

UE41400 / Order UE19-03 - Prince Edward Island Energy Corporation Application for Approval of Electricity Efficiency & Conservation Plan ("EE&C")
Response to Interrogatories ("Responses")

1 **Request IR – 01:**
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3 *PEIEC has forecast the EE&C costs for the 2021/2022 year to be \$3,338,137. Please provide a*
4 *funding breakdown as between Maritime Electric Company, Limited, Summerside Electric,*
5 *and federal and provincial government funding.*
6

7 **Response IR – 01:**
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9 Please refer to columns pertaining to 2021-22 in the attached Appendix A.
10
11

12 **Request IR – 02:**
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14 *The rates for electric service charged by MECL, effective January 1, 2021, includes a rate rider*
15 *of \$0.0013 per kilowatt hour to recover MECL's share of the EE&C costs. The rate rider*
16 *assumes that MECL's share of the EE&C costs for 2021/2022 is \$1,080,000 as well as a portion*
17 *not previously collected in the 2019/2020 and 2020/2021 years for a total of \$2,238,645.*
18 *Based on PEIEC's response to IR-1, please advise whether the rate rider currently charged by*
19 *MECL should be adjusted.*
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21 **Response IR – 02:**
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23 Based on note 4 contained in Appendix A, we estimate that by the end of 2021-22, collections
24 will have exceeded ratepayers 20% share of EE&C Plan costs by approximately \$2 million.
25 However, these calculations, especially with respect to 2020-21 and 2021-22 are still very much
26 estimates that are subject to change. Given that a new General Rate Application is expected to
27 be filed by Maritime Electric this fall for electricity rates effective March 1, 2022, we
28 recommend that the rate rider currently charged by MECL remain in effect until February 28,
29 2022. We will have more accurate EE&C Plan figures by later this fall as a result of the
30 completion of cost-effectiveness calculations and the federal funding claim for 2020-21 and will
31 thus be in a better position at that point to request an adjustment to the rate rider. We also
32 propose that the adjustment to the rate rider smooth any reimbursement of overcollections
33 over the 3-year period of the next EE&C Plan.

1 **Request IR – 03:**

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3 *Please provide a reconciliation of funds collected as compared to expenditures for each*
4 *year of the EE&C Plan. Include the source of funding between Maritime Electric Company,*
5 *Limited, Summerside Electric, and federal and provincial government funding. Explain*
6 *what happens to unspent funds at yearend.*

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8 **Response IR – 03:**

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10 Please refer to columns pertaining to 2018-19 to 2020-21 in Appendix A. Provincial funding is
11 determined as the amount necessary to make funding equal spending. It is our understanding
12 that a true-up was to occur at the end of the EE&C Plan term. As we are requesting an
13 extension of the plan term, we are requesting that the true-up occur in conjunction with
14 Maritime Electric’s general rate application so that any adjustments to the rate rider can be
15 implemented effective March 1, 2022 and reimburse ratepayers for overcollected amounts
16 during the 3-year period of the next EE&C Plan.

Appendix A
Electricity Efficiency & Conservation Plan (EE&C Plan) Funding Breakdown
2018-19 to 2021-22

Funding Source	2018-19		2019-20		2020-21 ³		2021-22		Total ⁴	
	\$	%	\$	%	\$	%	\$	%	\$	%
Maritime Electric	540,000	31.6%	873,000	36.2%	1,080,000	46.2%	1,080,000	32.4%	3,573,000	36.5%
Summerside Electric	60,000	3.5%	97,000	4.0%	120,000	5.1%	120,000	3.6%	397,000	4.1%
Federal Government ¹	1,035,397	60.6%	1,148,512	47.6%	831,784	35.6%	873,197	26.2%	3,888,890	39.7%
Provincial Government ²	74,084	4.3%	293,993	12.2%	307,587	13.1%	1,264,940	37.9%	1,940,604	19.8%
Total	1,709,481	100.0%	2,412,505	100.0%	2,339,371	100.0%	3,338,137	100.0%	9,799,494	100.0%

Notes:

¹ Federal funding amounts for 2018-19 and 2019-20 are best estimates as the Government of Canada has not yet completed its adjudication of claims for those years.

² The Provincial Government portion of expenditures is equal to the amount not covered by the other funding sources.

³ The federal funding amount for 2020-21 is a preliminary estimate. A more precise estimate will be available after cost-effectiveness calculations and the federal funding claim have been completed.

⁴ Total EE&C Plan Expenditures, 2018-19 to 2021-22 9,799,494

Portion to be recovered from ratepayers

Maritime Electric	18%	1,763,909.00
Summerside Electric	2%	195,990
	20%	<u>1,959,899.00</u>

Amounts to be collected from ratepayers, 2018-19 to 2021-22

Maritime Electric	3,573,000
Summerside Electric	397,000
	<u>3,970,000.00</u>

Estimated amount owing to ratepayers at end of 2021-22

Maritime Electric	(1,809,091)
Summerside Electric	(201,010)
	<u>(2,010,101)</u>