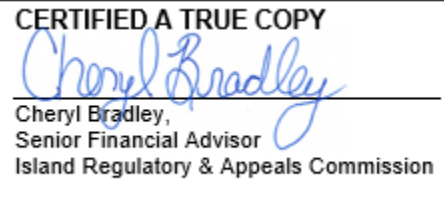




Docket: UE20739
Order: UE24-03



IN THE MATTER of an application by Maritime Electric Company, Limited for an Order approving the 2024 Annual Capital Budget, pursuant to section 17(1) of the *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4.

Order

BEFORE THE COMMISSION ON Tuesday, the 23rd day of April, 2024.

J. Scott MacKenzie, K.C., Chair
M. Douglas Clow, Vice-Chair

BACKGROUND:

1. On August 4, 2023, Maritime Electric Company, Limited (“MECL”) filed an application with the Prince Edward Island Regulatory and Appeals Commission (the “Commission”) seeking approval of its 2024 Annual Capital Budget (the “Application”).
2. Following receipt of the Application, the Commission gave public notice of the Application through a publication in local newspapers and on the Commission website. Interested members of the public were given the opportunity to issue questions to MECL, and submit comments to the Commission.
3. Two interested members of the public submitted written questions to MECL, and one member of the public submitted written comments to the Commission. All questions and comments were made publicly available on the Commission’s website.
4. The Commission issued interrogatories to MECL on October 26, 2023. MECL filed responses to the interrogatories on March 4, 2024.
5. While the Commission’s review of the Application was ongoing, MECL requested interim approval of certain 2024 capital expenditures, pending the Commission’s final decision with respect to the entirety of the Application. The Commission did not consider MECL’s request for interim approval, and has instead considered the entirety of the proposed 2024 Annual Capital Budget.

DECISION:

6. The Commission has had an opportunity to review the Application, as well as the additional information provided by MECL in response to interrogatories. The Commission is satisfied that the proposed capital expenditures for 2024 are, in the circumstances, reasonable.
7. In addition to the annual capital expenditures for 2024, MECL must also obtain Commission approval for the unspent portion of any previously approved capital budget that MECL intends to carryover and spend in 2024.
8. In the 2023 Capital Budget Variance Report filed on February 28, 2024, MECL advised that the carryover amount required in 2024 is \$7.8 million. Of this amount, approximately eleven percent relates to the PEI Broadband Project. The remaining carryover amount relates to projects that were delayed due to long lead times on materials and/or to allow for completion of outstanding project tasks by vendors and contractors.
9. The Commission continues to have concerns about the amount proposed to be carried over by MECL. However, the Commission recognizes that these expenditures were not spent in the year in which they were approved due, in part, to delays that are outside the control of MECL. In the circumstances, the Commission is prepared to approve the carryover amount of \$7.8 million.

ORDER:

The Commission Orders as follows:

1. MECL's 2024 Annual Capital Budget is approved as filed with the Commission on August 4, 2023.
2. A summary of the approved 2024 annual capital expenditures is therefore as follows:

Expenditure	Approved Amount
Generation	\$1,430,000.00
Distribution	\$40,441,000.00
Transmission	\$17,513,000.00
Corporate	\$3,616,000.00
Capitalized General Expense	\$844,000.00
Interest During Construction	\$799,000.00
Less: Customer Contributions	(\$1,179,000.00)
Net Capital Expenditures	\$63,464,000.00

3. In addition to the 2024 annual capital expenditures approved herein, the Commission approves the forecast carryover of \$7,798,000 from the 2023 and prior year capital budgets.

DATED at Charlottetown, Prince Edward Island, this 23rd day of April, 2024.

BY THE COMMISSION:

(sgd) J. Scott MacKenzie

J. Scott MacKenzie, K.C., Chair

(sgd) M. Douglas Clow

M. Douglas Clow, Vice-Chair