



PRINCE EDWARD ISLAND

Regulatory & Appeals Commission

Commission de réglementation et d'appels

ÎLE-DU-PRINCE-ÉDOUARD

Docket: UE21226

Order: UE21-03

IN THE MATTER of an application by Maritime Electric Company, Limited for an Order of the Island Regulatory and Appeals Commission approving revisions to the components of the interim Weather Normalization Mechanism and Reserve Account, effective January 1, 2020 and January 1, 2021, pursuant to the *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4, and for certain approvals incidental thereto.

BEFORE THE COMMISSION ON
Monday, June 7, 2021.

J. Scott MacKenzie, Q.C., Chair

M. Douglas Clow, Vice-Chair

Erin T. Mitchell, Commissioner

CERTIFIED A TRUE COPY

Cheryl Mosher,
Senior Financial Advisor
Island Regulatory & Appeals Commission

ORDER

ORDER

1. The Weather Normalization Mechanism and Reserve Account has been approved on an interim basis since January 1, 2016.
2. In accordance with the Weather Normalization Mechanism, Maritime Electric Company, Electric ("MECL" or the "Company") is required to file the proposed Weather Normalization Marginal Net Revenue Variables (the "WNA Variables") for approval by the Island Regulatory and Appeals Commission (the "Commission") on an annual basis.
3. On January 31, 2020, MECL filed its General Rate Application with the Commission. As part of the General Rate Application, MECL sought approval of, among other things, the WNA Variables for the 2020 fiscal year.
4. On December 21, 2020, the Commission issued Order UE20-06 which, among other things, approved the WNA Variables as proposed by MECL for the 2020 fiscal year.
5. On March 4, 2021, MECL filed an application with the Commission seeking approval of the WNA Variables for the 2021 fiscal year (the "Application").
6. As part of the Application, MECL also sought Commission approval to vary the 2020 WNA Variables approved by the Commission in Order UE20-06.
7. As explained by MECL, the 2020 WNA Variables filed as part of the General Rate Application assumed that certain changes to customer rates and the ECAM base rate would be approved in the 2020 fiscal year. As these proposed changes were not approved by the Commission, the 2020 WNA Variables should be revised accordingly.
8. As part of the Application, MECL also seeks clarification from the Commission that the ECAM base rate of \$92.44 per MWh is effective January 1, 2021.

9. Following receipt of the Application, the Commission issued interrogatories to MECL on April 29, 2021. MECL filed responses to the interrogatories on May 26, 2021.
10. The Commission has had an opportunity to review the Application and MECL's responses to the interrogatories, and is satisfied that the revised WNA Variables for the 2020 and 2021 fiscal years are appropriate and in accordance with the approved definition of the Weather Normalization Mechanism and Reserve Account.

NOW THEREFORE, pursuant to the *Electric Power Act*, the Commission orders as follows:

IT IS ORDERED THAT:

1. The ECAM base rate of \$92.44 per MWh is approved effective January 1, 2021.
2. The revised Weather Normalization Marginal Net Revenue Variables for the period from January 1, 2020 to December 31, 2020, are approved as follows:

Approved Weather Normalization Marginal Net Revenue Variables	
Variable	Effective Date
	January 1, 2020
Average HDD Value	4,386
MWh per HDD Coefficient	67.91
Forecast Unit Revenue per MWh	\$143.55
Forecast Unit Energy Cost per MWh	\$91.61

3. The Weather Normalization Marginal Net Revenue Variables for the period from January 1, 2021 to December 31, 2021, are approved as follows:

Approved Weather Normalization Marginal Net Revenue Variables	
Variable	Effective Date
	January 1, 2021
Average HDD Value	4,394
MWh per HDD Coefficient	72.30
Forecast Unit Revenue per MWh	\$147.00
Forecast Unit Energy Cost per MWh	\$92.44

DATED at Charlottetown, Prince Edward Island, Monday, May 7th, 2021.

BY THE COMMISSION:

(sgd) J. Scott MacKenzie

J. Scott MacKenzie, Q.C., Chair

(sgd) M. Douglas Clos

M. Douglas Clow, Vice-Chair

(sgd) Erin T. Mitchell

Erin T. Mitchell, Commissioner

NOTICE

Section 12 of the *Island Regulatory and Appeals Commission Act* reads as follows:

12. The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it, or rehear any application before deciding it.

Parties to this proceeding seeking a review of the Commission's decision or order in this matter may do so by filing with the Commission, at the earliest date, a written Request for Review, which clearly states the reasons for the review and the nature of the relief sought.

Sections 13(1), 13(2), 13(3), and 13(4) of the *Act* provide as follows:

13(1) An appeal lies from a decision or order of the Commission to the Court of Appeal upon a question of law or jurisdiction.

(2) The appeal shall be made by filing a notice of appeal in the Court of Appeal within twenty days after the decision or order appealed from and the rules of court respecting appeals apply with the necessary changes.

(3) The Commission shall be deemed to be a party to the appeal.

(4) No costs shall be payable by any party to an appeal under this section unless the Court of Appeal, in its discretion, for special reasons, so orders.

NOTE: In accordance with IRAC's *Records Retention and Disposition Schedule*, the material contained in the official file regarding this matter will be retained by the Commission for a period of 5 years.