



Highlights: Maritime Electric Order - General Rate Application

Effective January 1, 2021, electric rates will increase by 2.9 to 3.0 percent for the typical Maritime Electric customer, depending upon the customer's rate class and electricity consumption. The new rates will remain in effect until February 28, 2022.

Although new electric rates were scheduled to come into effect in March 2020, Maritime Electric asked that the new rates be deferred in response to the COVID-19 pandemic.

Maritime Electric's rates have not increased since March 1, 2018. The Commission considers the approved rates to be a fair and reasonable balance between the interests of Maritime Electric and that of its customers.

Maritime Electric is required to file a new rate structure, including changes to the multi-block residential energy pricing structure, known as the residential second block, in 2021. A new rate structure will be approved by the Commission prior to Maritime Electric's next General Rate Application, so that it can take effect in the next rate setting period.

The Commission has requested that Maritime Electric use this opportunity to present an innovative rate structure that is reflective of the unique mix of customers and classes of customers that the company serves. The Commission expects that the new rate structure will not only allow the company to collect revenue in an equitable manner, but will also consider new and innovative rate structures that may provide tangible benefits to its customers.

Background Highlights

On November 30, 2018, Maritime Electric applied to the Commission seeking new electric rates for a three-year period from March 1, 2019 to February 28, 2022.

The Commission held a public hearing on the application August 6 – 9, 2019.

The Commission engaged independent experts to assist in the review of financial information and in an extensive interrogatory process that lasted seven months and produced approximately 5,000 pages of relevant information.

In March 2020, the COVID-19 pandemic shut down many businesses, resulting in layoffs and economic uncertainty for many individuals and businesses. As a result of the impacts of COVID-19, in April 2020, Maritime Electric requested the Commission consider deferring any potential rate increase. The Commission granted the company's request to defer any change in electric rates.

On October 14, 2020, Grant Thornton issued a comprehensive report based on its review of Maritime Electric's updated financial information and proposed electric rates. A copy of the report was provided to Maritime Electric and made publicly available on the Commission website.

The Commission issued its Order after a thorough review of the application, the Grant Thornton report, the responses to interrogatories, and all questions and comments from the public.