

ORDER

NSUARB-NSPI-P-197
2010 NSUARB 97

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE *PUBLIC UTILITIES ACT*

- and -

IN THE MATTER OF Financial Reporting Standards for **Nova Scotia Power Incorporated**

BEFORE:  Peter W. Gurnham, Q.C., Chair

ORDER

WHEREAS by letter to the Nova Scotia Utility and Review Board (the "Board") dated January 28, 2010, Nova Scotia Power Incorporated ("NSPI") advised of its intention effective January 1, 2011, to use United States Generally Accepted Accounting Principles as the standard for external reporting purposes;

AND WHEREAS by letter to the Board dated March 17, 2010, NSPI requested, pursuant to Board Regulatory Rule 5.2, an exemption from Board Regulatory Rule 32;

AND WHEREAS Board Regulatory Rule 32 states:

Whenever a corporation subject to the *Public Utilities Act*, the *Gas Distribution Act* or the *Motor Carrier Act* is required or called upon to present its financial statements, they shall be prepared in accordance with the recommendations of the Canadian Institute of Chartered Accountants set out in the C.I.C.A. Handbook.

AND WHEREAS the Board Regulatory Rule 5.2 states:

The Board may dispense with, amend, vary or supplement, with or without a hearing, all or part of these rules at any time by making a procedural order, if it is satisfied that the special circumstances of the application so require, or it is in the public interest to do so.


AND WHEREAS in its letter of March 17, 2010, NSPI advised the Board as follows:

As noted in NSPI's January 28, 2010 letter, the Company will continue to make adjustments from the external financial statements to achieve regulatory reporting by NSPI to the UARB. An exemption from Rule 32 will have no effect on NSPI's disclosure or reporting to the Board, other than to clarify for the Company that there will be no inadvertent confusion as a result of the Rule's reference to the C.I.C.A. Handbook. NSPI suggests that the circumstances of the transition away from Canadian GAAP by the C.I.C.A. justify this exemption, and further that the exemption is in the public interest because NSPI's reporting under US GAAP will support continued transparency in financial reporting by NSPI to the UARB and to external stakeholders.

AND WHEREAS in these circumstances the Board is satisfied that it should dispense with the requirements of Board Regulatory Rule 32 in order to permit NSPI to implement its decision to transition to United States Generally Accepted Accounting Principles.

IT IS ORDERED that NSPI's use of United States Generally Accepted Accounting Principles as of January 1, 2011 as the standard for reporting purposes shall be exempt from the provisions of Board Regulatory Rule 32.

DATED at Halifax, Nova Scotia, this 7th day of May, 2010.


Clerk of the Board