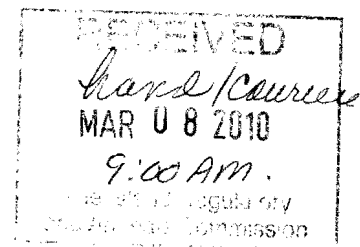


MARITIME
ELECTRIC
A FORTIS COMPANY



March 5, 2010

Mr. Mark Lanigan
Island Regulatory and Appeals Commission
PO Box 577
134 Kent Street, Suite 501
Charlottetown PE C1A 7L1

Dear Mr. Lanigan:

Re: Commission Order UE08-01

We are in receipt of a copy of the Application of the Honourable Richard E. Brown dated March 2, 2010 concerning the above noted matter. As you know, this correspondence requests that that portion of Commission Order UE08-01 dealing with the elimination of the second block of the residential customer rate on April 1, 2010 be rescinded.

We are also in receipt of the Commission's correspondence to the Honourable Richard E. Brown dated March 4, 2010. In this correspondence, the Commission advises that evidence is required for the Commission's consideration prior to the Commission making a decision on the Minister's request. Please consider this correspondence to be evidence provided by Maritime Electric Company, Limited ("MECL") in relation to the Minister's Application.

As you know, MECL recently made an Application to the Commission pursuant to Section 20 of the Electric Power Act for approval of its rates, tolls and charges for electric service for the periods beginning April 1, 2010 and April 1, 2011 (the "Rate Application"). The Rate Application is currently pending before the Commission. The Government of Prince Edward Island has intervened in the Rate Application and has, among other things, requested that a hearing be held.

Given the Minister's request and the fact that the Rate Application is currently pending, it is MECL's view that the application of UE08-01 should be suspended at this time pending the outcome of the Rate Application. At the Rate Application hearing MECL, the Government and other interested groups and individuals can make their views known on MECL's actual and proposed rates, including the second block of the residential customer rate. It will also be necessary for MECL to submit further evidence at the Rate Application hearing on proposed customer rates, including evidence outlining the impact on customer rate classes should the second block be retained and should it be eliminated.

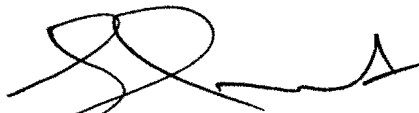
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In MECL's view, a suspension of UE08-01 pending the outcome of the Rate Application is appropriate at this time, for at least four reasons. First, it is our understanding that discussions between the Government of Prince Edward Island and the Province of Quebec are ongoing. The outcome of these discussions remains, at the present time, unclear, but may result in a restructuring of rates. In the circumstances, it seems prudent to maintain the status quo pending the outcome of those discussions. Second, MECL will be proceeding with a Cost Allocation Study which, as you know, seeks to allocate a utility's costs equitably between its various classes of customers and it is, in our view, premature to proceed with a re-allocation of costs at this time. Third, MECL is in the process of developing an updated Demand Side Management ("DSM") plan for the Commission's consideration and, as part of that plan, will be re-examining whether the elimination of the second block is required in order to meet DSM objectives. Finally, suspension of UE08-01 pending consideration of this issue at the Rate Application hearing will provide an opportunity for all interested groups and individuals to make their views known, thereby providing the Commission with the benefit of a broader range of evidence on this subject.

All of which is respectfully submitted,

Yours truly,

MARITIME ELECTRIC

A handwritten signature in black ink, appearing to read 'J. W. Geldert', with a stylized flourish extending to the right.

J. W. Geldert
Vice President, Finance
& Chief Financial Officer

JWG15

cc: Hon. Richard E. Brown
Minister of Environment, Energy and Forestry