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Interrogatories of Commission Staff

TO: Maritime Electric Company, Limited

FROM: Cheryl Mosher, Senior Financial Advisor

DATE: August 11, 2020

RE: 2020 Supplemental Budget Request for Electric Vehicle Charging Stations

DOCKET: UE20730

The Island Regulatory and Appeals Commission (the “Commission”), in assessing the reasonableness of the 2020 Supplemental Budget Request for Electric Vehicle Charging Stations as filed by Maritime Electric Company, Limited (“Maritime Electric” or “MECL”) on June 30, 2020, requests responses to the following interrogatories:

1. In accordance with the *Electric Power Act*, MECL’s mandate is to provide reasonably safe and adequate service in the Province of Prince Edward Island. Please explain:
 - a. How owning electric vehicle (“EV”) charging stations is consistent with MECL’s mandate.
 - b. How owning EV charging stations is a “service” as defined in the *Electric Power Act*.
 - c. How owning EV charging stations is necessary for the production, transmission, delivery or furnishing of electrical energy in the Province.
2. In the event this Supplemental Budget Request is approved, MECL will own assets “behind the meter”.
 - a. Please provide justification for MECL owning assets behind the meter.
 - b. Please explain how owning assets behind the meter is consistent with MECL’s mandate as set forth in the *Electric Power Act*.

3. In the Supplemental Budget Request, MECL states that the EV charging stations will assist in achieving CO2 emission reduction targets set by Federal and Provincial Governments.
 - a. Please explain why it is appropriate for MECL ratepayers to subsidize a Government initiative.
 - b. Is this consistent with the cost of service model of regulation?
4. At page 37 of the Supplemental Budget Request, MECL states that it will only be involved in future EV charging programs if there is full cost recovery, such that ratepayers are not subsidizing the cost of the program. Please provide justification for MECL ratepayers subsidizing the EV charging station project proposed in the Supplemental Budget Request.
5. According to the MOUs as filed by MECL, some of the EV charging stations will be installed on private property. Please provide justification for MECL ratepayers paying to install, operate and maintain EV charging stations on private property.
6. What are the benefits of MECL owning EV charging stations? Please comment specifically on:
 - a. the benefits to MECL;
 - b. the benefits to ratepayers; and
 - c. the benefits to ratepayers who do not own an EV.
7. Although MECL proposes to own the EV charging stations, it will not have the right to determine the price charged at the charging stations.
 - a. Is it correct that owning the EV charging stations provides no financial benefit to MECL or to ratepayers?
 - b. Is it correct that based on MECL's current forecasts, the revenue collected by MECL from the EV charging stations will not be sufficient to cover the operating and maintenance expenses associated with owning the EV charging stations?
 - c. Is it correct that for privately owned/operated EV charging stations, MECL collects a service fee and demand and energy charges, but does not incur operating and maintenance costs associated with owning the asset?
 - d. Please provide justification for MECL owning the EV charging stations if it does not have the right to determine the price charged at the charging stations.
8. MECL intends to install and own Level 2 Chargers. According to the Supplemental Budget Request, Level 2 Chargers are primarily used at home or at locations where drivers remain for several hours.
 - a. Please explain why Level 2 Chargers were selected over Level 3 chargers.
 - b. Please explain why Level 2 Chargers, which are primarily used at home, are appropriate to install in public locations.

- c. Please provide justification for installing Level 2 Chargers in public locations, having specific regard to the fact that efficiencyPEI has recently installed Level 3 Chargers.
9. Currently there are approximately 100 electric vehicles on PEI. What is the projected increase in the number of electric vehicles if this Supplemental Budget Request is approved?
10. At page 14 of the Supplemental Budget Request, MECL states that NRCan ZEVIP funding is available to provincial, territorial and municipal governments and their departments and agencies. If the proponent of the project is a government entity, the stacking limit is 100 percent of the project costs.
 - a. Is it correct that if the proponent of the proposed project is a government entity (for example, the PEI Energy Corporation, efficiencyPEI or the Department of Environment), the project would be eligible for 100 per cent funding?
 - b. If so, please provide justification for MECL applying for NRCan ZEVIP funding, rather than a government entity.
 - c. Please explain why and how it was determined that MECL would apply for funding as the proponent of the proposed project.
 - d. Currently, efficiencyPEI has installed six Level 3 Charging stations. Please explain what (if any) discussions that MECL has had with efficiencyPEI and/or the PEI Energy Corporation about this proposed project.
 - e. As part of the Supplemental Budget Request, MECL has filed a letter from the Provincial Department of Environment confirming their support of the proposed project. Please provide particulars of discussions between MECL and the Department of Environment about the proposed project.
11. According to the Supplemental Budget Request, most existing EV charging stations in the Province are privately owned/operated. Is it appropriate for a monopoly such as MECL to compete with private entities? Please explain and provide justification.
12. Table 2 includes a Maritime Electric Project Management fee in the amount of \$36,000. How is this amount calculated and what does it cover? Please justify the inclusion of this fee in the Common Project Costs for an asset that MECL proposes to own.
13. Please provide additional details regarding the “in kind” costs included in Table 6. Specifically, are these a cost that MECL or its ratepayers are responsible for? Would these costs be incurred if MECL was not installing EV charging stations?
14. Please provide details on the accounting treatment for the funding expected to be received from the Federal, Provincial, and Municipal government.
15. Please provide details regarding the accounting treatment of the EV charging stations. In particular, will the EV charging stations be recorded at full cost or net of funding?

16. Please explain how unforeseen costs are to be handled if encountered either during the installation or during the lifetime of the EV charging stations.
17. Please provide details on MECL's plan if the technology associated with EV charging stations changes significantly and these assets become stranded assets.
18. If the EV charging stations become stranded assets, who will pay the associated costs, including depreciation costs, decommissioning costs, etc.?
19. According to the Supplemental Budget Request, the EV charging stations have an estimated life span of ten (10) years.
 - a. What is MECL's plan for the assets at the end of their useful life? Will the assets be replaced, decommissioned, other?
 - b. Who is responsible to pay for the associated costs at the end of their useful life?
 - c. Are these costs included in the estimates filed by MECL as part of the Supplemental Budget Request?

Additional interrogatories may follow.

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Prince Edward Island Regulatory & Appeals Commission