NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by **Nova Scotia Power Incorporated** for approval of certain Revisions to its Rates, Charges and Regulations

BEFORE: Peter W. Gurnham, Q.C., Chair
Margaret A.M. Shears, Vice-chair
Kulvinder S. Dhillon, P. Eng., Member

SUPPLEMENTARY ORDER

WHEREAS this Application was heard by the Board on January 22, 23 and 24, 2007, and the Board issued its Decision on February 5, 2007;

AND WHEREAS the Board issued an Order on March 8, 2007;

AND WHEREAS the Board's decision of February 5, 2007 included the following:

> **7.5 Future Filing Requirements**
>
> [72] Item 13 on the Final Issues List was "development of standard filing requirements and other changes such as timing of information request responses". Dr. Stutz, in his Direct Evidence (Exhibit N-12), stated as follows:
>
> > Q. IN [IS] THERE ANY WAY TO AVOID OR AT LEAST MINIMIZE SUCH DEFICIENCIES IN THE FUTURE?
> >
> > A. Yes. I recommend that the Board direct Staff to work with NSPI and other interested parties, to develop standard filing requirements which NSPI will be required to meet when it files its evidence in any subsequent General Rate Proceeding. The requirements developed by Staff should be submitted to the Board within three months of the decision in this proceeding.
> >
> > (Exhibit N-12, pp. 22-23)

[73] The Board agrees with that recommendation and will so direct Staff.

AND WHEREAS by memo dated February 19, 2007, the Board outlined the process and timetable to enable Board staff to meet the directive;

AND WHEREAS the following timetable applied to the process:

1. Parties file their intention to participate in this process	February 26, 2007
2. Board Clerk issues a list of registered participants	February 28, 2007
3. Parties file their list of future filing requirements	March 12, 2007
4. NSPI files a response to the parties list	March 26, 2007
5. Board Staff prepares and circulates a "strawman proposal"	April 12, 2007
6. All parties file comments on the "strawman proposal"	April 24, 2007
7. Board Staff files its report with the Board	May 4, 2007

AND WHEREAS the Board has received the recommendation of Board staff and reviewed the comments of parties to the proceeding, including Nova Scotia Power Inc., Stora Enso Port Hawkesbury Limited and Bowater Mersey Paper Company Limited and the Province of Nova Scotia;

IT IS ORDERED that the "NSPI Future Filing Requirements" attached hereto as Appendix A shall be the filing requirements for any future general rate application filed by NSPI.

DATED at Halifax, Nova Scotia, this 15th day of May, 2007.

Clerk of the Board

Document: 130178.1

APPENDIX A

NSPI FUTURE FILING REQUIREMENTS

Objectives:

(A) To make the initial filing as complete as possible so examination of the case can begin on filing, without waiting for answers to IRs. The ultimate goal is to enhance the efficiency and effectiveness of the General Rate Application (GRA) process from a cost, time, and complexity perspective.

(B) To ensure the filing is in appropriate formats.

(C) To identify each document for reference (ie DE-1, SR-2,etc).

(D) To facilitate the objective of submitting the complete case electronically so it can be E-filed and "searchable".

(E) To eliminate similar or routine Information Requests.

(F) To allow for consistency in presentation from one GRA to the next.

(G) Documents prepared by NSPI for rate filing should be MS Word or Excel documents, formatted in Court of Appeal Format (numbered lines, double spaced) wherever possible.

BINDER 1

DE - Direct Evidence - Statement of Case

1. Notice of application.
2. Table of contents.
3. Direct evidence.
4. Testimony of experts.

SR – Studies and Reports (latest available)

1. Cost of Service study.
2. Load Forecast report.
3. Fuel Price Forecasts (industry forecasts used to indicate future trends in gas, oil, and coal prices).

BINDER 2

OP - Organization Profile

1. Latest regulated annual reports of NSPI and EMERA.

2. Current organization chart of NSPI showing all positions reporting no further than two levels down from the President and CEO, including a full organizational chart for the positions reporting to the Director, Fuels, Energy, and Risk Management.

3. Copy of latest OM & G review undertaken since last rate filing.

4. Listing of all assets (by function)(length of transmission lines by voltage class, length of distribution lines by voltage, number of substations, etc.).

5. Test year Power Production unit maintenance schedule of all units including hydro, and tidal, submitted as a Gant chart.

6. Breakdown of generating units by type showing in service date, net capacity, fuel type, heat rate, contribution to system peak, contribution towards annual energy. (include IPP and purchased power).

7. Physical, chemical specification sheets for all fuels.

8. IPP contract details.

9. Reliability Statistics for fossil fleet, and customer outage indices for NSPI and comparison to latest CEA all Canada values.

10. Numbers of customers by rate class.

11. Electronic link to latest Hydro Quebec report "Comparison of Electric Prices in Major North American Cities".

12. Presentations made by NSPI/Emera to Analysts and Bondholders, within the last year, on behalf of NSPI and Emera (to the extent NSPI is included in the Emera presentation) and copies of any reports NSPI has received from financial analysts or bondholders since the last rate filing.

13. Most recent Emera Proxy statement.

14. Applicable emissions targets legislated and compliance accomplished for past year and current year, and how compliance is planned for the test year and five years into the future.

15. Quantities and classes of shares, and price as of filing.

BINDER 3 (If more than 1 binder is required, they shall be designated a), b), etc)

Unless otherwise noted all Financial Documents shall be Excel spreadsheets. They shall be enumerated over five years – latest year (actual), current year (compliance), current year (forecast), test year (existing rates), and test year (proposed rates).

FOR – Financial Outlook

1. Regulated statement of earnings.
2. Regulated balance sheet.
3. Regulated statement of retained earnings.
4. Regulated statement of cash flows.
5. Electric revenue details.
6. Gwh production and sales.
7. Details of Fuel and Purchased Power as per Appendix A, Table 8, P-886 filing.
8. Operating, maintenance, and general expenses breakdown (by major component) in real and nominal dollars for the test year and five historic years.
9. Revenue requirement and rate increase breakdown.
10. Estimated average capital and cost of capital.
11. Details of Interest Charges.
12. Average rate base, supporting schedule – capital assets.
13. Average rate base, supporting schedule – deferred charges & credits.
14. Average rate base, supporting schedule – allowance for materials & supplies.
15. Average rate base, supporting schedule – allowance for working capital.

RB - Rate Base

1. Plant in service continuity schedule (by function) including beginning balance, additions, asset retirements, ending balance, accumulated depreciation beginning balance, depreciation/accretion expense, retirements, accumulated depreciation ending balance, and net plant.

   For the following, provide a schedule showing last year actual, current year forecast, current year compliance, test year present rates, and test year proposed rates.

2. Plant held for future use.
3. Construction work-in-progress.
4. Acquisition adjustments.
5. Cash working capital.
6. Materials and supplies.
7. Deferred income taxes.
8. Regulatory assets and other deferrals.
9. Financing charges.
10. Tax charges.
11. Pension charges.
12. Steam plant charges.
13. Other general charges.
14. Other deferred credits.
15. Long term receivables
16. Rate of return calculations.

DA - Depreciation and amortization expense and accumulated reserves

1. Depreciation rates by asset class.

2. Accumulated reserve for depreciation.

3. Amortization expense.

4. Asset retirement obligations (ARO) reserve

BINDER 4

OR - Operating revenues

1. "Proof of Revenues", similar to that provided in Appendix 6 of the Company's Compliance Filing dated April 29, 2005. Include a table showing the components of the change in required revenues for the test year.

2. Miscellaneous revenues and special charges.

3. Unbilled revenues.

4. Unregulated revenues.

5. Uncollectibles.

6. Sharing mechanisms.

7. Deferred cost recovery mechanisms.

8. Provide monthly data for the last two years for NSPI's sales of natural gas: quantities sold, prices received, buyer, and location of title transfer. For transportation paid for by NSPI, provide the name of the transporter, nature of the transportation service (firm, interruptible, released firm, etc.), and price paid. Also, provide summaries of the associated contracts that were in place over the last two years.

OE - Operating expenses

1. Fuel, purchased power costs.

   (A) Provide the latest detailed fuel forecast for test year in the same format and level of detail as the 2005 rate case (P-881) response to UARB IR-49 and as submitted in 2007 rate case (P-886) response to UARB IR-84. Identify the date and price of the forward price curve data used for HFO and natural gas forecasts. Also provide the Strategist runs used to compute the fuel and purchased power costs for the test year.

(B) Provide the current forecast of fuel burn levels for each plant for the current year and the test year. Include projections for each fuel type, MMBTU consumed, % sulphur in the fuel, tonnes of SO2 emitted, dollars for each fuel type, and $/MMBTU for each fuel type. Provide additional information to indicate the future solid fuel requirements for 3 years beyond the test year

(C) Provide fuel costs per MWh for the past year (actual), Current year (forecast), and test year. Provide the substantiating detail for the fuel costs for each of these years; such detail should include all of the individual fuel cost components as follows, on a cost per MWh basis, and a total dollar basis:

i. Costs for import coal
ii. Costs for domestic coal
iii. Costs for pet-coke
iv. Costs for oil
v. Costs for natural gas used
vi. Credits from the sale of natural gas
vii. Costs for purchased power, and
viii. Solid fuel transportation costs

(D) Provide, for the last two years, the history of fossil fuel use, by fuel type, by fuel qualities, by MMBTU contribution, and by cost of fuel.

(E) Provide a summary of the current fuel contract status for each fuel (domestic coal, pet-coke, low sulfur coal, mid sulfur coal, high sulfur coal, heavy fuel oil, natural gas), and by fuel supplier, for the next five years. Show for each fuel both the amount of fuel already under contract for each year, as well as the balance of open or un-contracted fuel for each year. Include the sulfur content of the fuels as appropriate.

(F) Provide a copy of the latest Fuel Procurement Manual.

(G) Provide the test year monthly quantities of fossil fuels projected to replace the natural gas under contract that is assumed to be sold, rather than used by NSPI. Provide the calculations that support NSPI's fuel cost savings of buying these replacement fuels, as compared to NSPI using the quantities of natural gas under contract using Strategist reports.

(H) For the test year forecast (proposed rates) provide the solid fuel commodity costs, transportation costs to move the solid fuel to Nova Scotia, foreign exchange, and the costs to move the solid fuels within Nova Scotia to each of the generating stations. Show each cost component separately for the various solid fuels used at each NSPI generating plant. Include in the response a calculation of the fuel price in $/MMBTU for each component of the fuel price, so that the final plant-delivered cost is that used as input to the Strategist run. Include sources used to derive the requested data, and the date the forecast was prepared.

(I) Provide a summary of the current fuel transportation contract status for each fuel, and by transportation provider, for the next five years. Show for each fuel both the amount of fuel transportation already under contract for each year, as well as the balance of open or un-contracted fuel transportation for each year.

(J) For each fuel, describe (qualitatively and quantitively) any hedging programs in place, current year hedge positions, and any hedging programs planned for the test year.

(K) Provide forecasted prices calculation for uncommitted tonnages of solid fuels for the test year.

(L) Provide data showing how much gas was contracted to be supplied, how much was used (show separately the volumes burned in the combustion turbines at Tufts Cove, and those volumes burned in the steam units), how much was available for sale, and how much was sold, by month for the past year (actual), present year (forecast), and test year.

(M) Provide information on all fuel related Affiliate Transactions for the last two years actual.

(N) Provide a copy of the latest Fuel Supply or Transportation Studies conducted since the last rate filing.

(O) Provide details on Export and Import Power Calculations over the standard financial timeframes.

(P) Provide information on current Force Majeure issues or other known disputes that may impact fuel deliveries.

(Q) Provide a table showing the calculation of the cost and recoveries for Fuel for Resale (i.e. Appendix A, Table 8 of NSPI's October 2006 filing) for the current year, test year, and the most recent five years of actual data. In the table address each of the key elements in the calculation (as shown on page 53 of the October 2006 filing).

2. Maintenance and repair expenses.

3. Insurance and security costs.

4. Salaries and benefits.

5. Pension expenses, noting any changes to assumptions since the last rate filing.

6. Other post retirement benefits.

7. Billing and collection expense.

8. Outside or contract services.

9. Regulatory expenses.

10. Income tax, including details of tax calculations.

11. Taxes other than income taxes, including details of tax calculations.

12. Foreign exchange hedging.

13. Dues and professional association charges.

BINDER 5

CS - Capital structure

1. Capitalization

    (A) Debt (%)
    (B) Preferred (%)
    (C) Common (%)
    (D) Total Regulated Capitalization ($)

2. Financial ratios

    (A) Return on approved regulated common equity (%)
    (B) Average common equity ($M)
    (C) FFO interest coverage (times)
    (D) FFO to Adjusted Debt (%)

3. Details of Debt (short, medium, and long-term)

BINDER 6

PR – Proposed Rates & Regulations

1. Proposed rates.

2. Proposed miscellaneous charges.

3. Proposed regulation changes