



Docket: UE21231

Order: UE24-05

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Cheryl Bradley,
Senior Financial Advisor
Island Regulatory & Appeals Commission

IN THE MATTER of a request by Maritime Electric Company, Limited to hold the Comprehensive Review of the Weather Normalization Reserve in abeyance, pursuant to the *Electric Power Act*, R.S.P.E.I. 1988, Cap. E-4, and the *Island Regulatory and Appeals Commission Act*, R.S.P.E.I. 1988, Cap. I-11.

Order

BEFORE THE COMMISSION ON Friday, the 13th day of June, 2024.

M. Douglas Clow, CPA, CA, Acting Chair
Kerri Carpenter, Commissioner

BACKGROUND:

1. On April 24, 2023, the Prince Edward Island Regulatory and Appeals Commission (the “Commission”) issued Order UE23-04 with respect to Maritime Electric Company, Limited’s (“MECL”) General Rate Application. Order UE23-04 required MECL to, among other things, undertake a comprehensive review of the weather normalization reserve (“WNR”). According to the Order, the comprehensive review was to be filed with the Commission on or before January 31, 2024.
2. On January 23, 2024, the Commission received a request from MECL seeking to extend the time to file the comprehensive review of the WNR from January 31, 2024 to May 31, 2024.¹ The Commission approved MECL’s request by Order dated February 20, 2024.²
3. On May 28, 2024, the Commission received a further request from MECL seeking to hold the comprehensive review of the WNR in abeyance indefinitely.³
4. In support of its request, MECL advised that its third-party expert requires additional time to complete its analysis. MECL also advised that Government electrification programs have resulted in actual sales growth outpacing MECL’s forecasts. According to MECL, *“this is an unanticipated complication as sales growth is masking the increasing sales volatility due to the impact of weather.”*⁴

DECISION:

5. The Commission is not prepared to hold the comprehensive review of the WNR in abeyance for an indefinite period of time. As stated in previous Commission Orders, the Commission has had, and continues to have, serious concerns about the WNR.⁵ As a result of these concerns, the WNR has only ever been approved by the Commission on an interim basis.
6. Further, the comprehensive review of the WNR was a condition of the settlement reached between MECL and the Prince Edward Island Energy Corporation as part of MECL’s most recent General Rate Application.⁶ The purpose of the comprehensive review is to allow the Commission to make a fully informed decision on the future of the WNR before MECL submits its next General Rate Application. It is therefore imperative that the comprehensive review be filed with the Commission in a timely manner.
7. For these reasons, the comprehensive review of the WNR shall not be held in abeyance as requested by MECL. However, the time to file the comprehensive review shall be extended to September 27, 2024, to allow MECL and its expert time to complete the required analysis.

¹ Exhibit M-1

² Commission Order UE24-01

³ Exhibit M-2

⁴ Exhibit M-2

⁵ See, for example, Order UE23-04

⁶ See Commission Docket UE20946, Exhibit M-14, at page 7

ORDER:

The Commission Orders as follows:

1. The comprehensive review of the WNR as ordered in Commission Order UE23-04 shall not be held in abeyance.
2. MECL shall file the comprehensive review of the WNR with the Commission on or before September 27, 2024.

DATED at Charlottetown, Prince Edward Island, this 13th day of June, 2024.

BY THE COMMISSION:

(sgd) M. Douglas Clow

M. Douglas Clow, CPA, CA, Acting Chair

(sgd) Kerri Carpenter

Kerri Carpenter, Commissioner