

Maritime Electric Co. Ltd. (MECL) ECAM Rate Increase

Application – UE20604.

Clarification Questions for MECL – January 19 2022

Context of Questions:

The Application's appendix A shows a 2021 cost of Pointe Lepreau energy at \$25.8M. The 2021 year-end ECAM balance of \$5.6M is reported to be driven by an increase in the cost of this Pointe Lepreau supply. This computes to a 27% annual increase in the cost of nuclear-generated energy that is a direct pass-through cost from NB Power to PEI customers.

- 1) For each of the outage periods identified in Table 3 what were the replacement KWh energy quantities?
- 2) In the Power Purchase Agreement or the Pointe Lepreau Participation Agreement with NB Power what determines the price of Pointe Lepreau replacement energy? Is there an obligation upon NB Power to seek the minimum cost of this replacement energy and was this the case for 2021?
- 3) The Pointe Lepreau Participation Agreement specifies 5% power participation for MECL. Does this still compute to a base supply of 34MW? What annual peak load capacity avoided cost did this represent for 2021?
- 4) For each year since the 2012 Pointe Lepreau refurbishment program what has been the % annual energy capacity delivered to MECL?
- 5) For each year since the Pointe Lepreau 2012 refurbishment program what has been the MECL cost contribution to the Pointe Lepreau annual operating and maintenance costs?
- 6) What action has NB Power taken to ensure that the 2021 Pointe Lepreau outages and increased operating and maintenance costs will not occur in 2022?
- 7) For each year since the 2012 Pointe Lepreau refurbishment program what has been the annual ECAM amount attributable to the non-budgeted cost of Pointe Lepreau energy?
- 8) Appendix A shows the 2021 ECAM balance owing of \$5.55M; what was the 2021 ending balance of the RORA account? How will this RORA balance be distributed to customers during 2022?
- 9) Appendix A shows "Amortization - Pointe Lepreau Deferred charge & DSM" for 2021 of \$242,707. What was the Pointe Lepreau Deferred charge amount and was this amount the annual payment made to the PEI Energy Corporation against the Pointe Lepreau capital debt held? If not please explain.
- 10) What is the balance of the Pointe Lepreau capital debt held by the PEI Energy Corporation as of December 2021?
- 11) Noting that the total customer cost of Pointe Lepreau energy includes the annual invoiced cost from NB Power and the annual debt repayment to the PEI Energy Corporation, what has been

the cost premium of Pointe Lepreau energy expressed as a percentage of the unit MWh price of firm system energy? This data is requested for each year since the Pointe Lepreau 2012 refurbishment program.

- 12) Noting that the total customer cost of Pointe Lepreau energy includes the annual invoiced cost from NB Power and the annual debt repayment to the PEI Energy Corporation, what has been the cost premium of Pointe Lepreau energy expressed as a percentage of the unit MWh price of PEI wind energy? This data is requested for each year since the Pointe Lepreau 2012 refurbishment program.
- 13) When considering all financial aspects of the Pointe Lepreau Participation Agreement what will be the future customer energy cost advantages derived from the Agreement?
- 14) The proposed Order (pages 26 and 27) does not specify when the proposed ECAM “rider” ceases. Please confirm that this is February 28, 2023.
- 15) Noting that the next General Rate Application has been deferred until 2023 can MECL confirm that there is no expectation of a 2022 ECAM deferral and indeed there are no additional customer cost deferral amounts anticipated by December 2022? What is the expectation for the December 2022 balance of the RORA account?