



PRINCE EDWARD ISLAND

Regulatory & Appeals Commission

Commission de réglementation et d'appels

ÎLE-DU-PRINCE-ÉDOUARD

Docket: UE20947
Order: UE25-06

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Cheryl Bradley

Cheryl Bradley,
Senior Financial Advisor
Island Regulatory & Appeals Commission

IN THE MATTER of an application by Maritime Electric Company, Limited for an order approving changes to the Open Access Transmission Tariff Schedules and for certain approvals incidental to such an order, pursuant to section 20 of the *Electric Power Act*, RSPEI 1988, c. E-4.

Order

BEFORE THE COMMISSION ON Thursday, the 7th day of August, 2025.

Pamela Williams, K.C., Chair

Kerri Carpenter, Vice-Chair

Background:

1. On October 31, 2024, Maritime Electric Company, Limited (“Maritime Electric”) filed an application with the Commission seeking approval for certain changes to the Open Access Transmission Tariff (“OATT”) Schedules (the “Application”).
2. The Commission gave public notice of the Application by publication in local newspapers and on the Commission website. The Commission invited the public to comment and interested parties to request intervenor status, in accordance with the Commission’s Rules of Practice & Procedure. The Commission did not receive any submissions requesting to intervene on this application.
3. On May 16, 2025 the Commission issued interrogatories and Maritime Electric submitted its responses on June 6, 2025.
4. The Commission has reviewed all of the evidence, and is satisfied that the issues are sufficiently narrow in scope and can be resolved without a public hearing.

Overview of the Application:

5. Maritime Electric is seeking approval for new OATT rates that reflect changes in the cost to supply transmission services offered through the OATT.
6. Maritime Electric’s existing OATT rates are based on 2020 cost data as taken from the 2020 Cost Allocation Study. The OATT rates proposed in this Application are based on 2023 cost data as taken from the 2023 Cost Allocation Study.
7. The following table provides a summary of the existing OATT rates, together with the updated OATT rates proposed by Maritime Electric:

Table 6 Rates for Services in Maritime Electric’s Open Access Transmission Tariff				
Services	Schedule in OATT	Reference	Proposed Rates (\$/MW-month)	Existing Rates (\$/MW-month)
Scheduling, System Control and Dispatch	1	Appendix F	102.55	96.56
Reactive Supply and Voltage Control from Generation Sources	2	Appendix H	70.96	70.65
Regulation (Automatic Generation Control) ⁹	3(a)	NB OATT	10,571.84	10,571.84
Load Following ⁸	3(b)	NB OATT	10,535.19	10,535.19
AGC and Load Following for Non-Dispatchable Wind ⁸	3(c)	NB OATT	\$1.25/MWh	\$1.25/MWh
Energy Imbalance	4	Section 6.3	n/a	n/a

Operating Reserve – Spinning ⁸	5	NB OATT	10,522.97	10,522.97
Operating Reserve – Supplemental (10 minute) ⁸	6(a)	NB OATT	6,268.17	6,268.17
Operating Reserve – Supplemental (30 minute) ⁸	6(b)	NB OATT	6,268.17	6,268.17
Point-to-Point Transmission Service	7 and 8	Appendix D	4,395.88	3,831.93
Non-Capital Support Charge Rate	9	Section 8.0	2.04%	1.77%
Residual Uplift	10	Section 6.3	n/a	n/a
Network Transmission Service	Att. H	Appendix E	4,395.88	3,831.93

8. The starting point for the updated OATT rates is the 2023 Cost Allocation Study prepared by Chymko Consulting Limited (“Chymko”).
9. Chymko determined the 2023 total transmission revenue requirement to be \$20,843 million.¹ However, not all transmission costs are recovered through the OATT. Instead, the total costs must be functionalized to determine which portion of the total transmission costs are applicable to all users of the transmission system. Only transmission costs that apply to all users are recovered through the OATT.
10. Maritime Electric has calculated the 2023 OATT revenue requirement to be \$18.172 million, after excluding the following cost items:
 - a) Cable/interconnection debt repayment costs; and
 - b) Amortization adjustment.
11. The OATT rates proposed by Maritime Electric in this Application are therefore calculated using an OATT revenue requirement of \$18.172 million, based on 2023 cost data. This represents an increase of \$3.870 million over the 2020 revenue requirement (\$14.302 million) from which the current OATT rates are derived.²
12. According to Maritime Electric, the primary reason for the increase in the OATT revenue requirement is additions to the transmission infrastructure made between 2020 and 2023. Maritime Electric has calculated the additions to OATT facilities to be \$20.486 million over the three year period.³
13. The largest additions to Maritime Electric’s transmission system between 2020 and 2023 were line Y-119 which is a new 138kV transmission line at Mount Tryon to Bannockburn Road, and substation assets which include Clyde River, Marshfield and Crossroads substations. Maritime Electric also made capital improvements to existing infrastructure, and made significant investments to modernize transmission line protection and control equipment.

¹ 2023 Cost Allocation Study – Appendix B

² Exhibit M-2 Table 3

³ Exhibit M-3 IR#4

14. Maritime Electric currently intends to file its next CAS based on financial results ending December 31, 2026. Therefore, the next OATT schedule update would be based on costs incurred over the three year period, from 2024 to 2026.

Decision:

15. The Commission has had an opportunity to review the OATT rates proposed by Maritime Electric in the Application, and all other documents, interrogatories and replies filed. The Commission is satisfied that the proposed rates are consistent with the 2023 Cost Allocation Study and with Maritime Electric's previously approved capital expenditures for improvements to the transmission system.
16. The Commission accepts that the proposed OATT rates should be implemented effective immediately, as proposed in the Application. The updated OATT rates reflect improvements to the transmission system made by Maritime Electric since 2020.
17. The next OATT schedule update will reflect an updated Cost Allocation Study based on financial results ending December 31, 2026 (the "2026 Cost Allocation Study"). The next OATT schedule update will, therefore, be based on costs incurred over a three year period, from 2024 to 2026.

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Order:

The Commission Orders as follows:

1. The OATT schedule application filed by Maritime Electric on October 31, 2024 are approved effective September 1, 2025, and shall remain in effect until otherwise ordered by the Commission.
2. Maritime Electric's next OATT schedule update shall be based on the results of the 2026 Cost Allocation Study, and filed with the Commission on or before October 1, 2027.

DATED at Charlottetown, Prince Edward Island, this 7th day of August, 2025.

BY THE COMMISSION:

(sgd) Pamela Williams

Pamela Williams, K.C., Chair

(sgd) Kerri Carpenter

Kerri Carpenter, Vice-Chair