



**THE ISLAND REGULATORY AND
APPEALS COMMISSION**
Prince Edward Island
Île-du-Prince-Édouard
CANADA

Docket UE20934
Order UE05-06

IN THE MATTER of an application by
Maritime Electric Company, Limited for approval
of proposed amendments to its rates, tolls and
charges and for certain approvals incidental to
the proposed amendments.

BEFORE THE COMMISSION

on Friday, the 24th day of June, 2005.

Maurice Rodgerson, Chair
Weston Rose, Commissioner
James Carragher, Commissioner
Anne Petley, Commissioner

Order

Compared and Certified a True Copy

(Sgd) *Donald G. Sutherland*

Technical and
Regulatory Services Division

IN THE MATTER of an application by Maritime Electric Company, Limited for approval of proposed amendments to its rates, tolls and charges and for certain approvals incidental to the proposed amendments.

Order

WHEREAS, by application filed with the Commission on the 30th day of April, 2004, Maritime Electric Company, Limited (the “Company”), applied to the Commission for approval of proposed amendments to its rates, tolls and charges and for certain approvals incidental to the proposed amendments;

AND WHEREAS, by Order No. UE05-01 dated the 6th day of January, 2005, the Commission dealt with certain portions of the application relating to the fiscal year of the Company ending December 31, 2004 and the amortization of certain deferred costs;

AND WHEREAS, by Order No. UE05-05 dated the 16th day of March, 2005, the Commission approved the implementation of an interim and transitional Energy Cost Adjustment Mechanism (“ECAM”) for effect with meter readings of the Company taken on and after the 1st day of April, 2005;

AND WHEREAS the Commission has reviewed the remaining elements of the application, including;

1. the requested July 1, 2005 increase in basic rates of 2% and associated sales, revenue and expenditure forecasts of the Company to December 31, 2005;
2. the finalization of the ECAM and, in particular, the elements of the Company’s expenditures that are to be included in the ECAM; and
3. the proposed rules and regulations of the Company;

AND WHEREAS the Commission’s review of these matters has included consideration of the Company’s original application and supplementary financial information as well as the Company’s response to staff interrogatories and response to the report entitled *Evaluation of the Maritime Electric Company*,

Limited proposed Energy Cost Adjustment Mechanism prepared by independent consultant John Murphy;

AND WHEREAS the Commission's review has also included consideration of a number of supplementary filings, including comments on the Company's response to certain staff interrogatories prepared by independent consultant John Murphy and related information;

AND WHEREAS, based on a thorough review of the information on file and the applicable law, the Commission has found and concluded that:

1. a 2% increase in basic rates, effective with meter readings taken on and after July 1, 2005, will result in rates, tolls and charges that are just and reasonable;
2. the interim and transitional ECAM currently in effect should remain in effect until June 30, 2006 and should be replaced with an ECAM that reflects a reduced number of accounts, yet to be determined, that will be subject to ECAM adjustment; and
3. the proposed rules and regulations of the Company should be approved subject to certain corrections and the introduction of a new section that deals with the resolution of disputes;

NOW THEREFORE, pursuant to the *Island Regulatory and Appeals Commission Act* and the *Electric Power Act*,

IT IS ORDERED THAT

1. the 2% increase in basic rates is approved for effect with meter readings of the Company taken on and after July 1, 2005;
2. the interim and transitional ECAM currently in effect shall remain in effect until June 30, 2006 and will be replaced with an ECAM that reflects a reduced number of accounts, yet to be determined by the Commission, that will be subject to ECAM adjustment;
3. the proposed rules and regulations of the Company are approved subject to :
 - the correction of references therein to the *Maritime Electric Company Limited Regulation Act*, which has been repealed;
 - the replacement of any and all references to the words

“policies”, “policy manual” and the like with the words “rules and regulations”; and

- the introduction of the following section that deals with the resolution of disputes:

Disputes:

If any dispute arises between Maritime Electric and a customer over the interpretation or application of any of these Rules and Regulations that is subject to the jurisdiction of the Commission, either party may refer the matter to the Commission for decision and the Commission may, notwithstanding anything contained in these Rules and Regulations, make such decision as it may deem appropriate.

4. the Company shall forthwith prepare, for the review and approval of the Commission,
 - a revised rates, rules and regulations manual that reflects the requirements of this Order; and
 - a bill insert describing for the Company’s customers the rate changes approved herein; and
5. the approved bill insert shall be included in the first billing cycle for each customer of the Company.

DATED at Charlottetown, Prince Edward Island, this 24th day of June, 2005.

BY THE COMMISSION:

(Sgd) Maurice Rodgerson

Maurice Rodgerson, Chair

(Sgd) Weston Rose

Weston Rose, Commissioner

(Sgd) James Carragher

James Carragher, Commissioner

(Sgd) Anne Petley

Anne Petley, Commissioner

NOTICE

Section 12 of the *Island Regulatory and Appeals Commission Act* reads as follows:

12. The Commission may, in its absolute discretion, review, rescind or vary any order or decision made by it or rehear any application before deciding it.

Parties to this proceeding seeking a review of the Commission's decision or order in this matter may do so by filing with the Commission, at the earliest date, a written Request for Review, which clearly states the reasons for the review and the nature of the relief sought.

Sections 13.(1) and 13(2) of the *Act* provide as follows:

13.(1) An appeal lies from a decision or order of the Commission to the Appeal Division of the Supreme Court upon a question of law or jurisdiction.

(2) The appeal shall be made by filing a notice of appeal in the Supreme Court within twenty days after the decision or order appealed from and the Civil Procedure Rules respecting appeals apply with the necessary changes.

IRAC140B(2005/1)