heat pumps as a primary heat source also use electric resistive heating as a supplementary heat source, both of which may have operated simultaneously during the cold temperatures experienced this winter.

The number of customers with heat pumps and electric resistive heating systems has increased significantly in recent years due to government incentives that promote the electrification of space heating. Figure 1 shows a breakdown of how primary heating systems on PEI have changed since 2008, and the use of electricity as a primary heating system has increased significantly.

[19] Based on Mitsubishi heat pump model MUZ-FH12NAH.
[20] Represents regular non-space heating household usage.

FIGURE 1
PEI Primary Heating Systems



Data source: Government of PEI. Home Heating Surveys.

Further, the total number of HDDs experienced in January and February 2025 is the highest PEI has experienced since 2019;[21] therefore, customers who have converted to electric space heating since 2019 likely consumed more electricity to heat their homes this winter than ever before.

Wind and Air Leakage

Wind also impacts the amount of energy required to keep a home warm since it increases the air leakage (i.e., cold air leaks in and warm air escapes). On a cold windy night, most people can feel a difference in the warmth and comfort of their home. Very airtight homes may not feel it but most homes will, especially older homes.

The Company reviewed weather data for January to March for both 2024 and 2025 and did not find that the weather on PEI was noticeably windier in 2025 versus 2024. Therefore, wind is not considered to be a contributing factor to higher bills for customers this heating season.

Customer Billing Periods

As illustrated in Table 4, the number of billing days on a customer's bill can vary depending on the number of days in a month and the timing of meter readings (e.g., meters are not read on weekends and holidays).

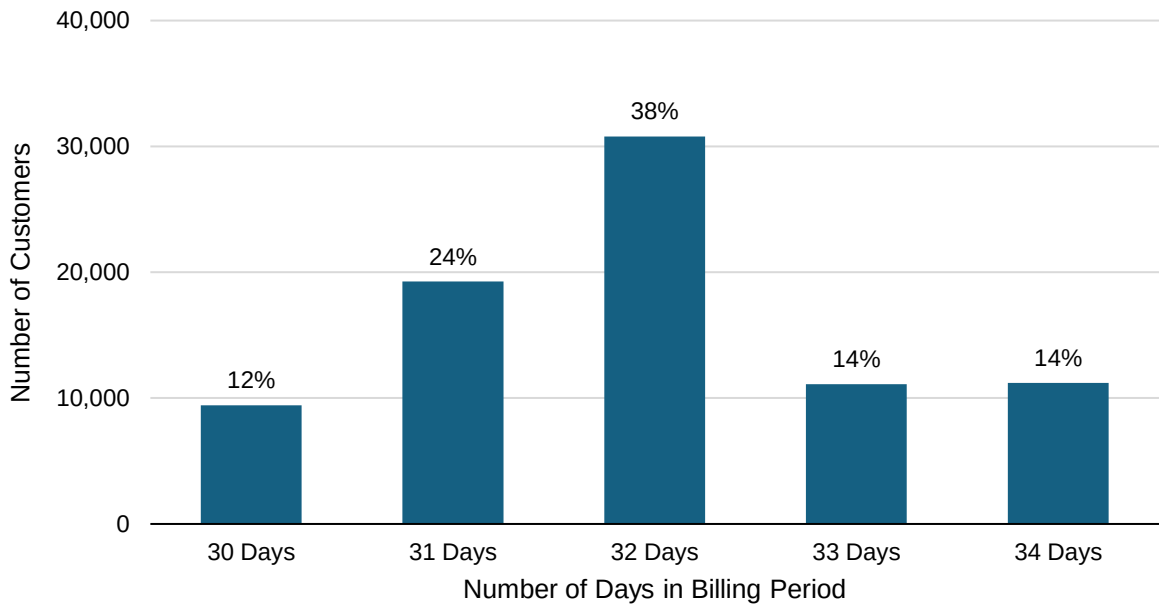
The typical meter reading schedule results in billing periods of 28 to 33 days. While the meter reading schedule is developed to achieve billing periods as close to 30- or 31-day periods as possible, meter reading delays due to storms or holidays can cause billing periods to be longer, as was the case for some customers in February 2025. These customers experienced longer billing periods than normal due to the Islander Day holiday, which occurred on Monday, February 17th, which was immediately followed by a snowstorm on Tuesday, February 18th.

[21] There were colder temperatures experienced in February 2023 during a polar vortex weather event, but they were for a short period of time compared to the cold weather experienced in 2025 from mid-January to mid-February.

Figure 2 illustrates the distribution of customers based on the number of billing days in the February 2025 billing periods. The Figure reveals that 28 per cent of customers experienced billing periods of 33 or 34 days. Many of these customers experienced a February 2025 billing period that was three to four days longer than their February 2024 billing period. In and of itself, this could result in a 10 to 13 per cent increase in the customer's billing consumption in February.

Customers who experienced longer-than-normal billing periods in February 2025 will have a shorter billing in the subsequent month of March resulting in less consumption billed for the month of March.

FIGURE 2
Customers' Number of Billing Days in February 2025



Customer Rate Increase

In addition to colder temperatures this winter, residential customers experienced a 2.6 per cent rate increase on March 1, 2024, which was approved by the Commission as part of the 2023 General Rate Application. The approved rate increase also contributed to higher bills this winter compared to last.

Maritime Electric recognizes that the cost of electricity, particularly during the winter, can be a challenge for customers, especially at a time when the cost of other necessities has also increased. The Company's committed to minimizing our costs to help keep rates as low as possible for customers.

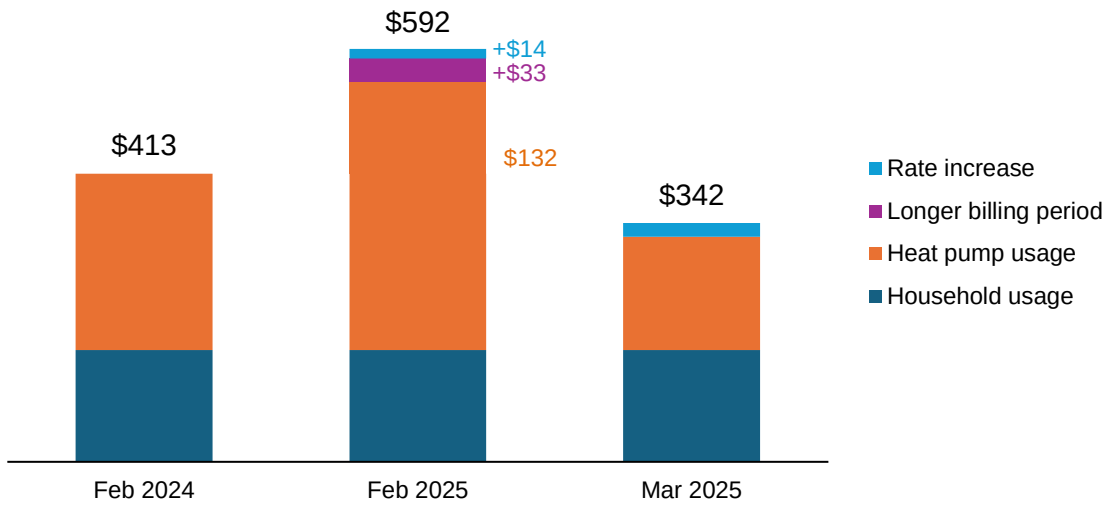
Summary of Higher Bills

The combination of colder temperatures, longer billing periods, and a rate increase effective March 1, 2024, have resulted in higher customer bills in February 2025 compared to last year.

Figure 3 demonstrates the impacts of these factors on a bill for a typical 2,400 sq. ft. house that uses heat pumps as the only source of heat. The Figure shows that the February 2025 bill was $179 higher than the previous February, of which $132 was due to the colder weather, $33 was due to the longer billing period and $14 was due to the rate increase.

The longer billing period in February 2025 (34 days) resulted in a shorter billing period in March 2025 (28 days), which had the opposite effect on the March bill. The shorter billing period and warmer temperatures in March 2025 resulted in a bill that was $250 less than February.

FIGURE 3
Maritime Electric Bills for a Typical 2,400 sq. ft. House with Heat Pumps
(Jan 16 to Feb 19 2025 Bill Period)



Customers who use electricity for space heating are susceptible to significant fluctuations in electricity bills depending on outdoor temperatures. Maritime Electric offers equalized billing plans for customers who prefer consistent monthly bills throughout the year. Equalized billing payments can help prevent significant fluctuations in bill amounts due to billing periods and temperatures, especially during the winter. Equalized payment plans are discussed in more detail in Section 5.

5.0 GOING FORWARD

Consistent Billing Periods

Maritime Electric is currently implementing Advanced Metering Infrastructure ("AMI"), an integrated system that will enable two-way communications between the Company and customers. AMI will allow the Company to measure and report customer consumption in real-time and eliminate the need for an employee to drive by and capture a meter reading once a month for billing. Instead, real-time consumption data will allow the Company to limit changes in billing periods experienced by customers by making the number of billing days more consistent each month, thereby reducing the fluctuations in bill amounts experienced by customers.

In the interim, the Company will explore ways to keep billing periods more consistent month to month, particularly during the winter season when customers are more reliant on electricity to heat their homes.

While some fluctuations in customer billing days will still happen, Maritime Electric is committed to finding ways to reduce their impact.

Flexibility in Payment of Increased Bills

Maritime Electric is always here to support customers who may struggle with paying their electricity bill. One helpful tool available to residential customers is the Equalized Payment Plan. Under this plan, monthly bill payments are averaged out over 12 months, helping customers budget for their monthly electricity bill by implementing a consistent payment every month. Being able to plan for their monthly electricity costs can help reduce the impact that cold weather can have on a specific monthly customer bill.

Customers are encouraged to reach out to the Contact Centre if they are having trouble making payments. Maritime Electric Customer Service Representatives treat everyone with empathy and respect and can help provide reasonable payment arrangements for balances owed.

The Company also wants to make sure customers are fully informed about any changes to their bill. The Customer Service team is available to explain billing updates and help customers understand what's happening every step of the way.

When customers contact Maritime Electric to make a payment arrangement, the Customer Service Representative can also help identify ways to reduce energy consumption moving forward and connect them to other helpful resources if necessary.

Providing Enhanced Communication to Customers

Maritime Electric strives to educate customers through multiple channels, so they have the information they need to make educated decisions regarding their energy consumption.

On an annual basis, the Company provides general energy savings information and tips for managing electricity consumption on its website at maritimeelectric.com, on social media (Facebook and X), in radio advertising, and in printed brochures. The Company also has website information on common causes of higher bills and payment arrangements, as well as an energy calculator for customers to estimate monthly total kWh consumption and cost for all appliances, lights, and space heaters selected.[22]

[22] https://www.maritimeelectric.com/energy-savings/tools/energy-calculator/

This winter, as Maritime Electric heard the concerns of customers on higher bills, both in the public and through calls to the Contact Centre, the Company took multiple measures to communicate relevant and timely information:

- Updated the Company's website homepage to highlight energy savings tips and information for customers. From February 1 to March 21, the Tips to Conserve Energy page received over 3,600 views.
- Provided a bill insert in all March 2025 bills, advising customers of the approved rate increase of 2.7 per cent, and provided customers with resources for managing electricity use and energy savings tips. A copy of the bill insert is provided in Appendix B.
- Participated in the PEI Home Show held in March, where Customer Service Representatives were available, in person, to address any customer concerns and answer questions regarding their electricity bill.
- Developed a handout to educate customers on factors that could have contributed to a higher bill this winter season. A copy of this handout is provided in Appendix C.
- Posted a video on the Company's Facebook and X social media pages explaining the reasons for higher bills this winter. To date, this video has received over 100,000 views.[23]
- Provided an information sheet and a calculator to assist Customer Service Representatives when speaking with customers concerned about higher bills this winter.
- Provided information to key stakeholders, including government officials, to address questions and concerns on higher bills.

In addition to these measures, Maritime Electric will:

- Continue to provide updates to key stakeholders.
- Update the Company's website with more information on common causes for higher bills and ways for customers to manage their electricity usage, especially in winter.
- Initiate a fall social media campaign to share facts in anticipation of higher energy usage in winter and promote enrollment in the Equalized Payment Plan.

6.0 CONCLUSION

Maritime Electric is fully committed to addressing customer concerns about higher winter bills. The investigation into February's higher bills found that colder weather, longer billing periods, and a rate increase were the main contributors.

The Company continues to ensure the highest standards of meter accuracy through rigorous ongoing internal audits and external, independent verification through Measurement Canada.

Understanding the challenges customers face during colder months, Maritime Electric is taking further steps to support customers with enhanced outreach and communication through public events, stakeholder engagement and social media. Additionally, Maritime Electric is exploring more consistent winter billing periods, prioritizing customer education on energy efficiency, and seeking ways to improve conservation programs aimed at reducing winter electricity costs.

Maritime Electric also remains committed to ensuring least-cost service to customers and educating customers about rates and billing practices.

As always, the Company's dedicated Customer Service Representatives remain available to assist customers with personalized support and information.

[23] https://www.facebook.com/maritimeelectricpei/videos/1315341309673363

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Appendix A
Summary of Metering Canada Testing Results

Summary of Metering Canada Testing Results									
Certificate Date	**Maritime Electric Stock Code**	**Original Test Group**	**Current Group**	**Lot size**	**Sample size**	**Failed**	**Group Pass/ Fail**	**Extension Granted**	**Next Year Due**
May 3 2019	8	IT1000	MEC 134	890	125	-	Pass	8 years	2027
July 11 2019	4	IT3100	MEC 135	391	80	-	Pass	8 years	2027
July 11 2019	4	IT3200	MEC 136	3,039	126	-	Pass	8 years	2027
August 15 2019	4	IT3300	MEC 137	3,046	125	-	Pass	8 years	2027
August 15 2019	4	IT3400	MEC 138	3,033	125	-	Pass	8 years	2027
July 6 2020	8	IT1000	MEC 139	796	125	-	Pass	8 years	2028
July 14 2020	4	IT3100	MEC 140	462	80	-	Pass	8 years	2028
July 14 2020	4	IT3200	MEC 141	3,126	125	-	Pass	8 years	2028
July 14 2020	4	IT3300	MEC 142	3,098	125	-	Pass	8 years	2028
July 14 2020	4	IT3400	MEC 143	3,093	126	1 *	Pass	8 years	2028
February 9 2021	4	IT3400	MEC 144	3,125	127	-	Pass	8 years	2029
February 19 2021	4	IT3300	MEC 145	3,127	126	-	Pass	8 years	2029
March 8 2021	4	IT3200	MEC 146	3,118	125	-	Pass	8 years	2029
March 25 2021	4	IT3100	MEC 147	1,010	126	-	Pass	8 years	2029
March 31 2021	4	MEC121	MEC 121	243	80	-	Pass	8 years	2029
April 14 2021	6	IT0700	MEC 148	254	86	-	Pass	8 years	2029
April 7 2022	4	IT3400	MEC 149	3,103	129	-	Pass	8 years	2030
April 22 2022	4	IT3300	MEC 151	3,108	125	-	Pass	8 years	2030
May 24 2022	4	IT3200	MEC 153	3,123	125	-	Pass	8 years	2030
July 11 2022	8	IT1000	MEC 154	938	126	-	Pass	8 years	2030
September 28 2022	4	IT3100	MEC 155	2,698	126	-	Pass	8 years	2030
November 8 2022	4	MEC122	MEC122	297	92	-	Pass	6 years	2028
November 17 2022	4	MEC123	MEC123	2,714	141	-	Pass	6 years	2028
December 19 2022	6	IT0700	MEC 156	224	83	-	Pass	8 years	2030
May 17 2023	4	MEC125	MEC125	2,779	145	-	Pass	6 years	2029
July 31 2023	4	IT0900	MEC162	471	81	-	Pass	8 years	2031
September 8 2023	4	MEC124	MEC124	298	88	-	Pass	6 years	2029
October 17 2023	40	IT0800	MEC163	310	100	-	Pass	8 years	2031
November 10 2023	36	IT0300	MEC164	477	88	-	Pass	8 years	2031
November 21 2023	8	IT1000	MEC165	254	80	-	Pass	8 years	2031
December 22 2023	28	IT0500	MEC168	187	121	-	Pass	8 years	2031
December 27 2023	26	IT0100	MEC166	241	148	-	Pass	2 years	2025
June 3 2024	4	IT0900	MEC181	470	98	-	Pass	8 years	2032
June 4 2024	26	IT0100	MEC180	198	100	-	Pass	8 years	2032
June 5 2024	36	IT0300	MEC182	300	100	-	Pass	8 years	2032
July 15 2024	4	MEC126/127	MEC186	3,952	230	-	Pass	6 years	2030
September 4 2024	40	IT0800	MEC188	286	100	-	Pass	8 years	2032
			SUBTOTAL	58,279	4,258	1			

Retested and Re-sealed Meter Testing Results **									
January 25 2022	4	Re-seal	IT5900	9	9	-	Pass	8 years	2030
January 25, 26, 27, 2022	28	Re-seal	IT 5500	28	28	-	Pass	8 years	2030
January 26 & 31, 2022 and October 24 2022	26	Re-seal	IT5100	45	45	-	Pass	8 years	2030
February 1 2022	35	Re-seal	IT5200	19	19	-	Pass	8 years	2030
February 16 2022	40	Re-seal	IT 5800	38	38	-	Pass	8 years	2030
March 7 2022	36	Re-seal	IT 5300	37	37	-	Pass	8 years	2030
April 29 2022	8	Re-seal	IT 6000	235	235	-	Pass	8 years	2030
October 24 2022	26	Re-seal	IT 5100	8	8	-	Pass	8 years	2030
January 9 2023	40	Re-seal	IT5800	94	94	-	Pass	8 years	2031
February 14 & 24 2023	26	Re-seal	IT 5100	36	36	-	Pass	8 years	2031
April 28 2023	38	Re-seal	IT 5400	8	8	-	Pass	8 years	2031
April 28 2023	38	Re-seal	IT5400	4	4	-	Pass	8 years	2031
April 28 2023	40	Re-seal	IT5800	59	59	-	Pass	8 years	2031
April 28 2023	40	Re-seal	IT5800	115	115	-	Pass	8 years	2031
May 1 2023	36	Re-seal	IT5300	36	36	-	Pass	8 years	2031
May 1 2023	36	Re-seal	IT 5300	64	64	-	Pass	8 years	2031
July 18 2023	25	Re-seal	MEC160	16	16	-	Pass	8 years	2031
July 18 2023	26	Re-seal	MEC159	4	4	-	Pass	8 years	2031
July 19 2023	36	Re-seal	MEC161	4	4	-	Pass	8 years	2031
July 20 2023	6	Re-seal	MEC157	116	116	-	Pass	8 years	2031
July 24 2023	38	Re-seal	MEC158	4	4	-	Pass	8 years	2031
December 27 2023	26	Re-seal	MEC189	91	91	-	Pass	8 years	2031
March 4 2024	4	Re-seal	MEC169	13	13	-	Pass	8 years	2032
March 6 2024	8	Re-seal	MEC170	35	35	-	Pass	8 years	2032
March 6 2024	38	Re-seal	MEC176	2	2	-	Pass	8 years	2032
March 7 2024	25	Re-seal	MEC178	1	1	-	Pass	8 years	2032
March 11 2024	36 2.5 el.	Re-seal	MEC179	12	12	-	Pass	8 years	2032
March 11 2024	28	Re-seal	MEC173	12	12	-	Pass	8 years	2032
March 11 2024	36	Re-seal	MEC172	1	1	-	Pass	8 years	2032
March 12 2024	6	Re-seal	MEC177	3	3	-	Pass	8 years	2032
March 12 2024	40	Re-seal	MEC175	1	1	-	Pass	8 years	2032
March 18 2024	36 (pulse)	Re-seal	MEC174	9	9	-	Pass	8 years	2032
March 20 2024	29	Re-seal	MEC171	5	5	-	Pass	8 years	2032
June 4 2024	6	Re-seal	MEC183	299	299	-	Pass	8 years	2032
June 10 2024	29	Re-seal	MEC185	3	3	-	Pass	8 years	2032
June 10 2024	36 2.5 el.	Re-seal	MEC184	4	4	-	Pass	8 years	2032
July 15 2024	4	Re-seal	MEC187	23	23	-	Pass	6 years	2030
			Subtotal	1,493	1,493	-			
TOTAL TESTS 2019 - 2024				**59,772**	**5,751**	**1**			

***** One (1) meter fail is within Measurement Canada S-S-06 margin of error for a sample of this size and therefore the group test result is a pass. The result for the meter in question was 98.88 per cent accurate, just below the Measurement Canada threshold of 99% to pass. The meter was retired from service upon return to Maritime Electric.

****** Retests occur when the meter group is too small for random sample testing and the entire group of meters must be tested.

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Appendix B
Bill Insert

Making the Energy System Safer and More Reliable

On March 1, 2025, electricity rates for a benchmark customer* will increase by approximately 2.7%. This change will allow us to respond to the growth of electrification, invest in reliability, and continue to provide safe and reliable service for customers. Through a transparent public process, this was approved by the Island Regulatory and Appeals Commission in Orders UE23-04 and UE23-09. To view IRAC's Order, please visit maritimeelectric.com or irac.pe.ca. Please see reverse for more information >

*A benchmark residential customer consumes 650 kWh per month.

1.800.670.1012 • maritimeelectric.com

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Available Customer Resources

Visit marititmeelectric.com or call 1.800.670.1012 for more information and resources on managing your energy use, including:

- Seasonal energy saving tips
- Home heating energy saving tips
- Home energy calculator
- Payment arrangements

Did you know?

Sealing air leaks, improving your insulation, and making adjustments to reduce phantom power, such as unplugging unused items, can all help reduce your electricity consumption. Using insulated blinds or curtains and lowering your thermostat during the day can also improve home heating efficiency.

If you require more information, please email us at customerservice@maritimeelectric.com or phone us between 9 a.m. and 4 p.m. Monday through Friday at 1.800.670.1012.

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Appendix C
Customer Handout on High Bills

Understanding your Maritime Electric Bill

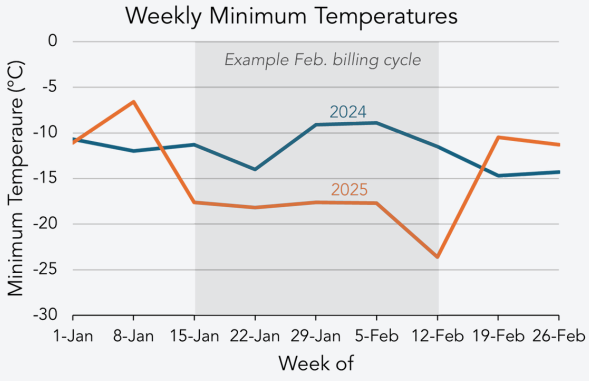
A higher-than-expected power bill can be frustrating, and many factors, often combined, can contribute to it. We're here to help you understand why this happens and offer energy saving tips.

Why your bill may be higher than expected

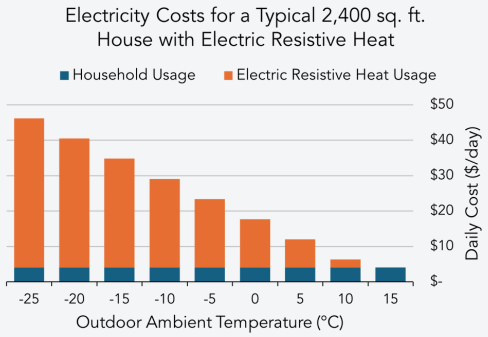
When comparing this winter's electric bill to last year's, you may see an increase, even if your consumption patterns have not changed. This may be caused by one or more factors:

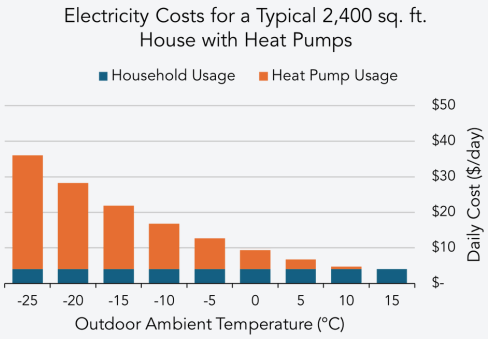
Colder Temperatures

During January and February 2025, there were 32 days with temperatures below -10°C and 17 days below -15°C. During the same period for 2024, there were 19 days with temperatures below -10°C and zero days below -15°C. This can increase your electric bill by approximately 30% for a typical 2,400sqft home.



Source: Environment Canada (Charlottetown Airport).





Longer Billing Cycle

This year, some customers experienced a longer billing cycle during February, which can temporarily increase your electricity bill by up to 15%.

Increased Rates

As approved by the Island Regulatory and Appeals Commission, the rates for residential customers increased by 2.5% on March 1, 2024.

Equalized billing options may be available for customers who have been at their current address for at least one year. Call us to learn more and find out if this could be a good fit for you.

Please see the reverse for energy saving tips >

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Finding Ways to Save Energy

While some factors are outside of your control, like the temperature outside, there are still changes you can make inside your home that can help reduce your energy consumption.

Seal cracks and eliminate drafts

Check for gaps around your windows and doors by placing your hand near the edges to feel for drafts. If you find any, use weather-stripping or sealant to seal the cracks.

Add insulation

Insufficient insulation, especially in the attic or basement, can increase heat loss in your home. Adding insulation will significantly reduce heat loss and reduce energy consumption.

Use less hot water

Water heating is typically the second largest energy expense in a home. Keeping showers short and installing low-flow fixtures can reduce your hot water consumption.

Tips for efficient heat pump home heating >

The most common type of heat pumps used in PEI are air-source heat pumps, which have a service life of between 15 and 20 years. See below for our tips to help you make the best and most efficient use of it in your space:

Set it and forget it

Heat pumps operate most efficiently when holding a steady temperature. The best way to use a heat pump is to set it at a comfortable temperature and leave it.

Use Heat mode, not Auto

In the winter, stick to "Heat" mode and avoid "Auto" mode. This ensures your heat pump won't switch to air conditioning when your space warms up.

Use a high fan speed & direct airflow downwards

Heat pumps work most efficiently when set to a higher fan speed which produces more air movement. Use the highest fan speed that you're comfortable with.

Clean your air filter & schedule annual maintenance

Proper maintenance is critical to ensure your heat pump operates efficiently, reliably, and has a long service life. Always use a qualified professional.