

Notice of Application

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The Public Utilities Act, R.S.N.S. 1989, c.380 as amended

- and -

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated for Approval of Certain Revisions to its Rates, Charges and Regulations

NOTICE OF APPLICATION

TO: The Nova Scotia Utility and Review Board

- 1. Nova Scotia Power Incorporated (NS Power, the Company) is a public utility subject to regulation by the Nova Scotia Utility and Review Board (UARB, the Board) and conducts its business in Nova Scotia where it is engaged in the generation, transmission and distribution of electrical power.
2. General electricity rates were last adjusted by Order of the Board effective January 1, 2012. Since that date there have been material changes in circumstances for the test years beginning in January 2013 and January 2014 such that, unless customer rates are re-adjusted, the Company will be unable to continue to provide the service expected by customers and will be unable to earn a just and reasonable return.
3. The Company therefore makes this Application for certain revisions to its rates, charges and regulations, effective January 1, 2013 and January 1, 2014.
4. In support of this Application is filed the Direct Evidence of Nova Scotia Power, which consists of the following:
1.0 Introduction
2.0 NS Power's Request - A Rate Stabilization Plan
3.0 Load Forecast
4.0 Fuel and Purchased Power

-
- 1 5.0 Fuel Adjustment Mechanism
2 6.0 Operating Costs
3 7.0 Depreciation and Regulatory Deferrals
4 8.0 Rate Base
5 9.0 Capital Structure and Financing
6 10.0 Cost of Service
7 11.0 Revenue Forecast and Proposed Rates
8 12.0 A Final Word
9
- 10 5. The Direct Evidence includes Appendices containing additional material
11 supporting the Application. In addition, the Company has filed supporting
12 information in the prescribed Standard Filing Requirement format.
13
- 14 6. There are regulatory proceedings ongoing or anticipated at the time of this
15 Application that could affect the test year revenue requirement. The load forecast
16 assumes demand and energy savings from demand side management consistent
17 with Efficiency Nova Scotia Corporation's application for approval of its 2013-15
18 Demand Side Management Plan filed with the UARB on February 27, 2012. This
19 Application does not account for any additional spending (revenue requirement)
20 that may result from external cost pressures, decisions by the UARB, or from
21 additional directives that may be ordered by the UARB as a result of this
22 Application. Any such changes will be incorporated in the Compliance Filing,
23 subject to UARB Approval.
24
- 25 8. On the evidence filed in support of this Application, Nova Scotia Power asserts
26 that the Order sought by the Application is in the public interest and in the interest
27 of Nova Scotia Power.
28
- 29 9. Nova Scotia Power therefore seeks an Order, effective January 1, 2013, and
30 January 1, 2014 approving:
31
- 32 a) The 2013 and 2014 revenue requirements set out in this
33 Application to enable Nova Scotia Power to recover the reasonable
34 costs of providing service to customers and to meet its financial
35 obligations, including provision for a just and reasonable return;
36 and, as a consequence, the rates, charges and regulations requested
37 in this Application.
38
- 39 b) The Rate Stabilization Plan, which provides for recovery of the
40 2013 and 2014 revenue requirements as follows:
41
- 42 i. For each customer class, an average three percent increase on
43 January 1, 2013 and an average three percent increase on January
-

- 1, 2014, after factoring in the 2010 FAM deferral reductions in 2013 and 2014,
- ii. Deferral of any portion of the Board approved revenue requirement not recovered by the average 3 percent annual increases. Effectively, this will continue the 2012 Fixed Cost Recovery deferral, which will continue to grow until the end of 2014, with recovery of the deferral over an 8 year period beginning in 2015,
- iii. FAM adjustments, other than for the 2010 FAM deferral reductions and the 2011 FAM imbalance both of which are reflected in the 2013 Balance Adjustment, will be deferred, to be incorporated into customer rates in 2015, and the FAM incentive will remain suspended until the end of 2014.
- c) Changes to the Large Industrial Interruptible Rider and Load Retention Tariff Pricing Mechanism, as described in this Application.
- d) A change to Accounting Policy 5900 – Income Taxes, to allow for the accounting of fixed cost recovery deferrals on a deferred tax basis, in order to align tax expense with the deferral recovery period.
- e) A change in the Open Access Transmission Tariff (OATT) rates described in this Application.
- f) Adjustments to the rates, charges, or regulations as needed to reflect decisions and directives in NS Power related proceedings or as the Board may determine in response to this Application.
- g) A return on common equity range held at the current 9.1 percent to 9.5 percent.
- h) In the alternative, recovery of the 2013 and 2014 revenue requirement using traditional rate-setting methodology as provided in the rates, charges and regulations contained in this Application.
10. Certain of the evidence filed in support of the Application is being filed with the request that the Board hold it in confidence and such evidence has been redacted from the copies of this Application that are being made publicly available.

1 Specific portions of the Appendices and Standard Filing have been redacted and
2 filed in confidence with the Board, as identified in Attachment 1 to this notice.
3

4 11. Pursuant to Rule 12 of the Board Regulatory Rules, with the approval of the
5 Board, the Company will immediately make available copies of the complete and
6 un-redacted Application to any party who has a good faith interest in accessing
7 the confidential information, who would not be otherwise conflicted, and who
8 signs an agreement to maintain the confidentiality of the information. Nova
9 Scotia Power's proposed form of confidentiality undertaking is provided with this
10 notice.
11

12 12. Nova Scotia Power also seeks Directions from the Board providing for:
13

14 (a) Pre-hearing procedures, including:
15

16 (i) Public Notice of this Application;
17

18 (ii) Approval of the request to file certain of the evidence in
19 confidence as referred to in paragraphs 10 and 11, and Attachment
20 1;
21

22 (iii) Directions regarding the terms on which interested parties may
23 have access to confidential information that may be sought by
24 parties during the course of this proceeding and approval of the
25 proposed form of confidentiality undertaking, provided with this
26 notice, pursuant to Board Regulatory Rule 12;
27

28 (iv) Interventions and evidence from Intervenors;
29

30 (v) A process for the establishment of an Issues List for the Hearing;
31

32 (vi) A process for the expedient resolution of any pre-hearing
33 procedural issues.
34

35 (b) Setting dates for the hearing of this Application in the fall of 2012
36 allowing sufficient time so that any Order arising out of this proceeding
37 may be implemented effective January 1, 2013; and
38

39 (c) Such other matters as the Board deems fit.
40
41

42 DATED at Halifax Regional Municipality, in the Province of Nova Scotia this 8th day of
43 May, 2012.

NOVA SCOTIA POWER INCORPORATED

Per: 

ROB BENNETT
President and Chief Executive Officer

Name and Address for Service:

J. René Gallant
Vice President, Regulatory Affairs
Nova Scotia Power Inc.
Address: 1223 Lower Water Street
Halifax, NS B3J 2A8
Mail: P.O. Box 910
Halifax, NS B3J 2W5
Telephone: (902) 428-6408
Fax: (902) 428-6990
Email: rene.gallant@nspower.ca

Terence Dalglish, Q.C.
Davis LLP
Address: Livingston Place
1000-250 2nd Street SW
Calgary, AB T2P 0C1
Telephone: (403) 698-8740
Fax: (403) 697-6605
Email: tdalglish@davis.ca

Nicole Godbout
Regulatory Counsel
Nova Scotia Power Inc.
Address: 1223 Lower Water Street
Halifax, NS B3J 2A8
Mail: P.O. Box 910
Halifax, NS B3J 2W5
Telephone: (902) 428-6996
Fax: (902) 428-6542
Email: nicole.godbout@nspower.ca

Tim Wood
Manager Commercial Projects, Regulatory Affairs
Nova Scotia Power Inc.
Address: 1223 Lower Water Street
Halifax, NS B3J 2A8
Mail: P.O. Box 910
Halifax, NS B3J 2W5
Telephone: (902) 428-6294
Fax: (902) 428-6542
Email: tim.wood@nspower.ca

Notice of Application – Attachment 1

Listing of Confidential Sections of NS Power 2013 Rate Application

Appendices containing Confidential Information

Appendix B – Fuel Forecast Details
Appendix E – OM&G Detailed Variance Analysis
Appendix F – Operating Cost Details
Appendix G – 5 Year OM&G Summary
Appendix L, Attachment 4 – Embedded Ancillary Service Study
Appendix P, Attachment 5 – Schedule of Charges

(SR) Studies and Reports

SR-03

(OP) Organization Profile

OP-01, Attachment 5
OP-03, Attachment 1
OP-05, Attachments 1 and 2
OP-06, Attachments 1 and 2
OP-08, Attachment 1
OP-12, Attachments 1, 2, 3 and 4

(FOR) Financial Outlook

FOR-01 to 08 – Attachment 1 for each
FOR-11 to 14 – Attachment 1 for each

(RB) Rate Base

RB-01, Attachment 1
RB-02 – RB-16, Attachments 1 and 2

(DA) Depreciation & Amortization Expense & Accumulated Reserves

DA-02, Attachment 1
DA-04, Attachment 1

(OR) Operating Revenues

OR-05

OR-08

OR-08, Attachments 1 and 2

(OE) Operating Expenses

OE-01A, Attachments 1-6

OE-01B, Attachment 1

OE-01C, Attachments 1 and 2

OE-01D, Attachments 1 and 2

OE-01E, Attachment 1

OE-01F

OE-01 H, Attachments 1 and 2

OE-01 I, Attachment 1

OE-01 J, Attachments 1 and 2

OE-01 K, Attachments 1 and 2

OE-01 L, M, N, O Attachment 1 for each

OE-01 P

OE-01 Q – Attachment 1

OE-02 – OE-09, Attachment 1

OE-10 – OE-11, Attachment 1

OE-12, Attachments 1 and 2

(CS) Capital Structure

CS-01 – CS-03, Attachment 1

(PR) Proposed Rates and Regulations

PR-02, Attachments 1-3